
Financial statements of The Royal Ontario Museum Foundation

March 31, 2026

Independent Auditor's Report	1-2
Statement of financial position	3
Statement of revenue, expenses and changes in fund balances	4
Statement of cash flows	5
Notes to the financial statements	6-11

Independent Auditor's Report

To the Governors of
The Royal Ontario Museum Foundation

Opinion

We have audited the financial statements of The Royal Ontario Museum Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2026, and the statements of revenue, expenses and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2026, 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.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). 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 audit opinion.

Responsibilities of Management and those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 GAAS 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 GAAS, 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 25, 2026

The Royal Ontario Museum Foundation
Statement of financial position

As at March 31, 2026
(In thousands of dollars)

	Notes	General Fund \$	Expendable Fund \$	Endowment Fund \$	2026 Total \$	2025 Total \$
Assets						
Current assets						
Cash and cash equivalents		2,822	35,886	—	38,708	43,589
Other assets		562	—	—	562	556
		3,384	35,886	—	39,270	44,145
Investments	3 and 4	—	8,905	135,397	144,302	131,042
Capital assets	10	20	—	—	20	—
		3,404	44,791	135,397	183,592	175,187
Liabilities						
Current liabilities						
Accounts payable and accrued liabilities		481	—	—	481	852
Due to the Royal Ontario Museum	7	227	—	—	227	177
		708	—	—	708	1,029
Fund balances						
General Fund		2,696	—	—	2,696	2,978
Expendable Fund	5	—	44,791	—	44,791	45,578
Endowment Fund	6	—	—	135,397	135,397	125,602
		2,696	44,791	135,397	182,884	174,158
		3,404	44,791	135,397	183,592	175,187

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

Approved by the Board

_____, Director

_____, Director

The Royal Ontario Museum Foundation

Statement of revenue, expenses and changes in fund balances

Year ended March 31, 2026

(In thousands of dollars)

	Notes	General Fund \$	Expendable Fund \$	Endowment Fund \$	2026 Total \$	2025 Total \$
Revenue						
Donations	9	2,318	27,538	250	30,106	33,511
Fundraising events		1,206	8	—	1,214	263
Investment gain	3	3,406	613	11,517	15,536	15,837
Contributions from the Royal Ontario Museum		—	—	14	14	—
		6,930	28,159	11,781	46,870	49,611
Expenses						
Salaries and benefits		5,339	—	—	5,339	5,337
Goods and services		1,813	—	—	1,813	1,812
Investment counsel fees		500	—	—	500	228
Fundraising events		496	1	—	497	56
		8,148	1	—	8,149	7,433
Excess of revenue over expenses before the undernoted		(1,218)	28,158	11,781	38,721	42,178
Grants to the Royal Ontario Museum		2,172	23,953	3,870	29,995	27,171
(Deficiency) excess of revenue over expenses		(3,390)	4,205	7,911	8,726	15,007
Fund balances, beginning of year		2,978	45,578	125,602	174,158	159,151
Interfund transfers	8	3,108	(4,992)	1,884	—	—
Fund balances, end of year		2,696	44,791	135,397	182,884	174,158

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

The Royal Ontario Museum Foundation

Statement of cash flows

Year ended March 31, 2026

(In thousands of dollars)

	Notes	2026 \$	2025 \$
Operating activities			
Excess of revenue over expenses		8,726	15,007
Items not involving cash			
Depreciation		4	—
Change in net unrealized losses on investments	3	(132)	6,776
Net realized gains on sale of investments	3	(10,049)	(16,518)
Change in non-cash operating working capital			
Other assets		(6)	684
Accounts payable and accrued liabilities		(371)	268
Due to the Royal Ontario Museum		50	(4,666)
		(1,778)	1,551
Investing activity			
Acquisition of capital assets		(24)	—
Proceeds from disposal of investments		30,842	83,699
Purchases of investments		(33,921)	(98,671)
		(3,103)	(14,972)
Change in cash and cash equivalents		(4,881)	(13,421)
Cash and cash equivalents, beginning of year		43,589	57,010
Cash and cash equivalents, end of year		38,708	43,589
Cash and cash equivalents comprised of			
Cash		12,854	11,030
Cash equivalents		25,854	32,559
Cash and cash equivalents		38,708	43,589

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

The Royal Ontario Museum Foundation

Notes to the financial statements

March 31, 2026

(In thousands of dollars)

1. Incorporation and organization

The Royal Ontario Museum Foundation (the "Foundation" or "ROM Governors"), which operates under the name of ROM Governors, was incorporated under the Corporations Act (Ontario) on July 1, 1992 to coordinate all private-sector fundraising activities undertaken on behalf of the Royal Ontario Museum (the "Museum"), and its affiliates. The Foundation was continued under the Canada Not-for-profit Corporations Act in November 2014. The objective of ROM Governors is to raise funds to be available to enhance exhibitions and public programs, research, acquisitions and capital projects.

