

Royal University Hospital Foundation Inc.

Financial Statements

March 31, 2025

Independent Auditor's Report

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

Opinion

We have audited the financial statements of Royal University Hospital Foundation Inc. (the Foundation), which comprise the statement of financial position as at March 31, 2025, and the statements of revenue and expenses, changes in fund balances, and cash flows for the year then ended, and schedules 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 the Foundation as at March 31, 2025 and its financial performance 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 Foundation 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 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.

Chartered Professional Accountants

Saskatoon, Saskatchewan
May 27, 2025



Royal University Hospital Foundation Inc.

Statement of Financial Position

As at March 31, 2025

	2025			2024
	Operating	Designated	Endowment	Total
Assets				
Current assets				
Cash and cash equivalents	4,506,467	3,387,313	-	7,893,780
Pledges receivable - current (note 2)	157,574	687,246	-	844,820
Accounts receivable	132,256	-	-	132,256
Inventory	67,145	-	-	67,145
Due from (to) other funds	4,365,368	2,334,800	(6,700,168)	-
Prepaid expenses	328,558	131,889	-	460,447
	9,557,368	6,541,248	(6,700,168)	9,398,448
Investments (note 3)	6,430,612	5,364,705	28,007,345	39,802,662
				38,529,981
Other assets				
Planned giving	30,267	-	-	30,267
Pledges receivable - long term (note 2)	119,645	1,215,000	-	1,334,645
	149,912	1,215,000	-	1,364,912
Tangible capital assets (note 4)	152,352	-	-	152,352
				160,337
	16,290,244	13,120,953	21,307,177	50,718,374
				45,197,146
Liabilities				
Current liabilities				
Accounts payable (note 5)	321,104	135,900	-	457,004
Accrued liabilities	366,735	-	-	366,735
Deferred revenue	1,200	-	-	1,200
Grants payable (note 5)	2,658,125	7,115,620	570,750	10,344,495
	3,347,164	7,251,520	570,750	11,169,434
				10,297,711
Fund Balances				
Fund balances (note 11)	12,943,080	5,869,433	20,736,427	39,548,940
				34,899,435
	16,290,244	13,120,953	21,307,177	50,718,374
				45,197,146

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 and Expenses for the year ended March 31, 2025

	2025			2024
	Operating	Designated	Endowment	Total
Revenue				
Donations	954,273	4,667,442	92,268	5,713,983
Gaming- gross revenue (note 6)	1,376,013	-	-	1,376,013
Events - gross revenue & gift-in-kind (note 6)	575,163	-	-	575,163
Bequests	291,768	77,039	-	368,807
Gift shop - gross revenue	305,893	-	-	305,893
	3,503,110	4,744,481	92,268	8,339,859
Investment income (note 3)	950,042	404,976	2,232,715	3,587,733
Management fees (note 3)	38,948	-	-	38,948
Other (note 7)	375,359	(188,445)	(186,914)	-
	4,867,459	4,961,012	2,138,069	11,966,540
Expenses				
Fundraising, events, and administrative (schedule A)	(2,340,260)	-	(126,053)	(2,466,313)
Net revenue available for granting	2,527,199	4,961,012	2,012,016	9,500,227
Grants (note 8)	342	(4,253,705)	(597,359)	(4,850,722)
Excess of revenue over expenses	2,527,541	707,307	1,414,657	4,649,505
Fund balances, beginning of year	10,415,539	5,114,602	19,369,294	34,899,435
Interfund transfers (note 10)	-	47,524	(47,524)	-
Fund balances, end of year (note 11)	12,943,080	5,869,433	20,736,427	39,548,940

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



Royal University Hospital Foundation Inc.

Statement of Changes in Fund Balances

As at March 31, 2025

	2025			2024
	Operating	Designated	Endowment	Total
Externally Restricted				
Balances, beginning of year	-	3,192,608	18,611,062	21,803,670
Excess of revenue over expenses	-	294,501	1,052,796	1,347,297
Transfers	-	47,524	(47,524)	-
Balances, end of year	-	3,534,633	19,616,334	23,150,967
Internally Restricted				
Balances, beginning of year	8,357,402	1,921,994	758,232	11,037,628
Excess of revenue over expenses	42,003	412,806	361,861	816,670
Transfers	(73,981)	-	-	(73,981)
Balances, end of year	8,325,424	2,334,800	1,120,093	11,780,317
Unrestricted				
Balances, beginning of year	2,058,137	-	-	2,058,137
Excess of revenue over expenses	2,485,538	-	-	2,485,538
Transfers	73,981	-	-	73,981
Balances, end of year	4,617,656	-	-	4,617,656
	12,943,080	5,869,433	20,736,427	39,548,940

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



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Royal University Hospital Foundation Inc.

