

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Financial Statements
Year Ended February 28, 2021

HEALTH SCIENCES ASSOCIATION OF ALBERTA
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Year Ended February 28, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Health Sciences Association of Alberta

Qualified Opinion

We have audited the financial statements of Health Sciences Association of Alberta (the Union), which comprise the statement of financial position as at February 28, 2021, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Union as at February 28, 2021, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Union derives revenue from members in the form of monthly dues, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Union and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the years ended February 28, 2021 and February 29, 2020, current assets as at February 28, 2021 and February 29, 2020, and net assets as at March 1, 2020 and March 1, 2019, and February 28, 2021 and February 29, 2020. Our audit opinion on the financial statements for the year ended February 29, 2020 was modified accordingly because of the possible effects of this limitation of scope.

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 Union in accordance with 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 qualified audit 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 Union'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 Union or to cease operations, or has no realistic alternative but to do so.

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

(continues)



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Independent Auditor's Report to the Members of Health Sciences Association of Alberta (*continued*)

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 Union'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 Union'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 Union to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

Edmonton, Alberta
May 18, 2021


Bruce MS Mahon Professional Corporation
Chartered Professional Accountants

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Statement of Operations
Year Ended February 28, 2021

	2021	2020
REVENUE		
Member dues	\$ 26,539,836	\$ 26,237,758
Other revenue	144,783	243,672
Investment income & expenses <i>(Schedule 1)</i>	365,374	230,468
	27,049,993	26,711,898
EXPENSES		
Staffing	11,880,266	11,727,255
Affiliation	1,549,044	1,958,853
Communications	1,406,306	1,167,644
Governance	1,181,559	1,408,897
Facilities	931,947	979,830
Member Services	798,700	1,330,026
Public Relations	576,371	616,449
Information Technology	393,440	461,935
Arbitration and Hearings	346,323	352,350
Interest	288,265	298,448
Administration	247,336	334,590
Labour Relations Conferences	245,228	743,360
Professional Fees	117,578	129,495
Bargaining	107,393	183,667
Outreach	104,080	108,081
Member Education	70,436	761,970
Convention	23,735	944,755
	20,268,007	23,507,605
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS	6,781,986	3,204,293
OTHER INCOME (EXPENSES)		
Project expenses	(373,139)	-
Amortization	(744,246)	(765,012)
Loss on disposal of property and equipment	(14,950)	(1,578)
	(1,132,335)	(766,590)
EXCESS OF REVENUE OVER EXPENSES	\$ 5,649,651	\$ 2,437,703

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Statement of Changes in Net Assets
Year Ended February 28, 2021

	2020 Balance	Excess of revenue over expenses	Transfers (Note 8)	2021 Balance
UNRESTRICTED	\$ 2,063,056	\$ 6,781,986	\$ (4,098,006)	\$ 4,747,036
INVESTED IN PROPERTY AND EQUIPMENT	5,523,898	(759,196)	667,394	5,432,096
INTERNALLY RESTRICTED				
Contingency	3,305,162	-	(3,305,162)	-
Defence	1,000,000	(268,831)	-	731,169
Building Maintenance & Improvements	-	-	48,592	48,592
Furniture & Equipment	-	-	188,964	188,964
Building Reserve	2,935,676	-	4,404,427	7,340,103
Humanitarian/Social Justice	26,500	(25,318)	10,000	11,182
Strike	6,136,209	-	363,791	6,500,000
Disaster Relief	165,930	-	-	165,930
Operational Systems Development	-	(78,990)	195,000	116,010
Member Engagement	-	-	1,525,000	1,525,000
	13,569,477	(373,139)	3,430,612	16,626,950
	\$ 21,156,431	\$ 5,649,651	\$ -	\$ 26,806,082

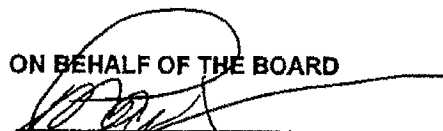
	2019 Balance	Excess of revenue over expenses	Transfers (Note 8)	2020 Balance
UNRESTRICTED	\$ 3,912,763	\$ 3,204,293	\$ (5,054,000)	\$ 2,063,056
INVESTED IN PROPERTY AND EQUIPMENT	5,560,876	(766,590)	729,612	5,523,898
INTERNALLY RESTRICTED				
Contingency	3,005,162	-	300,000	3,305,162
Defence	522,913	-	477,087	1,000,000
Building Reserve	900,000	-	2,035,676	2,935,676
Humanitarian/Social Justice	26,500	-	-	26,500
Strike	4,686,209	-	1,450,000	6,136,209
Disaster Relief	104,305	-	61,625	165,930
	9,245,089	-	4,324,388	13,569,477
	\$ 18,718,728	\$ 2,437,703	\$ -	\$ 21,156,431


