



HOSPITALS OF REGINA®
FOUNDATION

Better lives. Made possible by you.

Financial Statements of

HOSPITALS OF REGINA FOUNDATION INC.
and Independent Auditor's Report thereon

For the year ended December 31, 2025

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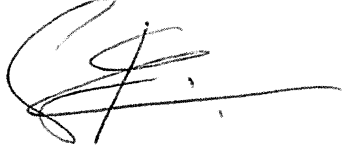
Management's Responsibility for Financial Reporting

Management has the responsibility for preparing the accompanying financial statements and ensuring that the information in the Annual Report is consistent with the financial statements. This responsibility includes selecting appropriate accounting policies and making objective judgements and estimates in accordance with Canadian accounting standards for not-for-profit organizations.

In discharging its responsibilities for the integrity and fairness of the financial statements and for the accounting systems from which they are derived, management maintains the necessary system of internal controls designed to provide assurance that transactions are authorized, assets are safeguarded and proper records are maintained.

Ultimate responsibility for financial statements lies with the Board of Directors. An Audit & Finance Committee of Directors is appointed by the Board to review financial statements in detail with Management and report to the Board of Directors prior to their approval of the financial statements for publication.

Independent auditors audit the financial statements and meet with both the Audit & Finance Committee and Management to review their findings. The independent auditors' reports follow. The auditors have full and free access to the Audit & Finance Committee to discuss their findings regarding the integrity of the Foundation's financial reporting and the adequacy of the system of internal controls.



Dino Sophocleous, CFRE
President & CEO
March 25, 2026

Independent Auditor's Report



To the Board of Directors Hospitals of Regina Foundation Inc.

Opinion

We have audited the financial statements of Hospitals of Regina Foundation Inc., which comprise the statement of financial position as at December 31, 2025 and the statement of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2025, and its financial performance and 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 Saskatchewan, 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.

Other Matter

The financial statements of the Foundation for the year ended December 31, 2024, were audited by another auditor who expressed an unmodified opinion on those financial statements dated April 8, 2025.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report to members, but does not include the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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.

SASKATOON

Suite 200 - 157 2nd Ave North | Saskatoon, SK S7K 2A9
t. 306-653-6100 e. virtus.saskatoon@virtusgroup.ca

REGINA

Suite 200 - 2208 Scarth Street | Regina, SK S4P 2J6
t. 306-522-6500 e. virtus.regina@virtusgroup.ca

ESTEVAN

1210 4th Street | Estevan, SK S4A 0W9
t. 306-634-6806 e. virtus.estevan@virtusgroup.ca

INDEPENDENT AUDITOR'S REPORT continued

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.

March 25, 2026
Regina, Saskatchewan

VIRTUS GROUP LLP
Chartered Professional Accountants

HOSPITAL OF REGINA FOUNDATION INC.