Statement of Cash Flows

for the year ended March 31, 2025

	2025			2024
	Operating	Designated	Endowment	Total
Cash provided by (used in)				
Operating activities				
Excess of revenue over expenses	2,527,541	707,307	1,414,657	4,649,505
Items not involving cash				
Amortization	12,106	-	-	12,106
Due to (from) other funds	(572,823)	(412,806)	985,629	-
Investment earnings re-invested (net of fee)	(257,255)	(321,488)	(2,524,036)	(2,462,801)
Change in value of planned giving assets	(1,981)	-	-	(1,981)
	1,707,588	(26,987)	(123,750)	1,556,851
Net change in non-cash working capital items				
Decrease (increase) in pledges receivable	(13,248)	438,086	-	424,838
Decrease (increase) in accounts receivable	(8,946)	-	-	(8,946)
Decrease (increase) in inventory	(1,292)	-	-	(1,292)
Decrease (increase) in prepaid expenses	(44,148)	78,959	-	34,811
Increase (decrease) in accounts payable	(313,209)	135,900	(1,432)	(178,741)
Increase (decrease) in accrued liabilities	253,005	-	-	253,005
Increase (decrease) in deferred revenue	(38,700)	(25,000)	-	(63,700)
Increase (decrease) in grants payable	(540,770)	1,215,752	186,177	861,159
	(707,308)	1,843,697	184,745	1,321,134
	1,000,280	1,816,710	60,995	2,877,985
Investing activities				
Purchase of investments	(2,276,107)	(1,902,454)	(61,009)	(4,239,570)
Withdrawal from investments	2,766,790	3,255,340	47,538	6,069,668
Purchase of tangible capital assets	(4,121)	-	-	(4,121)
	486,562	1,352,886	(13,471)	1,825,977
Net change in cash	1,486,842	3,169,596	47,524	4,703,962
Cash and cash equivalents - beginning of year	3,019,625	170,193	-	3,189,818
Interfund transfers (note 10)	-	47,524	(47,524)	-
Cash and cash equivalents - end of year	4,506,467	3,387,313	-	7,893,780

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



Royal University Hospital Foundation Inc.

Schedule A - Fundraising, Events and Administration Expenses for the year ended March 31, 2025

	2025			2024
	Operating	Designated	Endowment	Total
Salaries and benefits	1,264,850	-	-	1,264,850
Event and gaming costs (note 6)	418,072	-	-	418,072
Gift Shop cost of sales and other costs (schedule B)	263,890	-	-	263,890
Fundraising and operations	236,983	-	-	236,983
Investment management fees	16,717	-	126,053	142,770
Professional fees and contracts	139,748	-	-	139,748
	2,340,260	-	126,053	2,466,313

Royal University Hospital Foundation Inc.

Schedule B - Gift Shop Costs of Sales and Other Costs for the year ended March 31, 2025

	2025			2024
	Operating	Designated	Endowment	Total
Costs of sale, including packaging and buying	160,756	-	-	160,756
Salaries and benefits	82,430	-	-	82,430
Administrative costs, including amortization	20,704	-	-	20,704
	263,890	-	-	263,890

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



Royal University Hospital Foundation Inc.

Notes to financial statements

March 31, 2025

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 earned on the endowed funds is recorded as income 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 are reflected in the Operating fund.

Interfund balances

The due from the Endowment fund to the Operating fund of \$4,365,368 and the due from the Endowment fund to the Designated fund of \$2,334,800 bear no interest, are unsecured and have no specific terms of repayment.

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.

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.

Contribution receivables 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.

Notes to financial statements

March 31, 2025

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 applies 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. Based on this policy, 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

Financial instruments are recorded at fair value at initial recognition. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in the Statement of Revenue and Expenses. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in the Statement of Revenue and Expenses. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in the Statement of Revenue and Expenses.

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, determined using the weighted average method, and net realizable value. Inventory consists of items held for sale at the Gift Shop.

Tangible capital assets

Property and equipment are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Contributed tangible capital assets are subsequently amortized. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization is based on the estimated useful life of the asset and is calculated using the straight-line method as follows:

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

Royal University Hospital Foundation Inc.**Notes to financial statements****March 31, 2025**

Amortization expense is reported in the Operating fund.