HEALTH SCIENCES ASSOCIATION OF ALBERTA
Statement of Financial Position
February 28, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 15,899,541	\$ 9,648,030
Accounts receivable	57,358	95,596
Prepaid expenses	105,928	112,109
	16,062,827	9,855,735
PROPERTY AND EQUIPMENT (Note 3)	12,802,236	13,274,483
LONG TERM INVESTMENTS (Note 4)	8,092,207	7,726,833
SECURITY DEPOSITS	92,794	92,794
	\$ 37,050,064	\$ 30,949,845
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accruals	\$ 1,133,531	\$ 470,827
Accrued salaries and benefits	1,561,636	1,366,856
Current portion of lease obligations (Note 5)	9,376	24,387
Current portion of long-term debt (Note 6)	7,360,765	358,152
	10,065,308	2,220,222
OBLIGATIONS UNDER CAPITAL LEASE (Note 5)	-	9,376
LONG TERM DEBT (Note 6)	-	7,358,670
DEFERRED LEASE INDUCEMENT	178,674	205,146
	10,243,982	9,793,414
NET ASSETS		
Unrestricted	4,747,036	2,063,056
Invested in Property and Equipment	5,432,096	5,523,898
Internally restricted	16,626,950	13,569,477
	26,806,082	21,156,431
	\$ 37,050,064	\$ 30,949,845

COMMITMENTS

ON BEHALF OF THE BOARD





President

Vice President

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Statement of Cash Flow
Year Ended February 28, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 5,649,651	\$ 2,437,703
Items not affecting cash:		
Amortization of property and equipment	744,246	765,012
Loss on disposal of property and equipment	14,950	1,578
Gain on disposal of investments	(108,291)	(48,703)
Unrealized (gains) losses	(162,768)	(72,348)
	6,137,788	3,083,242
Changes in non-cash working capital:		
Accounts receivable	38,238	(74,512)
Accounts payable and accruals	662,706	(11,872)
Prepaid expenses	6,181	21,882
Accrued salaries and benefits	194,780	230,574
	901,905	166,072
Cash flow from operating activities	7,039,693	3,249,314
INVESTING ACTIVITIES		
Purchase of property and equipment	(286,950)	(325,167)
Proceeds on disposal of property and equipment	-	9,538
Proceeds from sale of long term investments	1,731,670	1,065,316
Purchase of long term investments	(1,825,986)	(1,174,676)
Change in deferred lease inducements	(26,472)	55,146
Cash flow used by investing activities	(407,738)	(369,843)
FINANCING ACTIVITIES		
Repayment of long term debt	(356,057)	(345,384)
Repayment of obligations under capital lease	(24,387)	(68,599)
Cash flow used by financing activities	(380,444)	(413,983)
INCREASE IN CASH FLOW	6,251,511	2,465,488
Cash - beginning of year	9,648,030	7,182,542
CASH - END OF YEAR	\$ 15,899,541	\$ 9,648,030

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended February 28, 2021

1. NATURE OF ORGANIZATION

Health Sciences Association of Alberta (the "Union") is composed of two legal entities being a Society (the Society) incorporated under the Societies Act (Alberta) as a non-profit organization, and a certified Trade Union (the Union) incorporated under the Labour Relations Code (Alberta). The Union's primary function is to represent members in all labour relations and collective bargaining matters with their respective employers/management organizations. The Union is exempt from income tax as a labour organization under the Income Tax Act (Canada). The Society exists primarily for the purpose of holding any real or other property purchased for the benefit of the Union. The Society is exempt from income tax as a non-profit organization under the Income Tax Act (Canada). These financial statements include both Society and Union activities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

Fund accounting

Health Sciences Association of Alberta follows the restricted fund method of accounting for contributions. The following funds have been established by the Board of Directors for the purposes stated below.

The Unrestricted Fund accounts for the Union's operation and administrative activities. This fund reports all unrestricted operations.

The Invested in Property and Equipment Fund reports amounts the Union has invested in capital assets.

The Contingency Fund may be used to cover unforeseen expenses and liabilities as deemed appropriate by the Board of Directors. This Fund is now closed.

