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QEH
HEALTH SCIENCES CENTRE
FOUNDATION

FINANCIAL STATEMENTS
March 31, 2022

Queen Elizabeth II Health Sciences Centre Foundation

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Independent auditor's report

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To the members of the Board of Directors of the
Queen Elizabeth II Health Sciences Centre Foundation

Opinion

We have audited the financial statements of the Queen Elizabeth II Health Sciences Centre Foundation (the "Foundation"), which comprise the balance sheet as at March 31, 2022, and the statements of revenue, expenses and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Queen Elizabeth II Health Sciences Centre Foundation as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Halifax, Canada
June 22, 2022

Chartered Professional Accountants

Queen Elizabeth II Health Sciences Centre Foundation

Statements of revenue, expenses and fund balances

Year Ended March 31

	Undesignated fund	Designated fund	Endowment fund	<u>2022</u> \$	<u>2021</u> \$
Fundraising programs revenue					
Annual programs	504,948	1,287,078	58,565	1,850,591	2,225,376
Planned giving	1,098,381	484,144	531,956	2,114,481	5,097,204
Major gifts	32,327	4,516,595	52,000	4,600,922	4,648,363
Special events (note 3)	-	2,577,101	-	2,577,101	1,537,112
Total fundraising programs revenue	1,635,656	8,864,918	642,521	11,143,095	13,508,055
Fundraising program costs	(2,955,959)	(701,603)	-	(3,657,562)	(3,509,726)
Net fundraising	(1,320,303)	8,163,315	642,521	7,485,533	9,998,329
Gaming income, net (note 4)	10,443,917	-	-	10,443,917	7,426,556
Investment income (loss), net (note 5)	(173,233)	-	829,971	656,738	7,995,101
General and administrative expenses	(2,005,305)	-	-	(2,005,305)	(2,080,648)
Government grants and subsidies (note 6)	408,442	-	-	408,442	1,285,777
Excess of revenue over expenses	7,353,518	8,163,315	1,472,492	16,989,325	24,625,115
Fund balances, beginning of year	13,063,629	28,392,830	43,590,508	85,046,967	69,475,100
Excess of revenue over expenses	7,353,518	8,163,315	1,472,492	16,989,325	24,625,115
Grants and charitable activity (note 7)	(417,611)	(10,441,636)	(876,000)	(11,735,247)	(9,053,248)
Interfund transfers (note 8)	(12,095,870)	10,833,840	1,262,030	-	-
Fund balances, end of year	7,903,666	36,948,349	45,449,030	90,301,045	85,046,967

See accompanying notes to the financial statements.

Queen Elizabeth II Health Sciences Centre Foundation

Balance sheet

Year Ended March 31

2022

2021

	Undesignated fund	Designated fund	Endowment fund	\$ Total	\$ Total
Assets					
Current					
Cash	4,528,856	14,909,077	5,073,681	24,511,614	25,979,880
Cash held for lottery	7,241,034	-	-	7,241,034	10,311,784
Receivables	541,238	369,991	3,900	915,129	800,897
Prepays and other (note 4)	<u>3,818,672</u>	<u>14,500</u>	-	3,833,172	<u>500,246</u>
	16,129,800	15,293,568	5,077,581	36,500,949	37,592,807
Investments, at market value (note 9)	-	23,363,118	40,525,172	63,888,290	59,890,184
Capital assets (note 10)	<u>247,516</u>	-	-	247,516	<u>350,170</u>
	16,377,316	38,656,686	45,602,753	100,636,755	97,833,161

Liabilities and fund balances

Liabilities

Current

Unearned revenue	2,766,099	120,846	-	2,886,945	4,142,177
Payables and accruals	<u>4,900,653</u>	<u>1,587,491</u>	<u>153,723</u>	6,641,867	<u>7,827,030</u>
	7,666,752	1,708,337	153,723	9,528,812	11,969,207
Employee pension plan benefits (note 11)	806,898	-	-	806,898	816,987
Fund balances	<u>7,903,666</u>	<u>36,948,349</u>	<u>45,449,030</u>	90,301,045	<u>85,046,967</u>
	16,377,316	38,656,686	45,602,753	100,636,755	97,833,161

Commitments (note 12)

On behalf of the Board



Director



Director

See accompanying notes to the financial statements.

