

Royal University Hospital Foundation Inc.

Financial Statements

March 31, 2022



Independent auditor's report

To the Board of Directors of Royal University Hospital Foundation Inc.

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Royal University Hospital Foundation Inc. (the Foundation) as at March 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Foundation's financial statements comprise:

- the statement of financial position as at March 31, 2022;
- the statement of revenue, expenses, and changes in fund balances for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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.

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

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

Auditor's responsibilities for the audit of the financial statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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



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

PricewaterhouseCoopers LLP

Chartered Professional Accountants

Saskatoon, Saskatchewan

May 25, 2022



Royal University Hospital Foundation Inc.

Statement of Financial Position

As at March 31, 2022

	2022			2021	
	Operating	Designated	Endowment	Total	Total
Assets					
Current assets					
Cash and cash equivalents	8,298,704	-	-	8,298,704	6,356,392
Pledges receivable - current (note 2)	292,578	5,949	-	298,527	293,349
Accounts receivable	46,542	-	-	46,542	1,182,516
Inventory	47,439	-	-	47,439	71,296
Due from other funds	3,048,370	1,063,140	-	4,111,510	3,404,432
Prepaid expenses	276,342	219,141	20,833	516,316	235,505
	12,009,975	1,288,230	20,833	13,319,038	11,543,490
Investments (note 3)	-	3,573,900	23,459,454	27,033,354	25,041,466
Other assets					
Planned giving	23,500	-	-	23,500	19,926
Pledges receivable - long term (note 2)	306,160	-	-	306,160	503,944
	329,660	-	-	329,660	523,870
Capital assets (note 4)	170,276	-	-	170,276	181,917
	12,509,911	4,862,130	23,480,287	40,852,328	37,290,743
Liabilities					
Current liabilities					
Accounts payable (note 5)	527,629	-	555	528,184	634,666
Accrued liabilities	150,394	-	-	150,394	266,892
Grants payable (note 5)	5,488,059	359,585	441,743	6,289,387	5,195,591
Due to other funds	-	-	4,111,510	4,111,510	3,404,432
	6,166,082	359,585	4,553,808	11,079,475	9,501,581
Fund Balances					
Fund balances (note 11)	6,343,829	4,502,545	18,926,479	29,772,853	27,789,162
	12,509,911	4,862,130	23,480,287	40,852,328	37,290,743

Commitments (note 12)

Approved by the Board of Directors

Director

Director

The accompanying notes are an integral part of these financial statements.



Royal University Hospital Foundation Inc.

Statement of Revenue, Expenses, and Changes in Fund Balances
for the year ended March 31, 2022

	2022			2021
	Operating	Designated	Endowment	Total
Revenue				
Donations	2,257,541	148,990	144,367	2,550,898
Bequests	2,621,553	-	40,988	2,662,541
Events - gross revenue & gift-in-kind (note 6)	412,783	-	-	412,783
Gift shop - gross revenue	168,907	-	-	168,907
Gaming- gross revenue (note 6)	1,185,232	-	-	1,185,232
Total fundraising revenue - gross	6,646,016	148,990	185,355	6,980,361
Investment income (loss) (note 3)	159,680	79,211	1,470,781	1,709,672
Management fees (note 3)	5,480	-	-	5,480
Other (note 7)	179,300	(7,657)	(171,643)	-
	6,990,476	220,544	1,484,493	8,695,513
				11,317,284
Expenses				
Fundraising, events, and administrative (schedule A)	(2,230,604)	-	(107,791)	(2,338,395)
Net revenue available for granting	4,759,872	220,544	1,376,702	6,357,118
Grants (note 8)	(2,721,871)	(1,018,590)	(632,966)	(4,373,427)
Excess (deficiency) of revenue over expenses	2,038,001	(798,046)	743,736	1,983,691
Fund balances, beginning of year	4,305,828	5,270,350	18,212,984	27,789,162
Interfund transfers (note 10)	-	30,241	(30,241)	-
Fund balances, end of year (note 11)	6,343,829	4,502,545	18,926,479	29,772,853

The accompanying notes are an integral part of these financial statements.