When a tangible capital asset no longer contributes to the Foundation's ability to provide goods and services, or the future economic benefits or service potential of the tangible capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the Statement of Revenue and Expenses.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the Statement of Revenue and Expenses. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the Statement of Revenue and Expenses, provided that all restrictions have been complied with.

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. The inherent uncertainty involved in making such estimates and assumptions may impact the actual results reported in future periods. Adjustments, if any, will be reflected in operations in the period of settlement.

These estimates are based on management's best knowledge of current events and actions that the Foundation may undertake in the future.

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

Donations of materials and services are recorded at fair value when received if the amount can be reasonably estimated. 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 revenue 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.



Royal University Hospital Foundation Inc.

Notes to financial statements

March 31, 2025

At the end of the fiscal year, pledges outstanding (current and long-term) to the Foundation are \$2,179,465 (2024 - \$2,604,302) of which \$1,526,479 (2024 - \$2,244,308) is included in the current year's donation revenue. Amounts are due to the Foundation over the next six years, as follows:

	2025			2024
	Operating	Designated	Endowment	Total
2025	-	-	-	1,678,776
2026	157,574	687,246	-	300,020
2027	71,687	625,000	-	322,092
2028	34,564	415,000	-	290,020
2029	5,854	165,000	-	5,854
2030	5,020	10,000	-	5,020
2031	2,520	-	-	2,520
	277,219	1,902,246	-	2,604,302

Additional amounts that have been pledged to the Foundation as of March 31, 2025 for the purpose of funding future grants are disclosed in note 12.

During the fiscal year, the Foundation incurred pledge losses of \$1,500 (2024 – \$1,825).

3. Investments

	2025			2024
	Operating	Designated	Endowment	Total
Short-term investments	-	583,603	1,707,788	3,643,193
Fixed income	6,430,612	4,660,060	8,488,564	18,655,178
Equities	-	121,042	15,057,745	14,020,169
Real estate, mortgage and infrastructure funds	-	-	2,753,248	2,211,441
	6,430,612	5,364,705	28,007,345	38,529,981

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

Royal University Hospital Foundation Inc.
Notes to financial statements
March 31, 2025

	2025			2024
	Operating	Designated	Endowment	Total
Investment portfolios (at fair value)	6,430,612	5,364,705	28,007,345	39,802,662
Opening balance	6,664,040	6,396,103	25,469,838	38,529,981
Purchase of investments	2,276,107	1,902,454	61,009	4,239,570
Investment earnings re-invested (net of fees)	257,255	321,488	2,524,036	3,102,779
Withdrawal from investments	(2,766,790)	(3,255,340)	(47,538)	(6,069,668)
	6,430,612	5,364,705	28,007,345	39,802,662

Investment income of \$3,587,733 (2024 - \$2,882,843) consists of interest of \$1,320,901 (2024 - \$1,018,269), dividend income of \$353,645 (2024 - \$362,712) realized gains on investments sold of \$869,044 (2024 - \$774,438) and unrealized gains on investments of \$1,044,183 (2024 - \$727,424).

The Foundation manages trust funds on behalf of the Saskatchewan Health Authority departments or programs at Royal University Hospital in the amount of \$899,872 (2024 - \$813,655). During the year, the Foundation earned investment income in lieu of a management fee of \$38,948 (2024 - \$42,179) on these funds. These trust funds are not included in these financial statements.

4. Tangible capital assets

	2025		2024
	Cost	Accumulated amortization	Net
Computer equipment	34,587	(32,355)	2,232
Computer software	24,510	(24,510)	-
Furniture and Gift Shop fixtures	81,003	(73,127)	7,876
Gift Shop improvements	109,888	(52,198)	57,690
Donated artwork	84,554	-	84,554
	334,542	(182,190)	152,352

Amortization expense for the year is \$12,106 (2024 - \$11,163) and is presented within fundraising, events, and administrative expense (Schedule A) on the Statement of Revenue and Expenses in the Operating fund.