Queen Elizabeth II Health Sciences Centre Foundation

Statement of cash flows

Year Ended March 31	2022	2021
Increase (decrease) in cash	\$	\$
Operating		
Excess of revenue over expenses	16,989,325	24,625,115
Fund disbursements	(11,735,247)	(9,053,248)
Amortization	102,654	119,676
Realized income and gains on investments	(3,045,076)	(237,210)
Unrealized change in market value of investments	2,397,447	(7,798,620)
	<u>4,709,103</u>	<u>7,655,713</u>
Changes in non-cash working capital		
Receivables	(114,232)	24,581
Prepays and other	(3,332,926)	(97,803)
Unearned revenue	(1,255,232)	867,674
Payables and accruals	(1,185,163)	5,742,497
Employee Future Benefits	(10,089)	(17,783)
Subtotal	<u>(5,897,642)</u>	<u>6,519,166</u>
	<u>(1,188,539)</u>	<u>14,174,879</u>
Investing		
Net (additions) withdrawals from investments	(3,350,477)	2,010,987
Net change in cash held for lottery	3,070,750	(6,230,466)
	<u>(279,727)</u>	<u>(4,219,479)</u>
Net (decrease) increase in cash	(1,468,266)	9,955,400
Cash		
Beginning of the year	<u>25,979,880</u>	<u>16,024,480</u>
End of the year	<u>24,511,614</u>	<u>25,979,880</u>

See accompanying notes to the financial statements.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2022

1. Nature of operations

The Queen Elizabeth II Health Sciences Centre Foundation Inc. (the “Foundation”) is a not-for-profit organization established to raise and receive funds to support patient care, education and research at the Queen Elizabeth II Health Sciences Centre (the “Health Centre”). The Foundation is a registered charity under the Income Tax Act and as such, is not subject to income tax.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”). The significant policies are detailed as follows:

Fund accounting

The Foundation follows the Restricted Fund method of accounting for donations.

The Undesignated Fund represents the Foundation’s general fundraising, gaming, investment and administrative activities. The Undesignated Fund reports amounts received for which a specific purpose has not been identified by the donor. The Undesignated Fund represents unrestricted resources available for immediate purposes.

The Designated Fund represents amounts received from donors and special events to be used for an identified purpose as specified by the donor on the receipt of the contributions or as determined by the Board.

The Endowment Fund represents amounts either received from a donor or internally restricted by the Board that require that the principal be invested by the Foundation permanently. Investment income generated on endowments must be used in accordance with the various purposes established by the donor or the Board of Directors. The Foundation has established an Endowment Management Policy and an Investment Policy Statement to manage endowments.

Revenue recognition

Unrestricted donations are recognized as revenue of the Undesignated Fund when received. The gross amount of gaming revenue received for lottery ticket sales, net of any expenses incurred to date, is recorded as cash held for lottery and unearned revenue until the lottery draw occurs and the remaining expenses are paid.

Restricted donations are recognized as revenue of the Designated Fund. Donations are considered restricted when specifically restricted by the donor and when received for a specific campaign.

Contributions where the capital resource is to be maintained permanently are recognized as revenue of the Endowment Fund.

Donated insurance policies are recognized into income at their estimated fair value on the date ownership is transferred to the Foundation. The Foundation has recognized \$Nil (2021 - \$Nil) of donated insurance policies into income during the year.

Government grants and subsidies

The Foundation recognizes government grants and subsidies toward current operating expenses in the Unrestricted Fund of the statement of operations. When government assistance received relates to the acquisition of capital assets, the Foundation deducts the assistance from the cost of the related capital asset. When government assistance received relates to future expenses or future capital purchases, the Foundation defers the assistance and recognizes it in the statement of operations as the related expenses are incurred or against capital assets as capital purchases are made. Contributions from federal, provincial or municipal governments or their agencies that support fundraising projects are recognized as fundraising revenue in accordance with revenue recognition policies.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost in the Undesignated Fund and amortized using the straight-line method over the estimated useful lives of the assets as follows:

Leasehold improvements	Remaining lease term
Office equipment and furniture	5 years
Computer equipment	5 years

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments that are quoted in an active market such as equities and bonds are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry investments in pooled funds at fair value with changes in fair value recognized in net income in the period in which they arise. Fair value is measured as the closing price of an investment on an active quoted market.

