

2024/25 Annual Report



**University
Hospital
Foundation**

Transforming and redefining health

Hope is here because of you. Let me explain.

Most of us have come to realize how much need there is in the health system.

The need for more capacity and resources. For advanced equipment and technology that enables our healthcare teams to do even more, in less time, for their patients. The need for quicker diagnosis, clearer pathways to our health and a greater understanding of chronic conditions like diabetes and heart disease so that, one day, their impact can be reduced — if not eliminated.

Thanks to you, our **donors, sponsors and partners**, the University Hospital Foundation is doing everything possible to meet those needs. And your timing could not be better.

Because of your generosity, researchers at the University of Alberta are moving closer than ever to developing a pill that may cure Alzheimer's disease. Clinical trials are around the corner for a new treatment that could stop diabetes in its tracks. And Heartway, a unique collaboration between the University Hospital Foundation, the Government of Alberta and Novartis Canada, is empowering patients with potentially devastating heart disease to be more accountable for their health.

Your stories of overcoming health-related challenges, inspiring you to help others facing similar battles, are a constant source of inspiration.

I would also like to send a special thank you and fond farewell to Cathy Osborne, retiring Senior Operating Officer at the University of Alberta Hospital, Mazankowski Alberta Heart Institute and Kaye Edmonton Clinic, and an invaluable member of our Board. Her patient-perspective has been a tremendous asset to our organization for many years. Thank you, Cathy!

Once again, to our donors, sponsors and partners, and from all of us at the University Hospital Foundation, thank **you** for your support. You make everything we do possible and bring hope to patients and their families who desperately need it.



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To our donors, supporters and partners, and from all of us at the University Hospital Foundation, thank you for your support. You make everything we do possible.

DR. JODI L. ABBOTT, C.M., ICD.D
PRESIDENT & CEO



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This has been a year of setting new standards in fundraising that helped save lives and advance the health and wellbeing of families across western Canada and millions more around the world through ongoing research and innovation.

DR. SHELLEY SCOTT, MD, FRCP(C) *RETIRED*
BOARD CHAIR

On behalf of the Board of Trustees of the University Hospital Foundation,

I would like to thank our donors, sponsors and partners for making the past year so remarkable. I would like to express my appreciation for our President and CEO, Dr. Jodi Abbott, and the tireless Foundation team, for all the fantastic work they do for the Foundation.

We welcome new trustees Peter Dawson and Erick Hamdan, who have already demonstrated their exceptional leadership and community advocacy. We also thank our outgoing trustees Beth Allard-Clough, George Cantalini, Phyllis Clark, Joette Decore, Cathy Osborne and Dr. David Zygun for their commitment and dedication, and the special areas of knowledge, experience and expertise they brought to the Board.

