

Financial Statements of

BC WOMEN'S HEALTH FOUNDATION

And Independent Auditors' Report thereon

Year ended March 31, 2021



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of BC Women's Health Foundation

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of BC Women's Health Foundation (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2021, 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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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 the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

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

Auditors' 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 auditors' 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 the 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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, stylized font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants

Vancouver, Canada
June 22, 2021

BC WOMEN'S HEALTH FOUNDATION

Statement of Financial Position

March 31, 2021, with comparative information for 2020


	2021	2020
Assets		
Current assets:		
Cash	\$ 2,377,621	\$ 976,274
Investments, at fair value (note 3)	15,908,125	15,376,552
Accounts receivable	7,358	1,962,978
Prepaid expenses	8,266	16,680
	<u>18,301,370</u>	<u>18,332,484</u>
Investments restricted for endowments, at fair value (note 3)	623,886	621,848
	<u>\$ 18,925,256</u>	<u>\$ 18,954,332</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 6)	\$ 408,871	\$ 473,905
Due to BC Women's Hospital and Health Centre (note 8)	103,606	105,381
Due to Provincial Health Services Authority (note 9(b))	213,271	471,473
Deferred revenue	-	27,700
	<u>725,748</u>	<u>1,078,459</u>
Fund balances:		
Unrestricted:		
General	8,169,671	4,739,646
Education and awareness	86,473	-
	<u>8,256,144</u>	<u>4,739,646</u>
Externally restricted (note 10)	9,319,478	12,514,379
Endowment	623,886	621,848
	<u>18,199,508</u>	<u>17,875,873</u>
	<u>\$ 18,925,256</u>	<u>\$ 18,954,332</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:

 Director

 Director

BC WOMEN'S HEALTH FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2021, with comparative information for 2020

	Unrestricted fund		Externally restricted fund	Endowment fund	Total 2021	Total 2020
	General	Education and awareness				
Revenue:						
Donations:						
Campaigns (note 5)	\$ -	\$ -	\$ 2,325,910	\$ -	\$ 2,325,910	\$ 3,296,475
Fundraising	1,208,129	225,340	1,718,228	-	3,151,697	4,469,984
Vancouver Foundation (note 4)	2,843	-	-	-	2,843	2,764
Gifts-in-kind	437,749	-	-	-	437,749	726,964
Investment income	760,495	-	-	2,038	762,533	351,078
Government contributions:						
Canadian Institutes of Health Research (note 7(a))	-	197,690	1,937,090	-	2,134,780	1,928,588
Ministry of Health (note 7(b))	123,800	-	1,114,200	-	1,238,000	19,838
	2,533,016	423,030	7,095,428	2,038	10,053,512	10,795,691
Expenses:						
Salaries and benefits	2,000,117	201,992	374,688	-	2,576,797	2,859,693
Fundraising and marketing	568,167	134,565	57,028	-	759,760	1,268,639
Gifts-in-kind	437,749	-	-	-	437,749	726,964
Office and administration	351,478	-	34,014	-	385,492	559,254
Total expenses before the undernoted	3,357,511	336,557	465,730	-	4,159,798	5,414,550
Canada Emergency Wages Subsidy (note 15)	(678,515)	-	-	-	(678,515)	-
Total expenses, net	2,678,996	336,557	465,730	-	3,481,283	5,414,550
Excess (deficiency) of revenue over expenses before the undernoted	(145,980)	86,473	6,629,698	2,038	6,572,229	5,381,141
Realized capital gains on investments	397,261	-	-	-	397,261	33,020
Fair value adjustment on investments	2,088,721	-	-	-	2,088,721	52,313
Disbursements to qualified donees (note 8)	-	-	(8,734,576)	-	(8,734,576)	(4,288,912)
Excess (deficiency) of revenue over expenses	2,340,002	86,473	(2,104,878)	2,038	323,635	1,177,562
Fund balances, beginning of year	4,739,646	-	12,514,379	621,848	17,875,873	16,698,311
Interfund transfers (note 11)	1,090,023	-	(1,090,023)	-	-	-
Fund balances, end of year	\$ 8,169,671	\$ 86,473	\$ 9,319,478	\$ 623,886	\$ 18,199,508	\$ 17,875,873

See accompanying notes to financial statements.