Royal University Hospital Foundation Inc.

Statement of Cash Flows

for the year ended March 31, 2022

				2022	2021
	Operating	Designated	Endowment	Total	Total
Cash provided by (used in)					
Operating activities					
Excess of revenue over expenses	2,038,001	(798,046)	743,736	1,983,691	5,662,572
Items not involving cash					
Amortization	18,381	-	-	18,381	21,382
Due to (from) other funds	(1,942,923)	1,235,845	707,078	-	-
Investment earnings re-invested (net of fee)	-	88,313	(1,621,677)	(1,533,364)	(3,643,569)
Change in value of planned giving assets	(3,574)	-	-	(3,574)	6,590
Gain on capital assets	(500)	-	-	(500)	-
Donated artwork	(925)	-	-	(925)	-
	108,460	526,112	(170,863)	463,709	2,046,975
Net change in non-cash working capital items					
Decrease (increase) in pledges receivable	197,976	(5,370)	-	192,606	(186,266)
Decrease (increase) in accounts receivable	1,135,974	-	-	1,135,974	(1,077,115)
Decrease (increase) in inventory	23,857	-	-	23,857	52,768
Decrease (increase) in prepaid expenses	(133,405)	(147,406)	-	(280,811)	18,422
Increase (decrease) in accounts payable	(104,191)	-	(2,291)	(106,482)	(175,126)
Increase (decrease) in accrued liabilities	(116,498)	-	-	(116,498)	176,396
Increase (decrease) in grants payable	1,002,476	54,665	36,655	1,093,796	899,766
	2,006,189	(98,111)	34,364	1,942,442	(291,155)
	2,114,649	428,001	(136,499)	2,406,151	1,755,820
Investing activities					
Purchase of investments	-	(589,969)	(37,700)	(627,669)	(2,275,643)
Withdrawal from investments	-	131,727	37,418	169,145	48,658
Proceeds of capital asset disposal	500	-	-	500	-
Purchase of capital assets	(5,815)	-	-	(5,815)	(14,026)
	(5,315)	(458,242)	(282)	(463,839)	(2,241,011)
Net change in cash	2,109,334	(30,241)	(136,781)	1,942,312	(485,191)
Cash and cash equivalents - beginning of year	6,189,370	-	167,022	6,356,392	6,841,583
Interfund transfers (note 10)		30,241	(30,241)	-	-
Cash and cash equivalents - end of year	8,298,704	-	-	8,298,704	6,356,392
	-	-	-	-	-



Royal University Hospital Foundation Inc.

Schedule A - Fundraising, Events and Administration Expenses
for the year ended March 31, 2022

				2022	2021
	Operating	Designated	Endowment	Total	Total
Salaries and benefits	1,258,602	-	-	1,258,602	1,084,531
Event and gaming costs (note 7)	389,973	-	-	389,973	494,608
Gift Shop cost of sales and other costs (schedule B)	194,684	-	-	194,684	186,301
Fundraising and operations	320,898	-	-	320,898	242,596
Investment management fees	9,987	-	107,791	117,778	102,227
Professional fees and contract	56,460	-	-	56,460	53,764
	2,230,604	-	107,791	2,338,395	2,164,027

Royal University Hospital Foundation Inc.

Schedule B - Gift Shop Costs of Sales and Other Costs
for the year ended March 31, 2022

				2022	2021
	Operating	Designated	Endowment	Total	Total
Costs of sale, including packaging and buying	91,154	-	-	91,154	37,254
Inventory write-down	-	-	-	-	63,154
Salaries and benefits	90,718	-	-	90,718	69,471
Administrative costs, including amortization	12,812	-	-	12,812	16,422
	194,684	-	-	194,684	186,301

The accompanying notes are an integral part of these financial statements.



Royal University Hospital Foundation Inc.

Notes to financial statements

March 31, 2022

The Foundation was incorporated under the provisions of the Non-Profit Corporations Act (Saskatchewan) on June 13, 1983 as the University Hospital Foundation Inc. Effective June 7, 1991, the Foundation changed its name to the Royal University Hospital Foundation Inc. (the "Foundation").