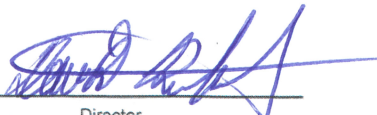
Statement of Financial Position

December 31, 2025 with comparative information for December 31, 2024

	General Fund	Endowment and Special Purpose Funds	Total 2025	Total 2024
Assets				
Current Assets				
Cash	\$ 3,043,198	\$ -	\$ 3,043,198	\$ 4,370,802
Short-term investments (note 3)	50,989,405	-	50,989,405	43,876,718
Accounts receivable and accrued interest receivable	349,408	-	349,408	964,836
Lottery deposits and receivables	996,337	-	996,337	542,520
Prepaid expenses	102,221	-	102,221	53,511
Gift shop inventory	51,104	-	51,104	50,338
Pledges receivable (note 4)	2,617,925	-	2,617,925	2,771,780
Planned giving receivable (note 5)	506,860	-	506,860	2,127,231
	58,656,458	-	58,656,458	54,757,736
Investments (notes 3 and 9)	22,500,208	7,182,185	29,682,393	26,952,783
Tangible capital assets (note 6)	171,667	-	171,667	147,012
	81,328,333	7,182,185	88,510,518	81,857,531
Liabilities and net assets				
Current liabilities				
Accounts payable	\$ 1,146,675	\$ -	\$ 1,146,675	\$ 1,939,993
Deferred revenue	23,854	-	23,854	6,050
	1,170,529	-	1,170,529	1,946,043
Long term liabilities				
Deferred pledge revenue (note 4)	2,617,925	-	2,617,925	2,771,780
Deferred planned gifts (note 5)	506,860	-	506,860	2,127,231
	4,295,314	-	4,295,314	6,845,054
Net assets				
Investment in tangible capital assets	171,667	-	171,667	147,012
Operating reserve	2,000,000	-	2,000,000	2,000,000
Designated funds	74,861,352	-	74,861,352	66,689,229
Endowment and special purpose funds	-	7,182,185	7,182,185	6,176,236
	77,033,019	7,182,185	84,215,204	75,012,477
Commitments (notes 10 and 11)				
	\$ 81,328,333	\$ 7,182,185	\$ 88,510,518	\$ 81,857,531

See accompanying notes to the financial statements

Approved by the Board:


Director


Director

HOSPITAL OF REGINA FOUNDATION INC.
Statement of Operations and Changes in Net Assets

For the year ending December 31, 2025 with comparative information for the year ended December 31, 2024

	Investment in Capital Assets	Operating Reserve	Designated Funds	Endowment and Special Purpose Funds	2025	2024
Revenue:						
Charitable giving	\$ -	\$ -	\$ 7,016,332	\$ -	\$ 7,016,332	\$ 8,584,161
Charitable gaming (note 7)	-	-	3,389,407	-	3,389,407	3,216,955
Gift shop revenue (net) (note 8)	-	-	91,075	-	91,075	48,213
Investment income	-	75,539	4,783,970	1,080,858	5,940,367	4,174,223
Unrealized gain on investments	-	8,714	(1,087,274)	(384,919)	(1,463,479)	690,874
	-	84,253	14,193,510	695,939	14,973,702	16,714,426
Expenses:						
Direct fundraising costs	-	-	543,751	-	543,751	451,118
Administration	34,927	-	409,596	-	444,523	535,267
Communications and marketing	-	-	120,509	-	120,509	108,191
Salaries and benefits	-	-	1,918,187	-	1,918,187	1,778,054
	34,927	-	2,992,043	-	3,026,970	2,872,630
Excess (deficiency) of revenue over expenses	(34,927)	84,253	11,201,467	695,939	11,946,732	13,841,796
Net assets, beginning of year	147,012	2,000,000	66,689,229	6,176,236	75,012,477	65,541,057
Transfers	59,582	(84,253)	(285,339)	310,010	-	-
Distributions (note 11)	-	-	(2,744,005)	-	(2,744,005)	(4,370,376)
Net assets, end of year	\$ 171,667	\$ 2,000,000	\$ 74,861,352	\$ 7,182,185	\$ 84,215,204	\$ 75,012,477

See accompanying notes to the financial statements

HOSPITAL OF REGINA FOUNDATION INC.
Statement of Cash Flows

For the year ending December 31, 2025 with comparative information for the year ended December 31, 2024

	2025	2024
Cash provided by (used for)		
Operations:		
Excess of revenue over expenses	\$ 11,946,732	\$ 13,841,796
Items not involving cash:		
Amortization of tangible capital assets	34,927	120,455
Unrealized loss (gain) on investments	1,463,479	(690,874)
Change in non-cash operating items:		
Accounts receivable	615,428	(350,158)
Lottery deposits and receivables	(453,817)	82,480
Prepaid expenses	(48,710)	68,596
Purchase of inventory	(766)	(4,839)
Accounts payable	(793,318)	1,062,588
Deferred revenue	17,804	(21,250)
	12,781,759	14,108,794
Investing:		
Purchase of investments	(31,305,776)	(32,351,460)
Redemption of investments	20,000,000	25,000,000
Purchase of tangible capital assets	(59,582)	(59,071)
	(11,365,358)	(7,410,531)
Financing:		
Distributions	(2,744,005)	(4,370,376)
(Decrease) increase in cash	(1,327,604)	2,327,887
Cash, beginning of year	4,370,802	2,042,915
Cash, end of year	\$ 3,043,198	\$ 4,370,802