BC WOMEN'S HEALTH FOUNDATION

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 323,635	\$ 1,177,562
Items not involving cash:		
Unrealized gain on investments	(2,088,721)	(52,313)
Net changes in non-cash operating working capital:		
Accounts receivable	1,955,620	(1,927,087)
Prepaid expenses	8,414	9,738
Accounts payable and accrued liabilities	(65,034)	(31,576)
Due to BC Women's Hospital and Health Centre	(1,775)	(196)
Due from (to) Provincial Health Services Authority	(258,202)	619,285
Deferred revenue	(27,700)	(35,275)
Cash used in operating activities	(153,763)	(239,862)
Investing activities:		
Redemption of investments	1,952,371	-
Purchase of investments, net of fees - reinvested dividend income	-	(166,063)
Purchase of investments - reinvested realized gain on investments	(397,261)	(33,020)
Cash provided by (used in) investing activities	1,555,110	(199,083)
Increase (decrease) in cash	1,401,347	(438,945)
Cash, beginning of year	976,274	1,415,219
Cash, end of year	\$ 2,377,621	\$ 976,274

See accompanying notes to financial statements.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements

Year ended March 31, 2021

1. Operations:

BC Women's Health Foundation (the "Foundation") was incorporated on August 22, 1995 and is registered under the *Societies Act* (British Columbia).

The Foundation has a pan-provincial mandate to support the advancement of the full spectrum of women's health, across all life stages, through philanthropy. This includes the support of the British Columbia Women's Hospital and Health Centre (the "Hospital"), and its research institute ("Women's Health Research Institute"), in its mission of health care, education and research relating to women, newborns and families. The Hospital is a part of the Provincial Health Services Authority ("PHSA"), which was established on December 12, 2001.

The Foundation is a registered charity under the Income Tax Act and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

The COVID-19 pandemic and related restrictions have required the Foundation's fundraising events to be postponed, canceled or changed to virtual delivery resulting in a change to revenue targets and sources. In addition, the Foundation's operations have moved to a remote workplace. The Foundation continues to closely monitor the impact on its financial implications and continuing operations.

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund accounting:

In order to ensure observance of the limitations and restrictions placed on the use of resources available, the Foundation's resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by the donors or in accordance with directives issued by the Board of Directors (the "Board").

Transfers between the funds are made when it is considered appropriate and authorized by relevant parties. To meet the objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These interfund transfers are recorded in the Statement of Operations and Changes in Fund balances.

For financial reporting purposes, the accounts have been classified into the following funds:

(i) Unrestricted fund:

The unrestricted fund comprises donations that are not specifically designated by donors, as well as, investment income earned that is not externally restricted by donors for a specific purpose and include the Foundation's Education and Awareness activities. General fundraising and administrative costs are charged to the unrestricted fund except as otherwise allocated (note 2(h)).

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

2. Significant accounting policies (continued):

(a) Fund accounting (continued):

(ii) Externally restricted fund:

The externally restricted fund comprises funds for which the purposes have been specifically designated by donors. This fund includes amounts which are restricted for use in research, patient care and other designated areas of the Foundation's support contribution activities (note 10). The Foundation has implemented a Board approved policy to charge a 10% administration fee on restricted gifts excluding major gift and capital campaign fundraising activities. These fees are charged and recorded in the unrestricted fund when the gifts are received. Major gifts and capital campaigns are subject to an allocation of overhead expenses (note 2(h)).

(iii) Endowment fund:

The endowment fund comprises funds that are permanently maintained in accordance with donor wishes and recapitalized investment income relating to external donor endowments.

(b) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted sponsorship revenue received in advance of the related fundraising event is deferred and recognized when the event is completed or the revenue is earned.