The Foundation enjoys tax-exempt status as a registered charity under Paragraph 149(1)(f) of the Income Tax Act (Canada). In order to maintain registered status, a public Foundation must fulfil certain annual expenditure requirements.

1. Significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Fund accounting

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

The Operating fund comprises the Foundation's general and unrestricted fundraising activities and reports resources which are not externally restricted. Also included in this fund are amounts donated for grants which are part of the Foundation's normal granting programs.

The Designated and Endowment funds comprise the Foundation's designated and endowment revenues and corresponding disbursements to the Royal University Hospital (through the Saskatchewan Health Authority) and to the University of Saskatchewan.

The Foundation receives endowment capital contributions, which are intended to exist for a period of ten years, or in perpetuity. These endowment capital contributions, as well as non-capital donations, are included in the Foundation's Endowment fund balance and any investment income (loss) earned on the endowed funds is recorded as income (loss) of the Endowment fund.

The Foundation also receives contributions from donors which are directed by the donor to a specific charitable purpose, or to a specific hospital department or program. Such contributions are recorded in the Designated fund.

The Foundation operates the Royal University Hospital gift shop which it took over from the Royal University Hospital Auxiliary (the "Auxiliary") in 2015. The results of operations of the Gift Shop are reflected in the Operating fund. The intention is that the Foundation will operate the Gift Shop and at the end of each fiscal year will transfer an amount to the Auxiliary endowment fund held by the Foundation. The amount transferred will be determined after calculating a reserve needed to fund the ongoing operations of the Gift Shop. To date, no transfers have been made to the endowment fund upon considering the net Gift Shop earnings, after amortization of fixtures and equipment.

Revenue recognition

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable.

Contributions related to a fundraising campaign are recognized as revenue of the Operating Fund in the period that they are received or receivable. Any contributions receivable related to a fundraising campaign are only recognized to the extent that the corresponding grant expenditure has been incurred.

Donor-designated contributions are recognized as revenue of the Designated Fund or the Endowment Fund in the year received or receivable. All other restricted contributions are deferred and recognized as revenue of the Operating Fund in the same period(s) as the related expenses are incurred.

Contributions receivable are recorded when the amount to be received can be reasonably estimated, ultimate collection is reasonably assured, and the corresponding revenue recognition criteria has been met.



Royal University Hospital Foundation Inc.
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Amounts received related to fundraising events to be held after the fiscal year-end are deferred and recognized on completion of the event.

The Foundation, along with two other Saskatoon Hospital Foundations within the Saskatchewan Health Authority, apply a consistent Recovery of Fundraising Costs Policy. The purpose of the policy is to more closely associate fundraising benefits and costs across all donations to generate a pool of resources that will be available for the operation of the Foundation. A fee is charged on Designated and Endowment donations and recognized as revenue in the Operating fund.

Unrestricted investment income, as well as certain investment income earned on the Designated funds, are recognized as revenue in the Operating fund. Investment income earned on endowments is recorded as revenue of the Endowment fund.

Financial instruments

The Foundation recognizes and measures its financial instruments as follows: 1. cash, accounts receivable, pledges receivable, planned giving, accounts payable, accrued liabilities and grants payable are initially recorded at their fair value and subsequently measured at amortized cost; 2. investments in debt and equity securities that are quoted in an active market are initially recorded, and subsequently measured, at fair value; 3. term deposits and guaranteed investment certificates are initially recorded at fair value and subsequently measured as amortized cost using the effective interest method.

Financial assets, where applicable, are tested for impairment at the end of each reporting period when there are indications that an asset may be impaired.

Cash and cash equivalents

Cash and cash equivalents are comprised of cash balances and term deposits, if any, with original maturities of three months or less.

Cash and cash equivalents are available for meeting short-term cash commitments rather than for investment or other purposes.

Inventory

Inventory is carried at the lower of cost and net realizable value. Inventory consists of items held for sale at the Gift Shop.