See accompanying notes to the financial statements

For the year ended December 31, 2025

1. Nature of the Organization:

The Hospitals of Regina Foundation Inc. (the "Foundation") was incorporated in 1987 under the provisions of the *Non-Profit Corporations Act (Saskatchewan)*. The Foundation solicits, manages and distributes funds for the purchase of medical equipment, education and research to the benefit of patients served by the hospitals and other health care facilities in Regina, all of which operate under the authority of the Saskatchewan Health Authority (the "Authority").

2. Significant Accounting Policies:

The financial statements of the Foundation have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The most significant policies are as follows:

(a) Fund Accounting and Reserves:

The accounts of the Foundation are reported in accordance with the restricted fund method. A fund is defined as a self-balancing accounting entity established to report the assets held against the capital of the fund or against monies received for specific designated purposes. The following funds are maintained by the Foundation:

The General Fund accounts for the Foundation's fundraising, administrative and capital asset activities. The fund reports unrestricted resources and designated funds that are to be used for the purposes for which the funds were given.

The Endowment and Special Purpose Fund reports donations contributed for endowment and donations allocated for long-term special purposes, less authorized withdrawals for equipment, educational or research purposes.

Reserves

Within the General Fund, externally restricted funds received from donors are shown as designated funds.

The operating reserve is set aside to stabilize the Foundation's finances by providing a cushion against unexpected events, losses of revenue, and large unbudgeted expenses. Fund balances and their adequacy will be reviewed on an annual basis. This internally restricted amount is not available for other purposes without approval by the Board of Directors.

Transfers

Transfers between funds occur when distributions are made from the Endowment and Special Purpose Fund but are paid for through the operating bank account in the General Fund or capital assets are purchased and paid for through the operating bank account. These transactions between funds are shown as transfers on the Statement of Operations and Changes in Net Assets.

(b) Revenue Recognition:

The Foundation records donor pledges and irrevocable bequests as assets in the General Fund representing the right to receive funds at a future date as specified by the donor. Amounts are recognized in revenue when received.

Gifts-in-kind are recorded in revenue at fair value as at the date tendered by the donor. Donations of materials are recorded in revenue at fair value when they otherwise would have been purchased and when fair value can reasonably be estimated, as at the date received.

Contributions for endowments are recognized as revenue in the Endowment and Special Purpose Fund. Investment income that is earned on assets of the Endowment and Special Purpose Fund and that must be used in accordance with conditions imposed by the donor is recognized as revenue of the donor-restricted fund the date it was earned.

For the year ended December 31, 2025

2. Significant Accounting Policies (continued):

(b) Revenue Recognition (continued):

The Foundation raises funds through two lotteries conducted under lottery licenses issued by the Saskatchewan Liquor and Gaming Authority. These financial statements reflect the results of the lotteries which ended within the fiscal year 2025.

Special event revenue is recognized on completion of the event and reported under charitable giving. Planned gifts include insurance policies irrevocably pledged to the Foundation and bequests. Insurance policies of which the Foundation is the irrevocable beneficiary are recorded at the fair value of the policy. Funds to be received through bequests are recognized at fair value upon receipt of formal legal notification.

The Foundation's investments, except guaranteed income certificates (GICs), have been measured at fair value, whereby changes in fair value are recognized immediately in revenue. Investment income is recognized on the accrual basis for GICs which are valued at amortized cost.

(c) Tangible Capital Assets:

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Amortization is provided on a declining-balance basis over the assets' estimated useful lives, varying from 3 to 10 years.