The Foundation is registered as a public foundation under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

2. Significant accounting policies

The financial statements of ROM Governors have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting

ROM Governors follows the restricted fund method of accounting for contributions.

The General Fund reports unrestricted resources available for operations.

The Expendable Fund reports resources that are to be used for specific purposes, as specified by the donor or as determined by the Board of Governors (the "Board").

The Endowment Fund reports resources where either donor or internal restrictions require that the principal must be maintained permanently.

(b) Revenue recognition

Donor-restricted donations are recognized as revenue of the Expendable Fund unless the capital is to be maintained permanently, in which case, donations are recognized as revenue of the Endowment Fund. Unrestricted donations are recognized as revenue of the General Fund in the year received.

A percentage of restricted donations is made available to cover current fundraising costs and for the Museum's debt reduction, 10% for ROM Governors' administrative costs and 5% for the Museum's debt reduction.

Investment income, which is recorded on the accrual basis, includes interest income, dividends, net realized gains (losses) on the sale of investments and change in net unrealized gains (losses) on investments. Investment income earned is recognized in the Expendable Fund or in the General Fund, depending on donor restriction.

(c) Financial instruments

Financial instruments are recorded at fair value on initial recognition. Foreign currency contracts and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The ROM Governors has elected to carry all financial investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

The Royal Ontario Museum Foundation

Notes to the financial statements

March 31, 2026

(In thousands of dollars)

2. Significant accounting policies (continued)

(c) *Financial instruments (continued)*

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 ROM Governors determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. 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 asset or the amount the ROM Governors expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) *Cash and cash equivalents*

Cash and cash equivalents consist of cash held at Canadian chartered banks in interest-bearing accounts and highly liquid short-term investments, such as guaranteed investment certificates, regardless of maturity date.

(e) *Grants*

Grants are recorded in the year payable based on the authorization of the Board.

(f) *Fundraising expenses*

Costs incurred to carry out specific events held for fundraising initiatives in support of ROM Governors are recorded as fundraising events expenses in the statement of revenue, expenses and changes in fund balances. All other fundraising-related expenses are recorded as administrative expenses.

(g) *Contributed goods and services*

The value of goods and services contributed to ROM Governors is not reflected in these financial statements.

(h) *Translation of foreign currencies*

Assets and liabilities denominated in foreign currencies have been translated into Canadian dollars at exchange rates prevailing at the year-end date. Revenue and expenses and allocations have been translated using exchange rates prevailing on the transaction date.

(i) *Use of estimates*

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant estimates include accounts payable and accrued liabilities and valuation of investments. Actual results could differ from those estimates.

The Royal Ontario Museum Foundation

Notes to the financial statements

March 31, 2026

(In thousands of dollars)

2. Significant accounting policies (continued)

(j) Capital assets

Capital assets are recorded at cost and amortized on a straight-line basis using the following estimated useful lives:

Computer equipment	3 years
Furniture & fixtures	5 – 10 years

Capital assets are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its fair value.

3. Investments

	2026 \$	2025 \$
Cash	5,685	383
Canadian fixed income	34,942	31,788
Canadian equities	29,687	24,561
Foreign equities	73,988	74,310
	144,302	131,042

Certain investments are held in pooled funds and the underlying investments in these funds are allocated to the appropriate category in the table.

Investment gain comprises the following:

	2026 \$	2025 \$
Interest and dividends	5,355	6,095
Net realized gains	10,049	16,518
Change in net unrealized gains (losses) on investments	132	(6,776)
	15,536	15,837

4. Financial risks

ROM Governors is subject to interest rate risk and foreign currency risk with respect to its investment portfolio. To manage these risks, ROM Governors has established a target mix of investment types designed to achieve the optimal return within reasonable risk tolerances. There has been no change to the risk exposures in the current year.