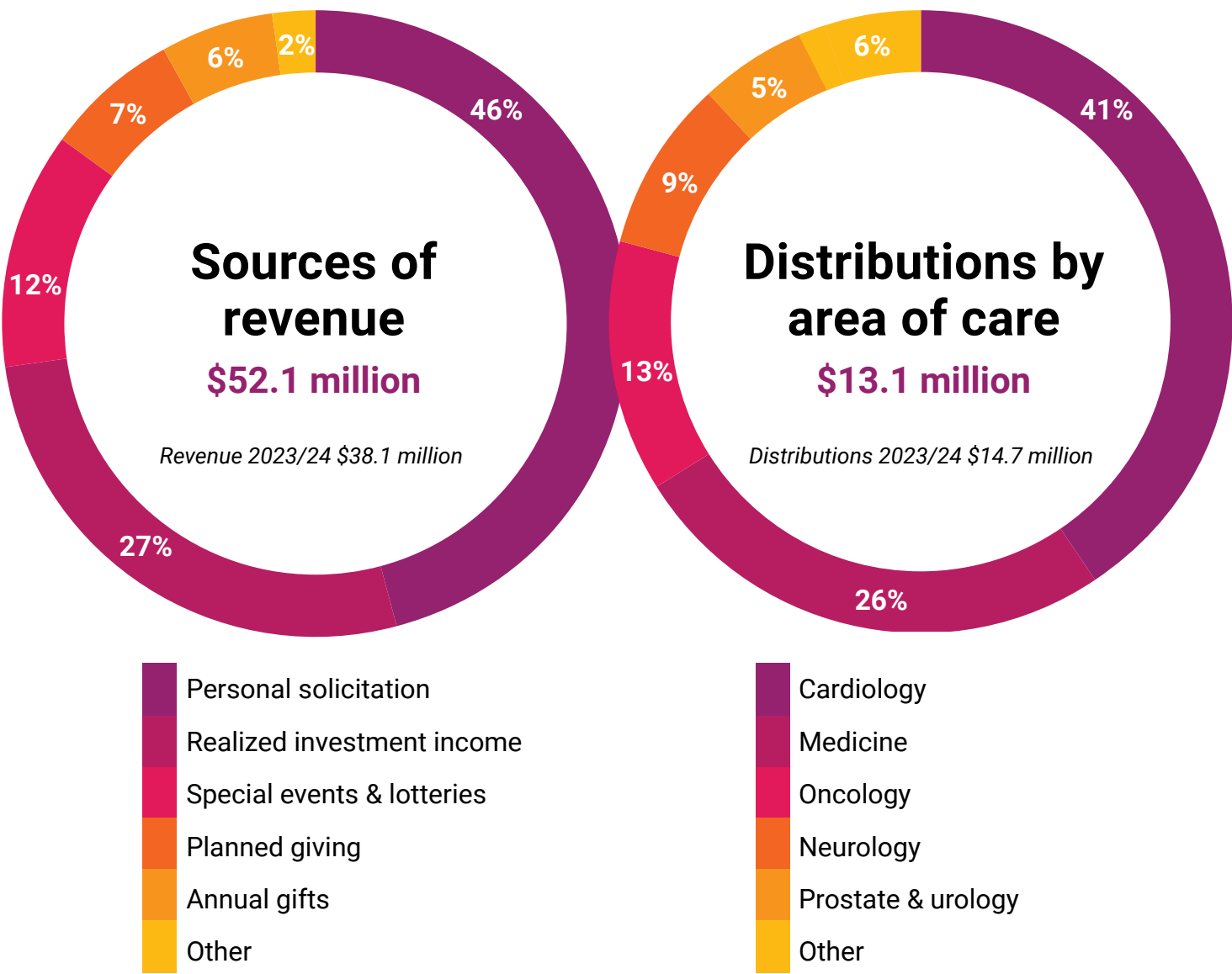
As an organization, this has been a year of setting new standards in fundraising that helped save lives and advance the health and wellbeing of families across western Canada and millions more around the world through ongoing research and innovation.

We could not do this without the extraordinary support of the community around us.

That's why the Foundation continues to strengthen our connection with the hundreds of people who have contributed their time, resources and expertise over the years to fulfill our purpose of transforming and redefining health. We are also ensuring fresh new perspectives, ideas and initiatives are coming into the organization through new programs geared towards the next generation of philanthropic leaders.

As I shift roles into Past Chair, I would like to welcome Chris Burrows, FCPA, FCA, ICD.D, as our new Board Chair. I know that with his guidance, the Foundation will continue to make incredible strides toward a healthier future for all.

2024/25 Financial highlights



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In a year when Canada’s economy balanced resilience with uncertainty, the unwavering generosity of our donors and community partners enabled the University Hospital Foundation to grow revenue to over \$52 million. This remarkable support empowered us to activate more than \$13 million in funding across the health system, advancing innovative projects in cardiology, medicine, oncology, and beyond. With committed investments totaling \$58 million over the next five years, we are well-positioned to drive transformative change. The strength of our community continues to inspire us as we work to redefine the future of health.

ROSS HAFFIE, CPA
CHAIR, FINANCE &
INVESTMENT COMMITTEE

Financial Statements of

**UNIVERSITY HOSPITAL
FOUNDATION**

Year ended March 31, 2025

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
University Hospital Foundation

Opinion

We have audited the financial statements of University Hospital Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations 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 University Hospital Foundation as at March 31, 2025, 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 Organization 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

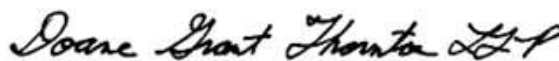
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee 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 Organization'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 Organization'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 Organization 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.
- Plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the group financial statements. We are responsible for the direction, supervision and review of audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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.