(d) Financial Assets and Liabilities:

Financial instruments are recorded at fair value on initial recognition. Subsequently, investments are accounted for at their fair values, which are determined based on closing market values at year-end, except guaranteed income certificates (GICs), which are valued at amortized cost. All other financial instruments are subsequently recorded at cost or amortized cost.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method. Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial assets. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial assets or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Income Taxes:

The Foundation is a registered charity and no income taxes are payable on reported income under paragraph 149(1) (f) of the *Income Tax Act*.

(f) Volunteer Services:

Volunteers contribute a significant amount of time each year to assist the Foundation in carrying out its fundraising activities. Because of the difficulty of determining their fair values, these volunteer services are not recognized in the financial statements.

(g) 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 affects the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Significant items subject to such estimates and assumptions include the valuation of investments and pledges receivable. Actual results could differ from those estimates.

HOSPITALS OF REGINA FOUNDATION INC.
Notes to the Financial Statements (continued)

For the year ended December 31, 2025

2. Significant Accounting Policies (continued):

(h) Future Accounting Standards:

Effective for January 1, 2026, the Foundation will adopt AcG-21 *Accounting for Life Insurance Contracts with Cash Surrender Value*. The impact is yet to be determined but is not estimated to be significant.

3. Investments:

	2025	2024
Short-term investments:		
Savings deposits	\$ 46,963,996	\$ 19,999,081
Guaranteed Income Certificates (GICs)	5,000	20,005,000
Pooled fixed income funds	4,020,409	3,872,637
	50,989,405	43,876,718
Long-term investments:		
Pooled equity funds	13,502,362	11,758,899
Pooled fixed income funds	16,180,031	15,193,884
	29,682,393	26,952,783
	\$ 80,671,798	\$ 70,829,501

The long-term investments are comprised of pooled equity funds and pooled fixed income funds. The Foundation's investments in pooled funds have no fixed maturity dates and fund returns are based on the success of the fund managers.

The Foundation's short-term investments are comprised of savings deposits bearing a floating rate of interest (2024 – floating rate of interest), pooled fixed income funds and GICs bearing interest at 2.5% (2024 – 2.5% to 6.2%) and maturing in August 2026 (2024 – February 2025 to November 2025).

4. Pledges Receivable and Deferred Pledge Revenue:

	2025	2024
Past due	\$ 32,100	\$ 44,153
Due within next 12 months	959,825	784,627
Thereafter	1,626,000	1,943,000
	\$ 2,617,925	\$ 2,771,780

The pledges receivable are designated for use in purchasing equipment and general support.

5. Planned Giving Receivable and Deferred Planned Gifts:

	2025	2024
Bequests	\$ 300,971	\$ 1,921,342
Insurance policies	205,889	205,889
	\$ 506,860	\$ 2,127,231

HOSPITALS OF REGINA FOUNDATION INC.
Notes to the Financial Statements (continued)

For the year ended December 31, 2025

6. Tangible Capital Assets:

			2025	2024
	Cost	Accumulated Amortization	Carrying Value	Carrying Value
Computer hardware and software	\$ 273,631	\$ 202,654	\$ 70,977	\$ 44,124
Donor recognition centers	446,973	393,299	53,674	35,970
Furniture and equipment	249,254	202,391	46,863	54,021
Leasehold improvements	293,092	292,939	153	12,897
	\$ 1,262,950	\$ 1,091,283	\$ 171,667	\$ 147,012

Amortization for the year totaled \$34,927 (2024: \$120,455).

7. Charitable Gaming Revenue:

	2025	2024
Lottery revenue	\$ 11,430,571	\$ 11,324,724
Lottery expenses:		
Prizes	5,038,830	5,285,947
Marketing and administration	3,102,334	2,921,822
	3,289,407	3,116,955
Provincial Gaming Grant	100,000	100,000
	\$ 3,389,407	\$ 3,216,955

8. Gift Shop Revenue:

The Foundation took over operation of the gift shop at the Regina General Hospital from the Regina General Hospital Auxiliary on April 3, 2023. The gift shop opened for business on October 23, 2023.