Capital assets

Property and equipment are recorded at cost (or receipted value, in the case of donated items) and amortized using the straight-line method over the estimated useful lives of the assets as follows:

Computer equipment and software	2 years
Store fixtures	5 years
Gift Shop renovations	20 years
Donated artwork	Not amortized

Grants

Grants are recorded when the Foundation obligates itself through a board motion to transfer funds for the grant.

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 amounts reported in these financial statements and accompanying notes.

Royal University Hospital Foundation Inc.
Notes to financial statements
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These estimates are based on management's best knowledge of current events and actions that the Foundation may undertake in the future.

Measurement uncertainty

In March 2020, the World Health Organization characterized the COVID-19 virus as a global pandemic. Management has assessed that there are no significant disclosures to make with respect to any changes to assets or liabilities in the subsequent period or any significant effects on the future operations of the Foundation. As the long-term impact of COVID-19 is not yet known, it is not possible to estimate any financial impact of this event on the Foundation's financial results subsequent to March 31, 2022.

Other assets

The Planned Giving amount relates to cash surrender value of life insurance policies which have been donated to the Foundation and for which the Foundation is the beneficiary.

Contributed services

The Saskatchewan Health Authority provides office space and support services to the Foundation at no charge. These services are not recognized in the financial statements due to the difficulty in determining their fair value.

2. Pledges receivable

The Foundation records pledged donation revenues when there is reasonable assurance of collection and the revenue recognition criteria has been met. The measurement of pledges receivable is uncertain due to the third party donor's control over the timing of the payment. Management considers factors relevant to the collection of pledges, including donor profile and donor payment history, to assist in their estimate of the recorded amount of pledges receivable.

At the end of the fiscal year, pledges outstanding (current and long-term) to the Foundation are \$604,687 (2021 - \$797,293) of which \$143,796 (2021 - \$278,863) is included in the current year's donation revenue. Amounts are due to the Foundation over the next one to nine years, as follows:

				2022	2021
	Operating	Designated	Endowment	Total	Total
2022	-	-	-	-	293,349
2023	292,578	5,949	-	298,527	174,783
2024	129,687	-	-	129,687	135,353
2025	118,020	-	-	118,020	135,353
2026	15,020	-	-	15,020	15,020
2027	15,020	-	-	15,020	15,020
2028-2032	28,413	-	-	43,435	28,415
	598,738	5,949	-	604,687	797,293

Additional amounts that have been pledged to the Foundation as of March 31, 2022 for the purpose of funding future grants are disclosed in note 12.

Royal University Hospital Foundation Inc.
Notes to financial statements
March 31, 2022
2. Pledges receivable (continued)

The pledges receivable balance as of March 31, 2022 includes \$58,334 (2021 - \$101,667) related to gifts from Directors of the Foundation.

During the fiscal year, the Foundation incurred pledge losses of \$nil (2021 – \$nil).

3. Investments

	2022			2021
	Operating	Designated	Endowment	Total
Investment portfolios	-	3,573,900	23,459,454	27,033,354
Opening balance	-	3,203,971	21,837,495	25,041,466
Purchase of investments	-	589,969	37,700	627,669
Investment earnings (loss) re-invested (net of fees)	-	(88,313)	1,621,677	1,533,364
Withdrawal from investments	-	(131,727)	(37,418)	(169,145)
	-	3,573,900	23,459,454	27,033,354

The Foundation's investment portfolios in the Designated and Endowment funds are managed by an external professional investment manager, in accordance with an Investment Policy Statement for each portfolio. A quarterly management fee is paid.

Investment income (loss) of \$1,709,672 (2021 - \$3,791,096) consists of interest of \$345,795 (2021 - \$313,625), changes in fair value of investments of \$1,067,778 (2021 - \$3,167,126) and dividend income of \$296,099 (2021 - \$310,645). Changes in fair value include capital gains/losses on investments sold.

The Foundation manages trust funds on behalf of the Saskatchewan Health Authority departments or programs at Royal University Hospital in the amount of \$802,191 (2021 - \$735,644). During the year, the Foundation earned investment income in lieu of a management fee of \$5,480 (2021 - \$5,305) on these funds. These trust funds are not included in these financial statements.