Externally restricted contributions are recognized as revenue of the related restricted funds when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Donation revenue is generally recognized when received. Externally restricted contributions for future expenses for which a restricted fund does not exist are recorded as deferred revenue of the unrestricted fund and recognized as revenue in the period the related expense is incurred or the restrictions are met.

Endowment contributions are recognized as revenue of the endowment fund when received.

Investment income on unrestricted and externally restricted funds is recognized in the unrestricted fund when earned. Investment income from endowment funds is recognized in the unrestricted or restricted fund when earned, in a manner consistent with the endowment agreement. Fair value adjustment on investments are recorded in the unrestricted fund.

(c) Contributions to the Hospital:

As the Foundation enters into non-reciprocal irrevocable obligations, the related contributions to the Hospital are recorded as liabilities at that time (note 8).

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

2. Significant accounting policies (continued):

(d) Contributed materials and services:

Contributed materials are recorded at their fair market value where the amounts are reasonably determinable.

A substantial number of volunteers and corporate supporters contribute a significant amount of their time and services to the Foundation each year. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Areas requiring management estimates include the fair value of gifts-in kind, and valuation of alternative investments. Actual results could differ from those estimates.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to carry its investments at fair value.

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, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

2. Significant accounting policies (continued):

(g) Employee future benefits:

The employees of the Foundation are members of the Municipal Pension Plan, a multi-employer defined benefit plan. Contributions towards the plan are expensed as incurred.

(h) Allocation of expenses:

The Foundation has a Board approved policy of allocating overhead expenses to capital campaigns and major gift fundraising initiatives, including salaries and benefits and other office general and administration expenses. The cumulative total direct and indirect costs of any capital campaign or major gift fundraising initiative shall not exceed 20% of the cumulative total revenue raised by the capital campaign and major gift fundraising initiatives at its conclusion.

3. Investments, at fair value:

Investments are comprised of the following:

	2021	2020
Pooled funds:		
Bonds	\$ 4,294,183	\$ 5,121,990
Equities	7,166,123	6,103,910
Multi strategy investments	3,126,326	3,127,609
Alternative investments	1,945,379	1,644,891
	<hr/>	<hr/>
	\$ 16,532,011	\$ 15,998,400
Investments	\$ 15,908,125	\$ 15,376,552
Investments restricted for endowments	623,886	621,848
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	\$ 16,532,011	\$ 15,998,400

The Foundation invests in pooled funds in accordance with the Foundation's Board approved investment policy. The realized yield on the investments was 7.25% (2020 - 2.44%) for the year ended March 31, 2021. The yield, excluding the realized gains portion is 4.77% (2020 - 2.32%).

	2021	2020
Interest and dividends	\$ 762,533	\$ 351,078
Net realized gains on investments	397,261	33,020
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	\$ 1,159,794	\$ 384,098

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

4. Endowment fund held at Vancouver Foundation:

The Foundation established an endowment fund (the "Fund") which is administered by the Vancouver Foundation and is permanently restricted. The principal cannot be withdrawn and, accordingly, the balance of \$65,784 (2020 - \$65,784) is not reflected in these financial statements. As at March 31, 2020, the Fund's market value was \$77,919 (2020 - \$65,538). Any distributions received are included as income in the period.

Under the terms of the Fund, the Foundation receives investment income earned on the investments. Income of \$2,843 (2020 - \$2,764) from the Fund has been recorded in the unrestricted fund of the Foundation in accordance with the terms of the endowment fund.

5. Campaign revenue:

The Foundation recognized revenue in relation to the following major campaigns:

	2021	2020
Women's Specialized Health Care	\$ 1,000,000	\$ 1,000,000
FIR / SRMC Refresh	635,000	330,000
Milk Bank	400,518	875,930
Reproductive Mental Health	225,392	-
Ultrasound	65,000	1,018,000
Neonatal Intensive Care Unit	-	70,000
Cervical Cancer (a)	-	2,545
	<u>\$ 2,325,910</u>	<u>\$ 3,296,475</u>

(a) Federal funding of the Cervical Cancer Campaign was received via the Canadian Institute of Health Research during the 2021 and 2020 fiscal years and is included in Government Contributions revenue (note 7(a)).

6. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$39,625 (2020 - \$44,809), which includes amounts payable for payroll related taxes.

7. Government contributions:

(a) Canadian Institute of Health Research (the "CIHR"):

In 2020, the Foundation was awarded a federal grant for research to support the elimination of cervical cancer (the "Program") in the amount of \$9,884,540 to be disbursed over 5-years. This funding is administered by the CIHR and the second installment of \$1,928,589 (2020 - first installment of \$1,928,588) related to the fiscal 2021 portion of the grant and an additional amount awarded to the Program of \$206,191 for COVID-19 relief is included in revenue as of March 31, 2021. The 2020 installment amount was included in accounts receivable as at March 31, 2020.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

7. Government contributions (continued):

(a) Canadian Institute of Health Research (the "CIHR") (continued):

The Foundation has entered into a sub-grant agreement with the University of British Columbia ("UBC"). UBC will govern the research and complete all required grant reporting in accordance with the terms of the CIHR grant agreement. The CIHR, the Foundation and UBC have developed a term of reference to facilitate disbursement of these funds to UBC. According to the agreement, the Foundation retains approximately \$197,000 of the 2021 annual funding to complete the knowledge translation component of the grant, the associated costs of which are incurred in the unrestricted fund. As directed by the CIHR, the completion date of the Program is no later than March 31, 2024. Unspent funds at the end of the Program may be repaid to or redirected by the CIHR.

(b) Ministry of Health, British Columbia:

In 2016, the Foundation received funding from the Ministry of Health to direct to a Hospital program to coordinate, distribute and evaluate point of care contraception commodities in British Columbia (the "SMART Program"). This funding was exhausted during the 2021 fiscal year and the Ministry then contributed an additional \$1,238,000 to ensure the continuation of this program until it is operationalized within the operating budget of BC Women's Hospital and Health Centre. The contribution was received during 2021 and is recorded as revenue in the statement of operations and changes in fund balances; \$128,000 of the contribution is recorded as revenue in the unrestricted fund as approved by the Ministry of Health.

8. BC Women's Hospital and Health Centre:

The Foundation made contributions in fiscal 2021 to the Hospital totaling \$4,913,590 (2020 - \$4,288,912) which have been recorded as contributions to qualified donees in the statement of operations and changes in fund balances.

The amounts recognized as owing to the Hospital represent a non-reciprocal, irrevocable obligation of the Foundation for contributions to the Hospital but not yet paid. The obligation is reduced as qualifying expenditures are incurred by the Hospital and reimbursed by the Foundation.

9. Provincial Health Services Authority:

(a) Foundation office:

The Foundation's office is located in premises provided on a rent-free basis by PHSA. As the fair value is not readily determinable, this rental benefit has not been recorded in these financial statements.

(b) Operations:

During the year ended March 31, 2021, \$1,582,947 (2020 - \$4,230,638) of the Foundation's expenses were paid by PHSA and charged back to the Foundation. As at March 31, 2021, an amount of \$213,271 (2020 - \$471,473) was due to PHSA arising from an underpayment of expenses.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

9. Provincial Health Services Authority (continued):

(c) Operations (continued):

During the year ended March 31, 2021, PHSA provided the Foundation with certain accounting and other services on a no-charge basis. As the fair value of these services is not readily determinable, no related amount has been recorded as an expense in the statement of operations and changes in fund balances.

