

Financial Statements of

BC WOMEN'S HEALTH FOUNDATION

And Independent Auditor's Report thereon

Year ended March 31, 2024



KPMG LLP

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INDEPENDENT AUDITOR'S 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, 2024
- 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, 2024, 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 auditor's 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.

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 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 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 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' with a horizontal line underneath.

Chartered Professional Accountants

Vancouver, Canada
June 19, 2024

BC WOMEN'S HEALTH FOUNDATION

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
Assets		
Current assets:		
Cash	\$ 1,768,564	\$ 3,611,730
Investments, at fair value (note 3)	18,424,077	16,631,277
Accounts receivable	90,243	127,681
Prepaid expenses	41,999	23,652
	<u>20,324,883</u>	<u>20,394,340</u>
Investments restricted for endowments, at fair value (note 3)	651,191	635,850
	<u>\$ 20,976,074</u>	<u>\$ 21,030,190</u>

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 359,023	\$ 425,671
Due to BC Women's Hospital and Health Centre (note 7)	356,962	625,468
Due to Provincial Health Services Authority (note 8(b))	108,306	62,992
Deferred revenue	4,500	-
	<u>828,791</u>	<u>1,114,131</u>
Fund balances:		
Unrestricted	8,141,167	7,304,218
Internally restricted	162,727	167,000
Externally restricted	11,192,198	11,808,991
Endowment	651,191	635,850
	<u>20,147,283</u>	<u>19,916,059</u>
	<u>\$ 20,976,074</u>	<u>\$ 21,030,190</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, 2024, with comparative information for 2023

	Unrestricted fund	Internally restricted fund	Externally restricted fund	Endowment fund	Total 2024	Total 2023
Revenue:						
Donations:						
Fundraising	\$ 2,271,110	\$ -	\$ 3,248,220	\$ -	\$ 5,519,330	\$ 5,283,359
Vancouver Foundation income (note 4)	3,562	-	-	-	3,562	3,346
Interest and dividend income (note 3)	777,637	-	-	15,341	792,978	892,566
Government contributions:						
Canadian Institutes of Health Research (note 6)	197,690	-	1,852,479	-	2,050,169	2,048,605
	<u>3,249,999</u>		<u>5,100,699</u>	<u>15,341</u>	<u>8,366,039</u>	<u>8,227,876</u>
Expenses:						
Salaries and benefits	2,184,151	-	-	-	2,184,151	2,601,043
Fundraising and marketing	1,207,112	-	-	-	1,207,112	1,202,377
Investment Fees	98,357	-	-	-	98,357	92,722
General and administration	265,089	-	-	-	265,089	427,647
Total expenses	<u>3,754,709</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,754,709</u>	<u>4,323,789</u>
Excess (deficiency) of revenue over expenses before disbursements	(504,710)	-	5,100,699	15,341	4,611,330	3,904,087
Disbursements (note 7)	<u>(6,131)</u>	<u>(4,273)</u>	<u>(5,856,052)</u>	<u>-</u>	<u>(5,866,456)</u>	<u>(4,641,201)</u>
Excess (deficiency) of revenue over expenses before the undernoted	(510,841)	(4,273)	(755,353)	15,341	(1,255,126)	(737,114)
Realized capital gains on investments (note 3)	250,261	-	-	-	250,261	534,037
Fair value adjustment on investments	<u>1,236,089</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,236,089</u>	<u>(739,694)</u>
Excess (deficiency) of revenue over expenses	975,509	(4,273)	(755,353)	15,341	231,224	(942,771)
Fund balances, beginning of year	7,304,218	167,000	11,808,991	635,850	19,916,059	20,858,830
Interfund transfers (note 9)	(138,560)	-	138,560	-	-	-
Fund balances, end of year	<u>\$ 8,141,167</u>	<u>\$ 162,727</u>	<u>\$ 11,192,198</u>	<u>\$ 651,191</u>	<u>\$ 20,147,283</u>	<u>\$ 19,916,059</u>

See accompanying notes to financial statements.

BC WOMEN'S HEALTH FOUNDATION

Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess (deficiency) of revenue over expenses	\$ 231,224	\$ (942,771)
Items not involving cash:		
Fair value (gain)/loss adjustment on investments	(1,236,089)	739,694
Net changes in non-cash operating working capital:		
Accounts receivable	37,438	1,972,594
Prepaid expenses	(18,347)	82,163
Accounts payable and accrued liabilities	(66,648)	48,012
Due to BC Women's Hospital and Health Centre	(268,506)	528,062
Due to/from Provincial Health Services Authority	45,314	93,920
Deferred revenue	4,500	(82,855)
Cash provided by (used in) operating activities	(1,271,114)	2,438,819
Investing activities:		
Redemption of investments	-	-
Purchase of investments	(572,052)	(1,045,747)
Cash used in investing activities	(572,052)	(1,045,747)
Increase (decrease) in cash	(1,843,166)	1,393,072
Cash, beginning of year	3,611,730	2,218,658
Cash, end of year	\$ 1,768,564	\$ 3,611,730

See accompanying notes to financial statements.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements

Year ended March 31, 2024

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.