	2025	2024
Gift shop revenue:		
Gift shop sales	\$ 381,101	\$ 270,757
Gift shop expenses:		
Cost of sales	203,644	133,247
Gift shop expenses	18,313	21,330
Inventory loss	2,318	5,106
Salaries	65,751	62,861
	290,026	-
	\$ 91,075	\$ 48,213

For the year ended December 31, 2025

9. Endowments and Special Purpose Funds:

Endowments are established for specific donor-designated purposes, subject to the concurrence of the Foundation and a prescribed minimum donation amount. The Foundation will also designate funds received for similar special purposes. Investment income is to be used only for these purposes and as specified by agreement with the donor and/or the special purpose of the fund.

	Endowment Capital	Designations and Earnings	Fund Balance 2025	Fund Balance 2024
Cardiac Care	\$ 169,445	\$ 449,992	\$ 619,437	\$ 559,415
Caring For Life	396,265	1,669,967	2,066,232	1,866,018
Fleming Memorial Education	698,952	1,708,976	2,407,928	2,174,605
GI/Endoscopy	153,490	560,167	713,657	644,505
McIntosh Veterans'	-	355,560	355,560	321,107
Nursing Research	-	255,259	255,259	230,525
Nuclear Pharmacy	21,240	73,563	94,803	85,617
Schmirler (NICU)	137,324	531,985	669,305	604,454
	\$ 1,576,716	\$ 5,605,469	\$ 7,182,181	\$ 6,486,246

10. Commitments:

The Foundation is committed under an operating lease ending March 31, 2031. Annual payments for the next five years total:

2026	\$ 103,247
2027	103,247
2028	103,247
2029	103,247
2030	103,247

The Foundation lottery program's main prizes are committed for in advance. The total commitment as at December 31, 2025, is \$3,900,000 (2024 - \$3,064,000).

11. Distributions:

The Foundation has a policy of disbursing funds to the Saskatchewan Health Authority and other partners once appropriate documentation confirming the purchase of equipment or funding of medical research or education has been received by the Foundation from its partners.

There can be a delay from the time at which a commitment to provide funding is made to the time at which funding for equipment, research or education is actually made. Approved funding commitments to the Authority and other partners of \$13,167,099 were outstanding at December 31, 2025 (2024 - \$13,801,431).

12. Financial Risk and Concentration of Risk:

The Foundation faces certain financial risks such as interest rate, credit risk and liquidity risk which can impact its financial performance.

For the year ended December 31, 2025

12. Financial Risk and Concentration of Risk (continued):

Interest Rate Risk:

The Foundation is exposed to interest rates with respect to its certain investments. Financial instruments are not used for trading or speculative purposes. The Foundation mitigates risk associated with these financial instruments through the Foundation's established investment policy.

Credit Risk:

The Foundation's cash, accounts receivable, planned giving receivable, pledges receivable and certain investments are not subject to any significant concentration of credit risk. The carrying amounts of financial assets in the statement of financial position represent the Foundations maximum credit exposure at the statement of financial position date. The credit risk on cash is limited because the counterparties are chartered banks with high credit ratings assigned by national credit-rating agencies.

Credit risk within investments is primarily related to savings deposits and money market funds. The Board has developed investment guidelines that limit debt instruments to those of high credit quality along with limits to the maximum notional amount of exposure.

Liquidity Risk:

The Foundation manages its liquidity risk by maintaining adequate cash and investments, preparing operating budgets and reviewing the cash flow needs of the Foundation on a regular basis.

Market Risk:

The risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Foundation's pooled equity fund investments are subject to risks arising from changes in market conditions.

Geopolitical Risk:

The potential impact of future changes in government policies including tariffs and trade restrictions could affect economic conditions, investment values and business operations. Management will continue to monitor the impact of geopolitical risk on its use of judgements, estimates, and assumptions.

13. Fair Values:

For the following financial assets and liabilities, carrying amounts approximate fair value due to their immediate or short-term nature: cash, accounts receivable, lottery show home deposits, pledges receivable, and accounts payable.

The fair value of planned giving receivable has been omitted because it is not practical to determine fair value with sufficient reliability.