10. Externally restricted fund balances:

The Foundation has the following externally restricted fund balances:

	2021	2020
Campaigns:		
Neonatal Intensive Care Unit	\$ -	\$ (11,020)
Women's Specialized Health Centre	3,995,908	3,541,277
Cervical Cancer	54,174	54,174
Cervical Cancer Federal Government Funding	-	1,730,898
FIR / SRMC Refresh	25,008	97,631
Ultrasound	443,677	841,074
Milk Bank	285,760	700,744
Reproductive Mental Health	192,647	-
Inpatient Unit Refresh	100	100
	<u>4,997,274</u>	<u>6,954,878</u>
Capital programs:		
Capital equipment	58,439	414,204
NICU Capital equipment	455,562	559,591
	<u>514,001</u>	<u>973,795</u>
Programs:		
Family Planning	1,120,161	570,525
Women's Health Research Institute	1,116,612	979,005
Newborn Care	232,981	170,809
Women's Integrated Health	92,715	98,422
Department of Medical & Knowledge Translation	88,455	71,968
Maternal / Gynecological Program	83,459	-
NICU Family Support Fund	76,747	-
MFM Education	75,030	81,380
Aboriginal Health	70,847	-
Dr. Mark Rosengarten Tribute Fund	68,904	-
Other program support	782,292	811,936
PHSA designated (note 11)	-	1,104,000
Milk Bank	-	374,852
Medical Genetics Research	-	194,180
Breast Health	-	70,240
Kangaroo Skin-to-Skin	-	58,389
	<u>3,808,203</u>	<u>4,585,706</u>
	<u>\$ 9,319,478</u>	<u>\$ 12,514,379</u>

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

11. Interfund transfers:

In fiscal 2021, the following interfund transfers were made:

- During the 2021 fiscal year, the Foundation received confirmation from PHSA that the remaining \$1.1 million of an original designated \$3 million contribution from the PHSA could be transferred to the unrestricted funds for the purpose of supporting the Foundation's fundraising endeavors.
- \$13,625 was transferred from the unrestricted fund to the restricted fund as approved by the Board to provide funding to Women's Health Research Institute ("WHRI") for research catalyst grants awarded during the 2021 fiscal year.

12. Employee Pension Plan:

The Foundation and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The Board of Trustees, representing plan members and employers is responsible for overseeing the management of the Plan, including investment of the assets and administration of the benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. The Plan has about 213,100 active members and approximately 106,000 retired members. Active members include 22 (2020 - 25) contributors from the Foundation.

The most recent actuarial valuation, as at December 31, 2018, indicated \$2.866 billion funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2021, with results due to be available in fall of 2022. Employers participating in the Plan, record their pension expense as the amount of employer contributions made during the fiscal year (defined "contribution pension plan accounting"). This is because the Plan records accrued liabilities and accrued assets for the Plan, in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets, and cost to the individual employers participating in the Plan.

The Foundation paid \$209,005 (2020 - \$205,099) for employer contributions to the Plan in fiscal 2021.

13. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Foundation will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Foundation manages its liquidity risk by monitoring its operating requirements.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Foundation is exposed to credit risk with respect to its investments held with a reputable investment management company from which management believes the risk of loss to be remote.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2021

13. Financial risks and concentration of credit risk (continued):

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Foundation has pooled fund investments which are subject to risks arising from changes in market conditions.

The Foundation is subject to interest rate risks due to its holdings in bond funds and currency rate risks related to certain global equity and multi-strategy fund holdings which are exposed to foreign currency fluctuations.

The Foundation manages its investment portfolio to earn investment income and invests according to its investment policy approved by the Board.

There has been no change to the financial risk exposures outlined above from 2020.

14. Disclosure of remuneration:

For the fiscal year ended March 31, 2021, the Foundation paid total remuneration of \$1,521,459 (2020 - \$1,305,962) to the top 10 (2020 - 10) employees and contractors for services, each of whom received total annual remuneration of \$75,000 or greater.

The Foundation did not pay remuneration to any member of its Board of Directors.

15. Canada Emergency Wage Subsidy:

Due to the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy ("CEWS") to assist eligible organizations who had lost a certain percentage of their qualifying revenue. During the fiscal year ended March 31, 2021, the Society filed eligible CEWS claims totaling \$678,515, which have been recognized in the statement of operations and changes in fund balances as a reduction to expenses.

16. Comparative information:

Certain comparative information has been reclassified to conform to this year's current financial statement presentation.