Edmonton, Canada
June 11, 2025



Chartered Professional Accountants

UNIVERSITY HOSPITAL FOUNDATION

Financial Statements

Year ended March 31, 2025

Financial Statements

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UNIVERSITY HOSPITAL FOUNDATION

Statement of Financial Position

As at March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents	\$ 28,670,826	\$ 14,674,859
Restricted cash (notes 3 and 4)	7,389,024	8,880,105
Prepaid expenses and deposits	253,333	252,411
Other assets (note 4)	949,545	200,550
Accounts receivable	68,488	120,265
Inventory	98,891	111,647
	37,430,107	24,239,837
Investments (note 5)	186,473,452	178,684,138
Capital assets (note 6)	167,014	248,821
	\$ 224,070,573	\$ 203,172,796

Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (notes 4 and 7)	\$ 4,460,603	\$ 5,850,656
Deferred revenue (note 4)	3,803,254	4,063,551
Current portion of obligations under capital lease (note 8)	45,638	52,860
	8,309,495	9,967,067
Obligations under capital lease (note 8)	23,008	48,100
Fund balances:		
Endowment (note 9)	18,741,909	17,949,850
Externally restricted (note 9)	144,230,082	129,445,889
Internally restricted (note 9)	18,695,868	17,956,029
Invested in capital assets	98,368	147,861
Unrestricted	33,971,843	27,658,000
	215,738,070	193,157,629
Commitments (notes 11 and 12)		
	\$ 224,070,573	\$ 203,172,796

See accompanying notes to financial statements.

On behalf of the Board of Trustees:



Dr. Shelley Scott
Chair, Board of Trustees



Ross Haffie, CPA
Chair, Finance & Investment Committee

UNIVERSITY HOSPITAL FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2025, with comparative information for 2024

	Endowment funds	Externally restricted funds	Internally restricted funds	Invested in capital assets	Unrestricted funds	2025 Total	2024 Total
Revenue:							
Fundraising	\$ 672,317	\$ 22,815,413	\$ -	\$ -	\$ 7,248,491	\$ 30,736,221	\$ 23,637,814
Realized investment income (note 5)	-	1,075,267	-	-	13,228,679	14,303,946	5,961,829
Lotteries (note 4)	-	4,525,307	-	-	-	4,525,307	5,269,014
Special events	-	463,177	-	-	1,224,058	1,687,235	2,726,685
Retail	-	-	-	-	751,976	751,976	494,296
Arts in health	-	-	-	-	58,200	58,200	56,850
	672,317	28,879,164	-	-	22,511,404	52,062,885	38,146,488
Expenditures:							
Administrative	-	6,905	-	-	6,191,007	6,197,912	4,982,068
Lotteries (note 4)	-	3,795,373	-	-	-	3,795,373	5,340,718
Fundraising (note 10)	-	81,647	-	-	5,821,477	5,903,124	5,166,529
Special events	-	269,811	-	-	1,028,978	1,298,789	1,276,906
Investment costs	-	-	-	-	581,377	581,377	512,187
Retail	-	-	-	-	571,510	571,510	379,256
Arts in health	-	-	-	-	365,821	365,821	322,939
Amortization of equipment	-	-	-	118,279	-	118,279	96,009
	-	4,153,736	-	118,279	14,560,170	18,832,185	18,076,612
Other:							
Unrealized gain on investments (note 5)	-	135,146	-	-	2,282,379	2,417,525	10,507,353
Assumption of net assets (note 1)	-	-	-	-	-	-	283,432
Return of funds	-	-	-	-	-	-	(24,368)
	-	135,146	-	-	2,282,379	2,417,525	10,766,417
Excess (deficiency) of revenue over expenditures before distributions	672,317	24,860,574	-	(118,279)	10,233,613	35,648,225	30,836,293
Distributions to charitable organizations (note 7)	-	(13,042,601)	-	-	(25,183)	(13,067,784)	(14,668,097)
Excess (deficiency) of revenue over expenditures	672,317	11,817,973	-	(118,279)	10,208,430	22,580,441	16,168,196
Fund balances, beginning of year	17,949,850	129,445,889	17,956,029	147,861	27,658,000	193,157,629	176,989,433
Transfers	119,742	2,966,220	739,839	-	(3,825,801)	-	-
Purchase of equipment and lease principal repayment (note 6)	-	-	-	68,786	(68,786)	-	-
Fund balances, end of year	\$ 18,741,909	\$ 144,230,082	\$ 18,695,868	\$ 98,368	\$ 33,971,843	\$ 215,738,070	\$ 193,157,629

See accompanying notes to financial statements.