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. General fundraising and administrative costs are charged to the unrestricted fund.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

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. Effective April 1, 2023, the Foundation changed its policy with respect to administration fee on restricted gifts. The Board approved a policy to charge a 15% administration fee on all restricted gifts including major gift and capital campaign fundraising activities. Prior to this change, the policy was to charge 10% administration fee on restricted gifts and allocate overhead expenses up to 20% of the cumulative total revenue raised by the capital campaign and major gift fundraising initiatives at its conclusion. The change had no impact on previously reported assets, liabilities or fund balances.

(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.

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.

Unrestricted sponsorship or ticket sales revenue received in advance of the related fundraising event is deferred and recognized when the event is completed or the revenue is earned.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Significant accounting policies (continued):

(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 7).

(d) Contributed materials and services:

The Foundation receives from time to time contributed materials that otherwise would have been purchased and 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 materials and 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. 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, 2024

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 toward the plan are expensed as incurred.

3. Investments, at fair value:

Investments are comprised of the following:

	2024	2023
Pooled funds:		
Bonds	\$ 3,670,023	\$ 3,899,061
Equities	8,768,187	7,907,206
Multi strategy investments	2,060,755	1,817,553
Alternative investments	4,576,303	3,643,307
	<u>\$ 19,075,268</u>	<u>\$ 17,267,127</u>
Investments	\$ 18,424,077	\$ 16,631,277
Investments restricted for endowments	651,191	635,850
	<u>\$ 19,075,268</u>	<u>\$ 17,267,127</u>

The Foundation invests in pooled funds in accordance with the Foundation's Board approved investment policy. The realized yield on the investments was 6.03 % (2023 – 8.41%) for the year ended March 31, 2024. The yield, excluding the realized gains portion is 4.59 % (2023 – 5.26%).

	2024	2023
Interest and dividends	\$ 792,978	\$ 892,566
Net realized gains on investments	250,261	534,037
	<u>\$ 1,043,239</u>	<u>\$ 1,426,603</u>

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 (2023 - \$65,784) is not reflected in these financial statements. As at March 31, 2024, the Fund's market value was \$80,070 (2023 - \$75,688). 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 \$3,562 (2023 - \$3,346) from the Fund has been recorded in the unrestricted fund of the Foundation in accordance with the terms of the Fund.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$56,553 (2023 - \$64,358), which includes amounts payable for payroll related taxes.

6. Government contributions:

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 fifth installment of \$2,050,169 (2023 – fourth installment of \$2,048,605) related to the fiscal 2024 portion of the grant was received during the year and included in revenue as of March 31, 2024.

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. In the current year, \$1,852,479 has been disbursed to UBC (2023 - \$1,850,915). According to the agreement, the Foundation retains approximately \$197,000 of the 2024 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.

7. BC Women's Hospital and Health Centre:

The Foundation made contributions in fiscal 2024 to the Hospital totaling \$3,957,326 (2023 - \$2,356,667) which have been recorded as part of disbursements expenses in the statement of operations and changes in fund balances. As at March 31, 2024, \$356,962 (2023 - \$625,468) was due to the Hospital for amounts yet to be paid.

8. 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, 2024, \$3,541,218 (2023 - \$3,263,892) of the Foundation's expenses were paid by PHSA and charged back to the Foundation. As at March 31, 2024, an amount of \$108,306 (2023 - \$62,992) was due to PHSA.

During the year ended March 31, 2024, 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.

BC WOMEN'S HEALTH FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2024

9. Interfund transfer and commitment:

In fiscal 2024, \$80,000 (2023 - \$80,000) was transferred from the unrestricted fund to the externally restricted fund as approved by the Board to fund disbursements made to CIHR in relation to an approved grant in the total amount of \$500,000 over 6 years. In addition, \$57,500 (2023 – nil) was transferred from the unrestricted fund to the externally restricted fund as approved by the Board to fund disbursements made to the Hospital in relation to an approved grant in the total amount of up to \$300,000 over 3 years for RapidOmics2.0 – Genetic Disease Diagnosis Project.

In fiscal 2023, the Board approved a transfer of \$167,000 from the unrestricted fund to the internally restricted fund to provide funding to Women's Health Research Institute (WHRI) in support of its core infrastructure over 3 years up to \$500,000. At the request of WHRI, the 2nd year installment has not been paid in fiscal 2024 and deferred to fiscal 2025.

10. 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 240,000 active members and approximately 124,000 retired members. Active members include 17 (2023 - 24) contributors from the Foundation.

The most recent actuarial valuation, as at December 31, 2021, indicated \$3.76 billion funding surplus for basic pension benefits on a going concern basis. The next valuation will be as at December 31, 2024, with results due to be available in fall of 2025. 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 \$151,503 (2023 - \$166,987) for employer contributions to the Plan in fiscal 2024.

11. 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 and related cashflow 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 cash and investments held with reputable financial institutions 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, 2024

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

(c) Market risks, including interest rate and foreign exchange risks:

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 significant change to the financial risk exposures outlined above from 2023.

12. Disclosure of remuneration:

For the fiscal year ended March 31, 2024, the Foundation paid total remuneration of \$1,706,895 (2023 - \$1,988,662) to 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.