Investments in pooled funds with underlying investments in equities or bonds and debentures or short term deposits and cash are valued based on the latest unit values supplied by the external pooled fund investment manager. Investments in pooled funds also include alternative investments, which include real estate assets. Real estate assets held within pooled funds are independently appraised by third parties in determining the net asset value reported by the fund manager. As part of the Foundation's investment management strategy, the Foundation is committed to future investment in loan portfolios. This represents the Foundation's proportionate share of underlying net assets at fair value determined using closing market prices.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs. These costs are amortized using the effective interest rate method.

The financial instruments measured at amortized cost are cash, cash held for lottery, receivables, prepaids and other assets, unearned revenue, and payables and accruals.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

All undesignated and designated investment income earned is recognized as revenue of the Undesignated Fund. Endowment investment income is recognized as revenue of the Endowment Fund.

The Foundation is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure as at the date of the financial statements.

i) Credit risk

The Foundation is exposed to credit risk in the event of non-performance by counterparties to financial instruments. The Foundation mitigates this risk by monitoring the performance of the individual investments held in alternative funds and ensuring compliance by the investment manager with the investment policies of the Foundation. The Foundation is of the view it is not exposed to significant credit risk.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

ii) Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to pay financial liabilities as they come due. The Foundation's liquidity risk is managed on a daily basis in accordance with the Foundation's Investment Policy Statement. The Foundation maintains sufficient cash balances to meet its immediate liabilities. The majority of invested assets held by the Foundation are invested in securities that are traded in an active market and can be readily disposed of as liquidity needs arise. Alternative investments are only held in the Endowment Fund with very limited expectation that liquidity will be required on short notice.

iii) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. For purposes of this disclosure, the Foundation segregates market risk into three categories: interest rate risk, currency risk and other price risk.

Interest rate risk

Interest risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in market interest rates. The Foundation is not exposed to any significant interest rate risk.

Currency risk

The Foundation's functional currency is the Canadian dollar. Foreign currency risk arises from the Foundations investments that are denominated in a foreign currency. Fluctuations in the relative value of foreign currencies against the Canadian dollar can result in positive or negative effect on the fair value of the investments. The Foundation is not exposed to any significant currency rate risk.

Other price risk

Other price risk is the risk that the value of financial instruments will fluctuate as a result of changes in market prices, other than those occurring from interest rate risk or currency risk. Securities held for trading are carried at fair value and, as such, impact earnings as changes occur. Investments held in alternative funds expose the Foundation to price risk, however this is sufficiently mitigated through pooled investments and diversification of portfolios.

These risks are mitigated through the use of professional investment managers, and appropriate asset, sector and geographic allocation.

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known. Items subject to significant management estimates include unearned revenue, unfunded pension plan liabilities, life insurance policies, and fair value of investments.

Donated materials and services

Donated materials and services are recorded in the financial statements when the fair value of these items can be reasonably estimated. The Foundation has recognized \$187,151 (2021 - \$105,328) as donated materials and services during the year. Donated materials included in capital assets for the Health Centre such as equipment and furniture, as well as advertising, media coverage, and promotional items.

Cash

Cash in the bank is currently in an interest bearing account yielding interest at prime less 1.75% for closing daily balances.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Employee future benefits

The Foundation has a multi-employer defined benefit plan and registered retirement savings plan, both of which have been accounted for as defined contribution plans.

The Foundation also has a Supplemental Employee Pension Plan, for which it accrues the estimated liability payable in subsequent years according to its policy. The retirement benefit is actuarially determined using the projected benefit method prorated on service.

3. Special events

	<u>2022</u>	<u>2021</u>
Ride for Cancer	\$	\$
Gross revenue	2,301,750	1,474,810
Direct expenses	<u>593,039</u>	<u>380,426</u>
	<u>1,708,711</u>	<u>1,094,384</u>
Jordan Boyd Celebrity Hockey/ Golf Challenge		
Gross revenue	245,851	62,302
Direct expenses	<u>92,454</u>	<u>6,148</u>
	<u>153,397</u>	<u>56,154</u>
Heart Heroes		
Gross revenue	29,500	-
Direct expenses	<u>-</u>	<u>24,462</u>
	<u>29,500</u>	<u>(24,462)</u>