UNIVERSITY HOSPITAL FOUNDATION

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operations:		
Excess of revenue over expenditures	\$ 22,580,441	\$ 16,168,196
Items not involving cash:		
Amortization of equipment	118,279	96,009
Realized (gain) loss on investments	(3,565,776)	246,544
Unrealized gain on investments	(2,417,525)	(10,507,353)
Changes in the cash surrender value of life insurance	(3,873)	-
Non-cash portion of the partnership income	(24,002)	-
Change in non-cash operating working capital:		
Decrease in accounts receivable	51,777	96,019
Increase in prepaid expenses and deposits	(922)	(78,642)
Decrease (increase) in inventory	12,756	(111,647)
(Increase) decrease in other assets	(748,995)	1,669,515
(Decrease) increase in accounts payable and accrued liabilities	(1,390,053)	1,337,674
(Decrease) increase in deferred revenue	(260,297)	676,243
	14,351,810	9,592,558
Financing:		
Payments on capital lease obligation	(57,930)	(49,607)
	(57,930)	(49,607)
Investing:		
(Purchase) sale of investments, net	(80,188)	265,933
Purchases of equipment	(10,856)	(57,183)
Increase in internal reserve	(1,697,950)	(2,293,374)
	(1,788,994)	(2,084,624)
Increase in cash position	12,504,886	7,458,327
Cash position, beginning of year	23,554,964	16,096,637
Cash position, end of year	\$ 36,059,850	\$ 23,554,964
Cash position consists of:		
Cash	\$ 28,670,826	\$ 14,674,859
Restricted cash	7,389,024	8,880,105
	\$ 36,059,850	\$ 23,554,964

Supplemental cash flow information (Note 13)

See accompanying notes to the financial statements.

UNIVERSITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

1. Nature of the organization:

The University Hospital Foundation (the "Foundation") operates under the Regional Health Authorities Foundations Regulation. The Foundation is a registered public charity under the Income Tax Act (Canada) and accordingly, is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

The purpose of the Foundation is to seek and receive by gift, bequest, transfer, social enterprise or other, property of every nature and description and, subject to any prior trust conditions or other conditions imposed on the use of that property, to hold, use and administer the property to support innovation and excellence at the University of Alberta Hospital (the "Hospital"), the Mazankowski Alberta Heart Institute ("Heart Institute") and the Kaye Edmonton Clinic (the "Clinic") and affiliated programs as a center of excellence for patient care, education and research for the greater benefit of the people of Alberta and Canada.

On July 10, 2023, the Foundation assumed the net assets and program operations of The Friends of University Hospitals (Friends). The assumed programs use a multidisciplinary model to enhance patient experience, including: delivering evidence-based art programs to enhance patient health and wellness like Artists on the Wards program (Arts in health); offering emergency hygiene supplies and flowers to patients through the Nancy Lieberman Fund; managing the McMullen Gallery, which exhibits curated exhibitions that reflect the sensibilities and experiences of patients; operating the on-site gift shop and more.

2. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook. The Foundation's significant accounting policies are as follows:

(a) Fund accounting:

These financial statements include the following funds:

Endowment funds - consist of contributions for which the principal is permanently restricted by externally imposed stipulations specifying that the resources contributed be maintained permanently. Undistributed investment income is capitalized to principal as per the terms of reference.

Externally restricted funds - consist of funds, including principal and investment income, and the Foundation's share of excess of revenues over expenditures of the Full House Lottery, upon which restrictions have been imposed by the donor or external parties.

Internally restricted funds - consist of funds upon which the Board of Trustees (the "Board") has imposed restrictions. These funds represent donations and income that was initially unrestricted which the Board has restricted by program area.

UNIVERSITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

2. Significant accounting policies (continued):

Unrestricted funds - consist of contributions, retail, and investment income upon which the donors or the Board have imposed no restrictions. As unrestricted contributions are for use at the Foundation's discretion, they are available to fund operations of current and future periods as required. These funds are managed in accordance with general Board policies and may be restricted through Board motion.

(b) Full House Lottery:

The Foundation accounts for its 50% interest in the Full House Lottery using the proportionate consolidation method.

(c) Cash and cash equivalents and restricted cash:

The Foundation considers deposits in banks, certificates of deposit and short-term investments with original maturities of three months or less as cash and cash equivalents. Restricted cash is subject to internal restrictions placed by the Board and external restrictions related to strategic partnerships, Alberta Gaming, Liquor and Cannabis ("AGLC") gaming restrictions and the Full House Lottery.

(d) Inventory:

Inventory consists of merchandise items held for resale and is valued at the lower of cost, measured on a first-in, first-out basis, and replacement cost. Retail expense represents the cost of merchandise inventory sold during the year plus direct operational costs.

(e) Financial instruments and risk management:

Investments consist of equity instruments quoted in an active market as well as investments in pooled funds and any investments in fixed income securities and equities not quoted in an active market that the Foundation designates upon purchase to be measured at fair value. Alternative investments are recorded at the net asset value per unit reported by each investment fund manager, which represents fair value. The Foundation maintains cash accounts with its investment custodians to facilitate the settlement of security purchases and sales. These cash accounts are classified as investments measured at amortized cost. All transactions are recorded on a settlement date basis. Transaction costs are recognized in the statement of operations and changes in fund balances in the period which they are incurred.

Derivative financial instruments are carried at fair value, with gains and losses recognized in the statement of operations and changes in fund balances in the year in which the changes in market value occur.

UNIVERSITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

2. Significant accounting policies (continued):

Other financial instruments, including cash and cash equivalents, accounts receivable, and accounts payable and accrued liabilities are recorded at fair value and are subsequently measured at cost or amortized cost, net of any provisions for impairment.

Financial assets that are carried at amortized cost are assessed for impairment on an annual basis. If there are indicators of impairment, the carrying value of the financial asset is reduced to reflect the higher of its future expected cash flows and net realizable value. Should the impairment reverse in a subsequent period, the carrying value of the financial asset will be increased to the extent of the reversal, not exceeding the initial carrying value.

(f) Capital assets:

Capital assets included equipment and equipment under capital lease and is recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis at the rate of 25% per annum. Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable and exceeds its fair value.

(g) Revenue recognition:

The Foundation follows the restricted fund method of accounting for contributions as follows:

- (i) Restricted contributions are recognized as revenue of the externally restricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (ii) Unrestricted contributions and contributions for general operations are recognized as revenue of the unrestricted fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (iii) Contributions for endowments are recognized as revenue in the endowment fund.
- (iv) Pledges are recognized as revenue in the year when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.
- (v) Investment income earned on endowment fund resources that must be used in accordance with the condition imposed by the donor is recognized as revenue of the externally restricted fund. Investment income earned on endowment fund resources that must be added to the endowment principal is recognized as revenue of the endowment fund. Unrestricted investment income earned on endowment fund resources is recognized as revenue of the unrestricted fund. Other investment income is recognized as revenue of the unrestricted fund when earned.

UNIVERSITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

2. Significant accounting policies (continued):

(vi) Retail revenue is recognized in the year in which the goods are sold.

(vii) Lottery and special events revenue are recognized as of the date of the lottery prize draw or event as lottery or event revenues cannot be reasonably estimated until the date of the lottery prize draw or event.

(viii) The Foundation applies for financial assistance under available government programs when eligible. Government assistance is recognized as revenue of the unrestricted fund in the year in which the related expenses are incurred.

(h) Related party transactions:

Monetary related party transactions and non-monetary related party transactions that have commercial substance and occur in the normal course of business are measured at the exchange amount being the amount of consideration agreed upon by the relevant parties. Where the transaction is not in the normal course of operations, it is measured at the exchange amount when there is a substantive change in the ownership of the item transferred and there is independent evidence of the exchange amount. All other related party transactions are measured at the carrying amount.