(a) Interest rate risk

The Foundation is exposed to interest rate risk on its fixed interest financial instruments given that the value of fixed income investments will generally rise if interest rates fall and decrease if interest rates rise. Changes in interest rates may also affect the value of equity investments. The fixed income investments consist of bond funds and treasury bonds, bearing interest at rates ranging from 3.9% to 9.75% (3.9% to 9.75% in 2025) and maturing from 2026 to 2084 (2025 to 2082 in 2025).

The Royal Ontario Museum Foundation

Notes to the financial statements

March 31, 2026

(In thousands of dollars)

4. Financial risks (continued)

(b) Foreign currency risk

The value of investments denominated in a currency other than Canadian dollars will be affected by changes in the value of the Canadian dollar in relation to the value of the currency in which the investment is denominated. As at year end, the Foundation does not hold any foreign currency contracts to reduce its exposure to foreign currency risk.

5. Expendable Fund

The Expendable Fund consists of externally restricted funds held for the following purposes:

	2026 \$	2025 \$
General purpose	576	1,904
Acquisitions and research	9,256	9,670
Exhibitions and programs	3,684	4,121
Galleries and capital projects	22,182	24,412
Louise Hawley Stone Charitable Trust	8,825	5,203
Renaissance ROM	268	268
	44,791	45,578

6. Endowment Fund

The Endowment Fund consists of amounts subject to donor and Board-imposed restrictions stipulating that the principal be maintained intact and the income used in accordance with the various purposes established by the donor or the Board.

The Board has a policy with the objective of protecting the real value of the Endowment Fund by limiting the amount of income made available for spending and requiring the reinvestment of any income earned in excess of this limit. This preservation of capital is recorded as revenue of the Endowment Fund for externally endowed funds.

The amount available for spending is calculated based on 5.0% of the market value of individual funds. Of this amount available for spending, 3.75% is maintained in the Endowment Fund to be expended on future grants, and 1.25% is subsequently transferred to the General Fund for administrative expenses.

The Endowment Fund consists of the following:

	2026 \$	2025 \$
Endowed with income available for the following purposes		
General purpose	36,432	34,782
Acquisitions and research	25,838	24,610
Curatorial positions	59,098	52,945
Exhibitions and public programs	11,300	10,621
Galleries and capital projects	2,729	2,644
	135,397	125,602

An amount of \$16,519 (\$15,695 in 2025) of the above has been internally endowed by the Board.

The Royal Ontario Museum Foundation

Notes to the financial statements

March 31, 2026

(In thousands of dollars)

7. Transactions with the Royal Ontario Museum

- (a) The Museum provides space and certain administrative support to ROM Governors at no cost.
- (b) Amounts due to the Museum include reimbursement of operating costs paid on behalf of the Foundation and unpaid grants owing to the Museum at year end. This amount is non-interest bearing with no fixed terms of repayment.

8. Interfund transfers

Transfers between funds consist of the following:

	General Fund		Expendable Fund		Endowment Fund	
	2026	2025	2026	2025	2026	2025
	\$	\$	\$	\$	\$	\$
Administrative allocation (Note 6)	1,247	1,162	—	—	(1,247)	(1,162)
Other (a)	1,861	2,852	(4,992)	(3,028)	3,131	176
	3,108	4,014	(4,992)	(3,028)	1,884	(986)

- (a) The Board approves various transfers throughout the year, which include transfers to (from) the Expendable Fund for specific projects and transfers to (from) the internally restricted Endowment Funds. The internally restricted amounts are not available for other purposes without the approval of the Board.

9. Income beneficiary

During 1999, ROM Governors became the income beneficiary of an externally administered trust with a market value of \$101,197 at March 31, 2026 (\$99,890 in 2025). Income received from this trust is to be used for the Museum's own publications relating to its collections or any part of them and for purchases of artifacts. During the year, \$4,909 (\$4,059 in 2025) has been received and recorded as donations revenue in the Expendable Fund and nil (\$1,438 in 2025) in the Endowment Fund. This distribution from the trust represents dividends and interest earned during the year.

10. Capital assets

	Cost	Accumulated depreciation	2026 Net book value	2025 Net book value
	\$	\$	\$	\$
Computer equipment	18	(2)	16	—
Furniture & fixtures	6	(2)	4	—
	24	(4)	20	—

The Royal Ontario Museum Foundation

Notes to the financial statements

March 31, 2026

(In thousands of dollars)

11. Corresponding figures

Certain corresponding figures have been reclassified to conform to the current year financial statement presentation.