4. Gaming income, net

	<u>2022</u>	<u>2021</u>
Revenue	\$	\$
Home Lottery	25,172,352	19,762,887
Workin' To Win and 50/50 Raffle	<u>152,824</u>	<u>172,820</u>
	<u>25,325,176</u>	<u>19,935,707</u>
Expenses		
Home Lottery	14,828,151	12,449,309
Workin' To Win and 50/50 Raffle	<u>53,108</u>	<u>59,842</u>
	<u>14,881,259</u>	<u>12,509,151</u>
	<u>10,443,917</u>	<u>7,426,556</u>

The Foundation has purchased land outright, advanced deposits secured by mortgages on land as part of purchase and sale agreements and made progress payments on construction contracts of \$4,625,050 related to future QEII Home Lottery programs which has been included in prepaids and other assets.

The Foundation has entered into future commitments of \$3,730,175 for the construction of properties for the QEII Home Lottery.

5. Investment income, net

Investment income includes interest, dividends and realized gains (losses) and changes in fair value.

Investment expenses consist of management fees and investment consulting fees. Management fees are paid in accordance with Investment Management Agreements based the on the average daily market value of assets under management.

	<u>2022</u>	<u>2021</u>
	\$	\$
Revenue	1,071,598	8,387,619
Expenses	<u>414,860</u>	<u>392,518</u>
	<u>656,738</u>	<u>7,995,101</u>

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2022

6. Government grants and subsidies

Due to COVID-19 the Government of Canada implemented the COVID-19 Economic Response Plan. Under this plan the Foundation was eligible for the Canada Wage Subsidy (CEWS), the 10% Temporary Wage Subsidy (TWS) and the Canada Emergency Rent Subsidy (CERS). Total subsidies received under these programs amount to \$408,442 (2021 - \$1,285,777).

7. Grants and charitable activity

The following highlight significant projects for which grants were issued during the year.

Undesignated Fund

	<u>2022</u>	<u>2021</u>
	\$	\$
Echocardiography	198,078	-
Prostate Biopsy Equipment	193,091	-
Tumour Bank	-	64,000
Other	<u>26,442</u>	<u>103,187</u>
	<u>417,611</u>	<u>167,187</u>

Designated Fund

Hybrid Interventional Operating Room	3,427,661	-
Capital Equipment Support Grant	1,000,000	-
Interventional Radiology Suites	974,625	-
Robotics Surgical Systems	883,726	2,516,863
Colposcopy Equipment	331,459	-
Translating Research Into Care (TRIC)	300,000	215,749
COVID Recovery Fund	272,522	-
E-Mental Health	253,196	-
Staying Connected Mental Health Project	218,104	162,799
Aortic Research	200,000	-
rTMS (Repetitive Transcranial Magnetic Stimulation)	188,554	-
Eye Care Centre – Corneal Topography & Pupilometer	180,503	-
Heart Health Innovation Fund Grants	178,489	-
Cancer Research – AIF Program	153,540	-
Ride for Cancer - Leukemia and Lymphoma Society	150,000	151,097
Nova Scotia Cancer Centre – EBUS and Bronchoscope	119,866	-
Neurosurgery Research	102,162	109,949
Inflammatory Bowel Disease Research	99,600	63,832
Gallium Scanner	95,000	-
PET CT Extended Field of View	-	500,000
Clinical Perioperative Operations - Equipment	-	498,828
Cancer Therapy Preparation Lab	-	478,820
COVID-19 Response Fund	-	458,127
Orthopaedic Surgery - Operating Microscope	-	254,973
COVID-19 Research Coalition Grant	-	250,000
Marathon of Hope Cancer Care Network	-	250,000
Jordan Boyd Memorial Fund - Inherited Heart Disease Research	-	190,000
Multi-organ Transplant Program	-	140,223
Maritime Heart Centre - Approach Database	-	134,581
Brain Surgery Research	-	103,333
Designated Estates - Digital Mobile C-Arm	-	100,000
F.B. Wickwire - Hematologic Cancer Research	-	100,000
Other	<u>1,312,629</u>	<u>1,387,695</u>
	<u>10,441,636</u>	<u>8,066,869</u>

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2022

7. Grants and charitable activity (continued)

Endowment Fund

	<u>2022</u>	<u>2021</u>
	\$	\$
Research Chairs	581,000	589,178
Other	<u>295,000</u>	<u>230,014</u>
	<u>876,000</u>	<u>819,192</u>
	<u>11,735,247</u>	<u>9,053,248</u>