The Defence Fund may be used in the defence of the members, Union, and/or the labour movement.

The Building Maintenance and Improvements Fund is to be used for major repairs, maintenance and improvements of the Union's building and property.

The Furniture and Equipment Fund may be used for the purchase of furniture, office equipment and computers.

The Building Reserve Fund is to be used for major capital building projects and/or mortgage payout.

The Humanitarian/Social Justice Fund may be used for emergent disaster assistance or to foster social justice and trade union solidarity efforts, domestic or international.

The Strike Fund is to be used in the event of a legal strike action or lockout.

The Disaster Relief Fund is to be used to support members during a declared emergency.

The Operational Systems Development Fund will be used to improve and develop operational systems.

The Member Engagement Fund may be used for initiatives or projects that promote and enhance member engagement.

(continues)

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended February 28, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Revenue recognition

Revenue is principally derived from members' dues and fees. Member dues are collected and remitted by external organizations that employ the members. In this regard, the Union is dependant on outside organizations to advise of amounts collected from members. Consequently, the Union recognizes revenue only when it is received from outside organizations.

Net assets

Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, net of transfers, and are available for general purposes.

Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.

Net assets invested in property and equipment represents the organization's net investment in property and equipment which is comprised of the amortized amount of property and equipment purchased with internal funds.

Property and equipment

Property and equipment is recorded at cost. The Union provides amortization on its property and equipment at the following methods and rates

Buildings	4%	Diminishing balance method
Office furniture	20%	Diminishing balance method
Office equipment	20%	Diminishing balance method
Computer software	45% - 55%	Diminishing balance method
Computer equipment	3 years	Straight-line method
Equipment under capital lease	20%	Diminishing balance method

The Union regularly reviews its property and equipment to eliminate obsolete items.

Amortization begins in the month that the asset is put into use. Amortization ends in the month of asset disposal.

Long term investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

(continues)

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended February 28, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Foreign currency translation

Accounts in foreign currencies have been translated into Canadian dollars using the temporal method. Under this method, monetary assets and liabilities have been translated at the year end exchange rate. Non-monetary assets have been translated at the rate of exchange prevailing at the date of transaction. Revenues and expenses have been translated at the average rates of exchange during the year, except for amortization, which has been translated at the same rate as the related assets.

Foreign exchange gains and losses on monetary assets and liabilities are included in the determination of earnings.

3. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 2,800,980	\$ -	\$ 2,800,980	\$ 2,800,980
Buildings	10,882,611	2,057,412	8,825,199	9,191,271
Office furniture	1,144,818	649,952	494,866	572,451
Office equipment	706,515	429,061	277,454	347,507
Computer equipment	770,891	413,087	357,804	274,745
Equipment under capital lease	149,150	103,217	45,933	87,529
	\$ 16,454,965	\$ 3,652,729	\$ 12,802,236	\$ 13,274,483

Amortization in the current year totaled \$744,246 (2020 - \$765,012).

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended February 28, 2021

4. LONG TERM INVESTMENTS

Long term investments consist of a diversified portfolio of Canadian and US marketable securities. The investments are recorded on the statement of financial position at their fair market value as at the year end date. Changes to the fair market value can and will occur daily and would affect the balance in this account. The fair market value in US dollar based securities that are subject to exchange rate risk is \$1,116,429 in US dollars converted to \$1,420,209 Canadian dollars. The total Canadian dollar cost of all the securities for the year ended was \$7,608,105 (2020 - \$7,439,315).

5. OBLIGATIONS UNDER CAPITAL LEASE

	2021	2020
Three equipment leases payable in equal quarterly installments totalling \$9,676 including principal and interest at rates ranging from 6.99% to 8.90% with maturity dates from May 2021 to November 2021. The leases are secured by a charge on specific equipment, with a net book value of \$45,933.	\$ 9,376	\$ 33,763
Principal amount payable within one year	(9,376)	(24,387)
	\$ -	\$ 9,376

6. LONG TERM DEBT

	2021	2020
Mortgage, bearing interest at 3.69% per annum, repayable in monthly blended payments of \$53,085, with a 20 year amortization ending in April 2036. The mortgage is secured by land and building with a net book value of \$11,599,532 The mortgage is due for renewal in April 2021.	\$ 7,360,765	\$ 7,716,822
Amounts payable within one year	(7,360,765)	(358,152)
	\$ -	\$ 7,358,670

The mortgage is due for renewal in April 2021 and the Union has elected to pay the full remaining balance at that time. The full mortgage balance has therefore been classified as a current liability.