Accommodation and certain overhead costs incurred in the administration of the Foundation, borne by the Hospital, Heart Institute and Clinic, are not recorded in these financial statements as the value of the services is not readily determinable.

(i) Contributed materials and services:

Contributed materials and services are recorded at fair value when they would have otherwise been purchased and when a fair value can be reasonably estimated. Contributed services of volunteers are not recognized in these financial statements as their fair value cannot be reasonably determined.

(j) Allocation of fundraising and general expenses:

The Foundation classifies expenses on the Statement of Operations and Changes in Fund Balances by function and does not allocate expenses between functions.

(k) 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 amount of revenue and expenditures during the period. Actual results could differ from these estimates. Significant estimates included in these financial statements include the fair value of investments.

UNIVERSITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

3. Restricted cash:

Restricted cash is comprised of the following:

	2025	2024
Partnerships	\$ 4,032,685	\$ 4,910,792
Full House Lottery (note 4)	2,180,477	2,908,749
Other gaming	1,175,862	1,060,564
	<u>\$ 7,389,024</u>	<u>\$ 8,880,105</u>

4. Full House Lottery joint venture:

These financial statements include the Foundation's proportionate share (50%) of the Full House Lottery as follows:

	2025	2024
Assets		
Restricted cash	\$ 2,180,477	\$ 2,908,749
Accounts receivable	21,262	37,764
Other assets*	949,545	200,550
	<u>\$ 3,151,284</u>	<u>\$ 3,147,063</u>

Liabilities and Net deficiency		
Accounts payable and accrued liabilities	\$ 447,007	\$ 888,835
Deferred revenue**	3,771,974	4,057,551
	<u>4,218,981</u>	<u>4,946,386</u>

Net deficiency	(1,067,697)	(1,799,323)
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	<u>\$ 3,151,284</u>	<u>\$ 3,147,063</u>
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	2025	2024
Revenue	\$ 4,525,307	\$ 5,269,014
Expenditures	3,795,373	5,340,718
Distributions	54,592	698,453
Excess (deficiency) of revenue over expenditures and distributions	<u>\$ 675,342</u>	<u>\$ (770,157)</u>
Cash from operating activities	\$ 2,134,428	\$ 2,755,007

UNIVERSITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

4. Full House Lottery joint venture: (continued)

* Other assets include prize expenses related to the 2025 Lottery that were incurred during the fiscal year and are deferred until the draw date of April 30, 2025 (2024 - May 09, 2024).

**Lottery revenue related to the 2025 Lottery that was received during the fiscal year are deferred until the draw date of April 30, 2025 (2024 - May 09, 2024).

5. Investments:

	2025	2024
Bonds:		
Pooled bond funds	\$ 55,296,891	\$ 53,233,265
Total bonds	55,296,891	53,233,265
Equities:		
Canadian common shares	56,241	42,621
Canadian pooled equity funds	22,774,455	16,781,427
Global pooled equity funds	69,705,735	74,223,418
Total equities	92,536,431	91,047,466
Alternative investments:		
Infrastructure	16,707,082	15,679,649
Mortgages	16,646,432	16,268,987
Total alternative investments	33,353,514	31,948,636
Long-term restricted cash	3,991,324	2,293,374
Cash held with investment custodian	1,130,022	-
Cash surrender value of life insurance policies	165,270	161,397
	\$ 186,473,452	\$ 178,684,138

Any changes to the Foundation's investment asset mix requires the sale of certain funds which may result in a realized gain or loss upon liquidation. During the year ended March 31, 2025, the Foundation made shifts within its pooled equity funds that resulted in \$3,274,024 realized gain included in realized gains of \$6,984,920 during the year.

Asset mix changes during the year ended March 31, 2024, included investing \$16.1 million in a mortgage fund, moving a portion of the pooled bond funds into pooled equity funds as well as making a shift within the pooled bond funds that resulted in a realized loss of \$1,287,653 included in the realized loss of \$246,544, which was offset by other realized gains.