4. Capital assets

	2022		2021
	Cost	Accumulated amortization	Net
Computer equipment	32,166	(21,563)	10,603
Computer software	46,818	(46,818)	-
Gift Shop fixtures	67,716	(66,771)	945
Gift Shop improvements	109,888	(35,714)	74,174
Donated artwork	84,554	-	84,554
	341,142	(171,866)	170,276

Amortization expense included in expenses is \$18,381 (2021 – \$21,382).

Royal University Hospital Foundation Inc.
Notes to financial statements
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5. Grants payable

At the end of the fiscal year, grants payable outstanding are \$6,289,387 (2021 - \$5,195,591). Included in this amount is the Foundation's commitment to pay to the Saskatchewan Health Authority or the University of Saskatchewan the following amounts:

				2022	2021
	Operating	Designated	Endowment	Total	Total
Priority Capital equipment	5,098,960	343,328	120,709	5,562,997	4,399,896
Signature Grants	380,479	16,257	189,904	586,640	655,695
Education, Fellowships and Chairs	8,620	-	131,130	139,750	140,000
	5,488,059	359,585	441,743	6,289,387	5,195,591

The majority of the payments of the grants payable will be made directly to the Saskatchewan Health Authority and the timing will depend upon the Saskatchewan Health Authority's invoicing to the Foundation.

Included in accounts payable at the end of the fiscal year are \$499,387 (2021 - \$500,622) relating to grants that were invoiced by the Saskatchewan Health Authority as of March 31, 2022 and paid subsequent to year end.

6. Events and gaming revenue

			2022	2021
	Revenue	Expenses	Net	Net
Events				
Royal Ball	166,554	(102,565)	63,989	72,969
FFUN Spirit Champions Golf Classic	246,229	(108,745)	137,484	-
Greek Gourmet Feast	-	-	-	62,470
	412,783	(211,310)	201,473	135,439

Included in the event revenue and expenses are gift-in-kind amounts:

			2022	2021
	Revenue	Expenses	Net	Net
Royal Ball	55,887	(55,887)	-	-

Royal University Hospital Foundation Inc.
Notes to financial statements
March 31, 2022

6. Events and gaming revenue (continued)

			2022	2021
	Revenue	Expenses	Net	Net
Gaming				
Hospital Home Lottery	1,185,232	(178,663)	1,006,569	2,309,185

Included in the gaming revenue is Saskatchewan Charitable Gaming Grants in the amount of \$37,727 (2021 - \$35,567).

7. Other revenue

Other revenue primarily relates to the Recovery of Fundraising Costs fee (see Note 1).

8. Grants

				2022	2021
	Operating	Designated	Endowment	Total	Total
Patient Care (including capital)	2,277,728	889,496	231,947	3,399,171	2,543,227
Research	313,055	16,491	20,519	350,065	411,989
Education, Fellowships and Chairs	131,088	112,603	380,500	624,191	535,469
	2,721,871	1,018,590	632,966	4,373,427	3,490,685

Grants for patient care (including capital), research and education, fellowships and chairs which are part of the Foundation's normal granting streams, or which are part of a capital campaign, are recorded as grants and grants payable when the grant is awarded and approved by the Board. Payments against these amounts are made based on invoices from the Saskatchewan Health Authority or the University of Saskatchewan.

In the case of donations designated to a specific one-time purpose, with the intention that the designated purpose will be fulfilled in the near-term, the offsetting grant is recorded at the same time as the donation is received.

According to the terms of certain endowment agreements, the granting of amounts may be determined by a committee external to the Foundation.