Royal University Hospital Foundation Inc.
Notes to financial statements
March 31, 2025
5. Grants payable

At the end of the fiscal year, grants payable outstanding are \$10,344,495 (2024 - \$9,483,336). The following amounts are payable to the Saskatchewan Health Authority or the University of Saskatchewan:

	2025			2024
	Operating	Designated	Endowment	Total
Priority Capital equipment	2,218,413	7,093,737	153,304	9,465,454
Signature Grants	370,907	21,883	185,061	577,851
Education, Fellowships and Chairs	68,805	-	232,385	301,190
	2,658,125	7,115,620	570,750	10,344,495
				9,483,336

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 March 31, 2025 are \$184,438 (2024 - \$589,979) relating to amounts that were invoiced by the Saskatchewan Health Authority and paid subsequent to year end.

6. Events and gaming revenue

	2025		2024
	Revenue	Expenses	Net
Events			
FFUN Spirit Champions Golf Classic	397,922	(163,581)	234,341
Greek Gourmet Feast	177,241	(40,311)	136,930
	575,163	(203,892)	371,271
			265,471

Included in the event revenue and expenses are gift-in-kind amounts of \$8,741 (2024 - \$34,685).

	2025		2024
	Revenue	Expenses	Net
Gaming			
Hospital Home Lottery	1,376,013	(214,180)	1,161,833
			1,306,353

Included in the gaming revenue is Saskatchewan Charitable Gaming Grants in the amount of \$33,333 (2024 - \$38,801).

Royal University Hospital Foundation Inc.

Notes to financial statements

March 31, 2025

7. Other revenue

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

8. Grants

	2025			2024	
	Operating	Designated	Endowment	Total	Total
Patient Care (including capital)	(4,805)	3,823,883	246,449	4,065,527	6,857,283
Research and Chairs	(56,037)	405,033	343,410	692,406	745,762
Education and Fellowships	60,500	24,789	7,500	92,789	217,259
	(342)	4,253,705	597,359	4,850,722	7,820,304

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 or 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.

The following items were granted during the year:

	2025			2024	
	Operating	Designated	Endowment	Total	Total
Surgery and clinical equipment	247,382	3,816,374	137,627	4,201,383	6,581,000
Signature grants and donor-designated	52,499	215,339	120,347	388,185	529,924
Women Leading Philanthropy	125,000	226,000	-	351,000	250,000
Research Chairs	-	-	350,000	350,000	350,000
Fellowship Training	60,000	-	-	60,000	200,000
Repaid or cancelled	(485,223)	(4,008)	(10,615)	(499,846)	(90,620)
	(342)	4,253,705	597,359	4,850,722	7,820,304

Royal University Hospital Foundation Inc.**Notes to financial statements****March 31, 2025**

9. Financial risks**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price 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.

The Foundation considers this risk to be acceptable and therefore does not hedge its foreign exchange rate risks. Within the investment portfolios at March 31, 2025, the Foundation held \$nil (2024 - \$1,327) of investments in US dollars.

The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the Foundation to a fair value risk while the floating rate instruments subject it to a cash flow risk.

The Foundation is exposed to changes in interest rates related to its investments in marketable securities. The Foundation's primary objective is to ensure the protection of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return. Treasury risk management policies specify various investment parameters including eligible types of investment, maximum maturity dates, maximum exposure by counterparties and maximum credit ratings.

The Foundation mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments in quoted shares.

The Foundation manages other price risk through asset allocation and maintaining a portfolio that is well diversified on both a geographic and industry sector basis.

Credit risk

Credit risk is the risk that one party to financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation is exposed to credit risk resulting from the possibility that counterparty to a financial instrument default on their financial obligations. 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, 2025

10. Interfund transfers

	2025			2024
	Operating	Designated	Endowment	Total
Transfers from endowments	-	47,524	(47,524)	-

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.

11. Fund balances

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.

Internally restricted funds are restricted for the following purposes:

	2025			2024
	Operating	Designated	Endowment	Total
Hospital department programs or capital	6,670,346	2,334,800	1,120,093	10,125,239
Operating Reserve	1,470,000	-	-	1,470,000
Gift Shop	185,078	-	-	185,078
	8,325,424	2,334,800	1,120,093	11,780,317

The endowment funds are comprised of the following:

	2025	2024
	Total	Total
Capital	19,814,328	18,651,130
Non-capital (undistributed non-capital investment earnings)	922,099	718,164
	20,736,427	19,369,294



Royal University Hospital Foundation Inc.
Notes to financial statements
March 31, 2025

12. Commitments

Pledge commitments

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, 2025.

Other commitments

The Foundation is committed to future payments under a multi-year contract for database and accounting services. At March 31, 2025 the total future commitment is \$313,378 payable between May 2025 and April 2031.