The pooled bond funds represent an interest in funds consisting of Canadian corporate bonds, Canadian provincial and federal government bonds, mortgages, high-yield corporate bonds, foreign sovereign bonds, and emerging market debt. The pooled equity funds represent an interest in funds consisting of Canadian, U.S, and global equities. The mortgage fund represents

UNIVERSITY HOSPITAL FOUNDATION

Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

5. Investments: (continued)

an interest in a fund consisting of commercial, retail, industrial and residential mortgages. The investment in infrastructure is held through a minority interest in a limited partnership. Partnership income includes all amounts received and receivable from various partnerships. Distributions are made periodically based on income available in the partnership.

At March 31, 2025, the Foundation has outstanding investment commitments of \$10,700,000 (2024 - \$0) in connection with its infrastructure investment.

The Foundation believes it is not exposed to significant liquidity risk as the vast majority 91%, 2024 - 91%) of investments are held in instruments that are liquid and can be disposed of to settle commitments.

Investment income is comprised of:

	2025	2024
Interest income	\$ 4,417,549	\$ 3,673,398
Dividend income	2,212,390	2,049,311
Partnership income	689,087	485,664
Realized gain (loss)	6,984,920	(246,544)
Realized investment income	14,303,946	5,961,829
Unrealized gain	2,417,525	10,507,353
	\$ 16,721,471	\$ 16,469,182

6. Capital assets:

		2025	2024
	Cost	Accumulated amortization	Net book value
Equipment	\$ 1,474,347	\$ 1,377,551	\$ 96,796
Assets under capital lease	235,541	173,023	62,518
Assets under construction	7,700	-	7,700
	\$ 1,717,588	\$ 1,550,574	\$ 167,014

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Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

7. Related party transactions:

The Foundation provides donations of money and gifts in kind to the Hospital, Heart Institute and Clinic. These donations allow the Hospital, Heart Institute and Clinic to provide equipment, patient services, education and research not funded from other sources. The cash donations are included in distributions to charitable organizations.

At March 31, 2025, accounts payable and accrued liabilities includes \$1,323,109 (2024 - \$2,324,526) payable to Alberta Health Services ("AHS") for certain salaries and services paid by AHS on the Foundation's behalf as well as distributions to the Hospital, Heart Institute and Clinic in support of research and patient care programs.

8. Obligations under capital lease:

The Foundation has entered into four lease agreements for equipment, expiring in the fiscal years ending 2026-2029. Obligations for lease payments are as follows:

	2025	2024
2025	\$ -	\$ 57,457
2026	48,575	40,637
2027	15,130	6,996
2028	8,488	2,166
2029	1,052	-
Total minimum lease payments	73,245	107,256
Less amount representing interest at 6.37%	(4,599)	(6,296)
Present value of net minimum capital lease payments	68,646	100,960
Less current portion of obligations under capital lease	(45,638)	(52,860)
	\$ 23,008	\$ 48,100

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Year ended March 31, 2025, with comparative information for 2024

9. Fund balances:

As at March 31, 2025	Endowment	Externally restricted	Internally restricted
Ambulatory care	\$ -	\$ 5,199,088	\$ -
Cardiology	2,645,582	41,833,540	-
Digital health & precision health	-	334,900	-
Facility & site	238,294	1,522,824	262,525
General systems intensive care unit	1,038,548	61,214	-
High priority needs	6,402,274	26,085,023	4,911,337
Medicine	3,507,773	15,962,175	963,276
Mental health & addiction	952,136	1,214,340	-
Neurology	1,373,315	32,108,776	12,558,730
Oncology	1,687,881	2,204,300	-
Prostate & urology	16,690	8,083,199	-
Renal	-	1,852,954	-
Research	-	250,000	-
Surgery & trauma	-	301,823	-
Transplantation	664,546	3,954,596	-
Urgent & critical care	214,870	3,261,330	-
Total	\$ 18,741,909	\$ 144,230,082	\$ 18,695,868