Royal University Hospital Foundation Inc.
Notes to financial statements
March 31, 2022

8. Grants (continued)

The following significant items were granted (cancelled) during the year:

				2022	2021
	Operating	Designated	Endowment	Total	Total
Surgery and clinical equipment	2,205,880	713,394	118,221	3,037,495	1,221,953
Research Chairs	-	-	350,000	350,000	350,000
Woman Leading Philanthropy	100,000			100,000	200,000
Fellowship Training	100,000	80,000		180,000	120,000
Epilepsy Monitoring Unit	-	-	-	-	1,250,000
General non-clinical equipment and public space enhancements	(21,589)	-	-	(21,589)	(221,102)
Signature grants and donor-designated	337,580	225,196	164,745	727,521	569,834
	2,721,871	1,018,590	632,966	4,373,427	3,490,685

9. Financial risks

Market risk

The Foundation has exposure to price risk, currency risk and interest rate risk on its fair-value investments, since the fair value of future cash flows may fluctuate because of changes in market prices, currency exchange rates, and interest rates, whether these changes are caused by factors specific to the investments or factors affecting all similar financial instruments traded in the market.

Credit risk

The Foundation's maximum exposure to credit risk is limited to the carrying amount of the financial assets on the statement of financial position.

The credit risk on cash and investments is limited because the counter parties are financial institutions with high credit ratings assigned by national credit rating agencies.

The Foundation monitors and manages its credit risk on pledges receivable as disclosed in note 2.

Liquidity risk

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable rate. The Foundation's approach to managing liquidity is to ensure that it matches grant payments to cash flows to ensure that it has sufficient cash flows to fund its operations and to meet its obligations when they come due, under normal and stressed conditions. The Foundation is not exposed to significant liquidity risk.

Royal University Hospital Foundation Inc.
Notes to financial statements
 March 31, 2022

10. Interfund transfers

				2022	2021
	Operating	Designated	Endowment	Total	Total
Transfers from endowments	-	30,241	(30,241)	-	-
	-	30,241	(30,241)	-	-

Funds raised by the Foundation through annual campaigns, capital campaigns, or donor-centred giving may be transferred from the Operating fund to the Designated Fund, to align with the grant payable.

Certain granting amounts are transferred from the Operating or Endowment funds to a Designated account. The signing authority on these accounts (either the Saskatchewan Health Authority or University of Saskatchewan) will determine the timing of expenditure of these funds.

The Foundation puts on events, the net proceeds of which may be designated to a certain Designated or Endowment fund in a particular year. In addition, the Foundation may from time to time designate the proceeds from the Hospital Home Lottery to a certain Designated or Endowment fund.

11. Fund balances

The fund balances are broken down between internally restricted, externally restricted and unrestricted as follows:

				2022	2021
	Operating	Designated	Endowment	Total	Total
Externally restricted	-	2,360,560	18,198,211	20,558,771	20,232,027
Internally restricted	5,900,526	2,141,985	728,268	8,770,779	6,576,120
Unrestricted	443,303	-	-	443,303	981,015
	6,343,829	4,502,545	18,926,479	29,772,853	27,789,162

The externally restricted funds are restricted for use by specific Saskatchewan Health Authority or University of Saskatchewan Departments. The use of these funds may be for patient care, education (including fellowships), or research (in the case of the Saskatchewan Health Authority) or for research or professorships (in the case of the University of Saskatchewan).



Royal University Hospital Foundation Inc.
Notes to financial statements
March 31, 2022

The internally restricted funds are restricted for the following purposes:

				2022	2021
	Operating	Designated	Endowment	Total	Total
Hospital department programs or capital	4,408,552	2,141,985	728,268	7,278,805	5,602,580
Operating Reserve	1,344,211	-	-	1,344,211	800,000
Gift Shop	147,763	-	-	147,763	173,540
	5,900,526	2,141,985	728,268	8,770,779	6,576,120

The endowment funds are broken down between capital and non- capital as follows:

	2022	2021
	Total	Total
Capital	18,486,125	17,722,431
Non-capital (undistributed non-capital investment earnings)	440,354	490,553
	18,926,479	18,212,984

12. Commitments

Pledge commitments

The Foundation has received signed pledge agreements in the amount of \$nil (2021 - \$1,000,000) from donors which has not been recognized as revenue at year end.

The Foundation has been notified that it is the beneficiary in numerous estates. The timing and amount of these bequests are undeterminable and therefore no amounts are recorded or disclosed until the proceeds are received.

Funding commitments

The Foundation does not have any funding commitments outside its normal operations which have not been recorded as expenditures as of March 31, 2022.