8. Interfund transfers

During the year, funds were transferred between the Undesignated, Designated, and Endowment Funds as follows:

	<u>Undesignated</u>	<u>Designated</u>	<u>Endowment</u>
	\$	\$	\$
Board approved fund designations	(11,067,500)	11,067,500	-
Board approved endowment to research chairs	(954,730)	-	954,730
Other Transfers	<u>(73,640)</u>	<u>(233,660)</u>	<u>307,300</u>
	<u>(12,095,870)</u>	<u>10,833,840</u>	<u>1,262,030</u>

9. Investments, at market value

The Foundation invests in accordance with its investment policies approved by the Board of Directors. The policies provide financial objectives, asset mix and permitted investment guidelines for each investment account type.

The nature and fair value of the underlying investments held for each investment account are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Designated		
Cash and short term deposits	3,536,212	5,687,091
Fixed income	7,581,089	9,336,031
Equities	<u>12,245,817</u>	<u>7,118,522</u>
	<u>23,363,118</u>	<u>22,141,644</u>
Endowment		
Cash and short term deposits	-	167,123
Fixed income	3,095,977	11,413,149
Core plus fixed income	2,264,864	-
Equities	30,444,127	26,168,268
Real estate assets	<u>4,720,204</u>	<u>-</u>
	<u>40,525,172</u>	<u>37,748,540</u>
	<u>63,888,290</u>	<u>59,890,184</u>

The Foundation has an outstanding commitment to invest \$2,250,000 in a mortgage fund over the next one to two years.

Queen Elizabeth II Health Sciences Centre Foundation

Notes to the financial statements

March 31, 2022

10. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
	\$	\$	\$	\$
Leasehold improvements	293,811	167,690	126,121	156,577
Office equipment and furniture	260,048	234,142	25,906	47,547
Computer equipment	271,216	175,727	95,489	146,046
	<u>825,075</u>	<u>577,559</u>	<u>247,516</u>	<u>350,170</u>

11. Employee pension plan benefits

The Foundation has an RRSP matching agreement with select employees employed prior to March 1, 2007. The Foundation will match an employee's RRSP contribution up to a maximum of 5% of the employee's salary.

The Foundation is a member of a multi-employer defined benefit pension plan administered by Health Association Nova Scotia ("HANS"). The most recent actuarial valuation for funding purposes as at July 1, 2021 indicated a funding ratio of 109%. Existing employees that are enrolled in the RRSP matching agreement can choose to join the Nova Scotia Health Employees Pension Plan ("NSHEPP") or stay with the original Plan. New employees, after March 1, 2007, must join the NSHEPP.

During 2002, the Foundation established an unfunded Supplemental Pension Plan arrangement also administered by HANS, covering certain of its senior management employees. The benefits are based on years of service and final average salary. The most recent actuarial valuation for funding purposes on this plan was conducted on May 4, 2020 for the March 31, 2020 year end.

The total cost for these plans recognized in the current year is \$280,588 (2021 - \$307,459).

The funded status of the Supplemental Pension Plan is as follows:

	2022	2021
	\$	\$
Accrued benefit obligation and liability	<u>806,898</u>	<u>816,987</u>

The Foundation has sufficient undesignated net assets to meet the current obligations of the Supplemental Pension Plan.

12. Commitments

The Foundation rents office spaces under an operating lease which expires on April 30, 2026. The minimum lease commitments relating to this for the next four years are as follows:

2023	\$ 293,007
2024	284,228
2025	284,228
2026	277,957

The Foundation issues non-binding multi-year commitments to the QEII Health Sciences Centre (Nova Scotia Health) to support the purchase of equipment and technology, improve patient care and to support research and education initiatives. The total of these commitments at March 31, 2022 is \$6,854,914 (2021 - \$9,019,149).

13. Comparative figures

Certain of the comparative figures for the prior year have been reclassified to confirm to the financial statement presentation adopted for the current period.



The time is now. A new QEII is coming.

Transformed health. Transformed lives. This is our vision. For more than 25 years – with incredible support from the community – the QEII Foundation has been advancing health care at the QEII Health Sciences Centre by funding new technologies, medical research, innovation and professional education.

We are on a crusade to bring the very best health care to Atlantic Canada – for the patients counting on us.