As at March 31, 2024	Endowment	Externally restricted	Internally restricted
Ambulatory care	\$ -	\$ 5,199,088	\$ -
Cardiology	2,509,544	36,374,004	126,698
Digital health & precision health	-	392,400	-
Facility & site	581,353	9,817,730	262,525
General systems intensive care unit	590,620	63,277	-
High priority needs	6,261,602	20,870,845	3,213,388
Medicine	3,188,141	15,357,800	963,276
Mental health & addiction	909,656	1,296,718	-
Neurology	1,357,411	19,588,811	13,161,959
Oncology	1,653,164	2,584,956	228,183
Prostate & urology	16,347	7,412,332	-
Renal	-	1,877,246	-
Research	33,235	2,340,596	-
Surgery & trauma	-	517,520	-
Transplantation	639,350	3,873,408	-
Urgent & critical care	209,427	1,879,158	-
Total	\$ 17,949,850	\$ 129,445,889	\$ 17,956,029

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Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

10. Additional information to comply with the disclosure requirement of the Charitable Fund Raising Act and Regulation:

During the year ended March 31, 2025, \$3,036,906 (2024 - \$2,682,449) was paid as remuneration to employees whose principal duties involve fundraising.

11. Pledge commitments:

The Foundation has pledges of \$10,861,793 (2024 - \$14,521,498) from donors which have not been recognized as revenue at March 31, 2025. Revenue will be recognized once collection is reasonably assured. Receipt of the amounts pledged is expected by the Foundation as follows:

	2025	Thereafter
Cardiology	\$ 321,250	\$ 16,518
Facility & site	250,000	900,000
High priority needs	566,500	754,175
Medicine	35,000	-
Neurology	2,465,211	2,262,639
Oncology	10,000	10,000
Prostate & Urology	1,041,400	2,189,100
Renal	20,000	20,000
Total	\$ 4,709,361	\$ 6,152,432

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Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

12. Funding commitments:

The Foundation has the following cumulative funding commitments, which are expected to be fulfilled within the next five years:

	2025	2024
Ambulatory care	\$ -	\$ 42,000
Cardiology	10,666,211	13,202,411
Digital health & precision health	327,074	392,074
Facility & site	2,835,582	11,445,378
High priority needs	375,000	-
Medicine	7,795,207	10,269,748
Mental health & addictions	100,000	-
Neurology	28,903,776	25,658,274
Oncology	1,042,411	1,049,559
Prostate & urology	3,976,765	711,639
Renal	-	807,970
Surgery & trauma	266,563	416,055
Transplant	1,531,183	1,623,183
Urgent & critical care	512,279	500,000
	\$ 58,332,051	\$ 66,118,291

13. Supplemental cash flow information

Non-cash transactions entered into during the year include:

	2025	2024
Capital asset transfer (note 1)	\$ -	\$ (42,036)
Inventory transfer (note 1)	-	(113,116)
Capital assets acquired through capital lease	25,616	-
	\$ 25,616	\$ (155,152)

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Notes to Financial Statements

Year ended March 31, 2025, with comparative information for 2024

14. Financial risks:

Income and financial returns on investments are exposed to credit and price risks. Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of the contract. Price risk is comprised of interest rate, foreign exchange and market risk. Interest rate risk relates to the possibility that the investments will change in value due to future fluctuations in market interest rates. Foreign exchange risk relates to the possibility that the investments will change in value due to fluctuations in foreign currencies. Market risk relates to the possibility that the investments will change in value due to future fluctuations in market prices.

Throughout fiscal 2025, high inflation rates started to decline which resulted in decreases to interest rates throughout the year including near the end of the year due to economic uncertainties, including heightened trade tensions. The Foundation continues to monitor economic impact and manage discretionary spend as needed.

These risks are mitigated by compliance with the Foundation's investment policies, which prescribe the investment asset mix including the degree of liquidity and concentration and the amount of foreign content.

Changes in interest rates and credit ratings are the main cause of changes in the fair value of government securities and corporate bonds resulting in a favorable or unfavorable variance compared to book value. Credit risk is mitigated by investing in securities such that an average credit rating of A or better is achieved and diversifying the securities between government, government backed and corporate issuers. Interest rate risk is mitigated by managing maturity dates and payment frequency. The Foundation limits credit risk associated with other financial assets by dealing with counterparties that it believes are creditworthy.

The Foundation does not use derivative instruments to alter the effects of interest, market and foreign exchange risks

15. Comparative information:

Certain comparative information has been reclassified to conform with the presentation adopted in the current year.