7. CREDIT FACILITY

The Union has access to a credit facility with a maximum borrowing amount of \$3,000,000 at an interest rate of prime. This credit facility is secured by the long term investment portfolio as described in note 4.

As at year end, no amount was drawn against the credit facility. As well, no draws were made during fiscal 2021 and no interest charges were incurred.

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended February 28, 2021

8. TRANSFERS AND RESTRICTIONS

During the year, the Union approved the following inter-fund transfers:

	2021	2020
Invested in Property and Equipment		
From Unrestricted Fund	\$ 569,950	\$ 729,612
From Building Maintenance Fund	56,408	-
From Furniture & Equipment Fund	41,036	-
	667,394	729,612
Contingency Fund		
From Unrestricted Fund	-	300,000
To Building Reserve Fund	(3,305,162)	-
	(3,305,162)	300,000
Defence Fund		
From Unrestricted Fund	-	477,087
Building Maintenance Fund		
From Unrestricted Fund	105,000	-
To Invested in Property and Equipment	(56,408)	-
	48,592	-
Furniture & Equipment Fund		
From Unrestricted Fund	230,000	-
To Invested in Property and Equipment	(41,036)	-
	188,964	-
Building Reserve Fund		
From Unrestricted Fund	1,099,265	2,035,676
From Contingency Fund	3,305,162	-
	4,404,427	2,035,676
Humanitarian/Social Justice Fund		
From Unrestricted Fund	10,000	-
Strike Fund		
From Unrestricted Fund	363,791	1,450,000
Disaster Relief Fund		
From Unrestricted Fund	-	61,625
Operational Systems Development Fund		
From Unrestricted Fund	195,000	-
Members Education and Engagement Fund		
From Unrestricted Fund	1,525,000	-
	\$ 4,098,006	\$ 5,054,000

The transfers from unrestricted net assets to restricted funds are not available for general purposes without the approval of the Board.

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended February 28, 2021

9. COMMITMENTS

The Union has committed funds to various organizations and programs totalling \$250,000 for the 2022 fiscal year.

The Union has also entered into an agreement dated Feb 22, 2021 to pay \$125,000 to conduct a high-level diagnostic assessment of Union operations. The total committed amount will be paid in the next fiscal year.

The Union is committed to a 10 year space lease agreement, that began in September 2018, which includes basic rent and operating costs. The lease will expire in August 2028. The lease agreement includes a provision for a nine month free rent period, the value of which is being amortized over the life of the lease.

Space lease payment schedule:

2022	\$ 531,284
2023	531,284
2024	552,559
2025	573,833
2026	573,833
Thereafter	<u>1,434,583</u>
	<u>\$ 4,197,376</u>

10. SUBSEQUENT EVENT

On April 20, 2021 the Union made a regular mortgage payment and then paid the remaining mortgage balance of \$7,296,916 to repay the loan in full.

11. COVID-19

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Union's operations as at the date of these financial statements.

12. FINANCIAL INSTRUMENTS

The Union is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Union's risk exposure and concentration as of February 28, 2021.

(continues)

HEALTH SCIENCES ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended February 28, 2021

12. FINANCIAL INSTRUMENTS *(continued)*

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Union does not have any significant receivables that would have an impact on the overall operations of the Union.

(b) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Union is exposed to this risk mainly in respect of its long-term debt, obligations under capital leases and accounts payable. Prudent liquidity risk management implies that the Union maintains sufficient cash and available funding through an adequate amount of committed credit facilities. The Union considers that it has sufficient credit facilities to ensure that funds are available to meet its current and long-term financial needs, at a reasonable cost.

(c) Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Union is exposed to foreign currency exchange risk on its investments held in U.S. dollars. The Union does not use derivative instruments to reduce its exposure to foreign currency risk.

(d) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Union manages exposure through its normal operating and financing activities. The Union is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

13. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

HEALTH SCIENCES ASSOCIATION OF ALBERTA**Investment income & expenses****(Schedule 1)****Year Ended February 28, 2021**

	2021	2020
INCOME		
Dividend income	\$ 85,836	\$ 71,598
Interest income	68,126	95,456
Realized gains (losses) on disposal of investments	108,291	48,703
Unrealized gains (losses)	162,768	72,348
	425,021	288,105
EXPENSES		
Investment management fees	59,647	57,637
NET INVESTMENT INCOME	\$ 365,374	\$ 230,468