
Financial statements of Fondation de l'Hôpital Montfort

March 31, 2022

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Independent Auditor's Report

To the Directors of
Fondation de l'Hôpital Montfort

Opinion

We have audited the financial statements of Fondation de l'Hôpital Montfort (the "Foundation"), which comprise the statement of financial position as at March 31, 2022 and the statements of operations, changes in fund balances and cash flows for the year then ended, including a summary of significant accounting policies and other explanatory information (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, 2022 as well as 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 (ASNPO).

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 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 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.

The logo for Deloitte LLP, featuring the word "Deloitte" in a cursive script followed by "LLP" in a plain sans-serif font.

Chartered Professional Accountants
Licensed Public Accountants

June 7, 2022

Fondation de l'Hôpital Montfort
Statement of operations

Year ended March 31, 2022

	Restricted funds					2022 Total \$	2021 Total \$
	Administration fund \$	Parking management \$	Support to Hôpital Montfort \$	Fundraising campaign \$	Designated donations \$		
Revenue							
Donations	481,743	—	—	2,684,272	178,639	3,344,654	3,952,258
Fundraising	315,306	—	—	209,225	—	524,531	290,378
Parking	—	2,608,145	—	—	—	2,608,145	1,835,536
Other contributions	—	—	56,439	—	—	56,439	104,862
Commercial initiatives	64,475	—	—	—	—	64,475	21,418
Interest	25,341	123,369	—	4,278	30	153,018	253,956
	886,865	2,731,514	56,439	2,897,775	178,669	6,751,262	6,458,408
Expenses							
Salaries, benefits and contractors	255,066	—	—	525,761	—	780,827	588,225
Fundraising	121,575	—	—	—	—	121,575	106,704
Operations	131,378	902,448	230,322	164,376	—	1,428,524	895,694
Interest on long-term debt	—	—	—	—	—	—	19,180
Amortization of capital assets	—	60,761	27,138	—	—	87,899	87,866
Amortization of intangible asset	—	547,252	—	—	—	547,252	547,253
	508,019	1,510,461	257,460	690,137	—	2,966,077	2,244,922
Excess (deficiency) of revenue over expenses before donations and other items	378,846	1,221,053	(201,021)	2,207,638	178,669	3,785,185	4,213,486
Donations to Hôpital Montfort	(3,000)	—	(50,534)	(9,646,004)	(47,265)	(9,746,803)	(2,677,466)
Donations to Institut du savoir Montfort	(55,000)	(890,000)	—	—	(100,000)	(1,045,000)	(210,982)
Loss realized on disposition of capital assets	—	(4,980)	—	—	—	(4,980)	—
Unrealized gains (losses) on investments	1,222	(227,490)	—	83	(64,387)	(290,572)	84,463
Gains on interest rate swap	—	—	—	—	—	—	15,014
	(56,778)	(1,122,470)	(50,534)	(9,645,921)	(211,652)	(11,087,355)	(2,788,971)
(Deficiency) excess of revenue over expenses charges	322,068	98,583	(251,555)	(7,438,283)	(32,983)	(7,302,170)	1,424,515

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

Fondation de l'Hôpital Montfort
Statement of changes in fund balances
Year ended March 31, 2022

	Notes	Restricted funds					2022 Total \$	2021 Total \$	
		Administration Fund \$	Parking management \$	Reserve for infrastructure \$	Support to Hôpital Montfort \$	Fundraising campaign \$			Designated donations \$
Fund balances, beginning of year		1,037,060	4,488,626	5,018,418	—	4,561,862	1,960,243	17,066,209	15,641,694
(Deficiency) excess of revenue over expenses		322,068	98,583	—	(251,555)	(7,438,283)	(32,983)	(7,302,170)	1,424,515
Interfund transfers	10	93,827	(433,228)	82,173	251,555	9,573	(3,900)	—	—
Fund balances, end of year		1,452,955	4,153,981	5,100,591	—	(2,866,848)	1,923,360	9,764,039	17,066,209

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

Fondation de l'Hôpital Montfort
Statement of financial position

As at March 31, 2022

Notes	Administration Fund	Restricted funds					2022 Total	2021 Total	
		Parking management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations			
	\$	\$	\$	\$	\$	\$	\$		
Assets									
Current assets									
	Cash	2,181,361	1,257,994	—	—	899,244	1,757,503	6,096,102	3,283,122
3	Accounts receivable	23,255	223,423	—	—	1,498,127	27,660	1,772,465	1,424,446
	Prepaid expenses	10,436	42,736	—	—	2,500	23,127	78,799	48,328
4	Current portion of investments	5,944	433,897	—	—	—	—	439,841	1,183,623
	Interfund advances (payables), without interest	(689,256)	(3,225,295)	5,100,591	(97,364)	(1,104,507)	15,831	—	—
		1,531,740	(1,267,245)	5,100,591	(97,364)	1,295,364	1,824,121	8,387,207	5,939,519
4	Investments	—	2,970,896	—	—	—	—	2,970,896	7,798,470
5	Life insurance policies	35,723	—	—	—	—	—	35,723	38,233
6	Intangible asset	—	2,052,197	—	—	—	—	2,052,197	2,599,449
7	Capital assets	1	440,547	—	97,364	—	—	537,912	630,791
8	Pledges receivable	—	—	—	—	80,000	100,000	180,000	270,000
		35,724	5,463,640	—	97,364	80,000	100,000	5,776,728	11,336,943
		1,567,464	4,196,395	5,100,591	—	1,375,364	1,924,121	14,163,935	17,276,462
Liabilities									
Current liabilities									
9	Accounts payable and accrued liabilities	114,509	42,414	—	—	4,242,212	761	4,399,896	210,253
13	Commitments	—	—	—	—	—	—	—	—
Fund balances									
	Unrestricted	1,452,955	—	—	—	—	—	1,452,955	1,037,060
	External restrictions	—	4,153,981	5,100,591	—	(2,866,848)	1,923,360	8,311,084	16,029,149
		1,452,955	4,153,981	5,100,591	—	(2,866,848)	1,923,360	9,764,039	17,066,209
		1,567,464	4,196,395	5,100,591	—	1,375,364	1,924,121	14,163,935	17,276,462

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

Approved by the Board



_____, Administrator



_____, Administrator

Fondation de l'Hôpital Montfort

Statement of cash flows

Year ended March 31, 2022

	2022	2021
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses	(7,302,170)	1,424,515
Adjustments for		
Amortization of intangible asset	547,252	547,253
Amortization of capital assets	87,899	87,866
Change in unrealized gains on investments	290,572	(84,463)
Loss on disposition of capital assets	4,980	—
Gain on interest rate swap	—	(15,014)
	(6,371,467)	1,960,157
Net change in non-cash working capital items		
Accounts receivable	(348,019)	(594,006)
Prepaid expenses	(30,471)	(24,021)
Accounts payable and accrued liabilities	4,189,643	(243,420)
	(2,560,314)	1,098,710
Investing activities		
Purchase of investments	(283,405)	(1,588,697)
Proceed on disposal of investments	5,564,189	1,243,840
Net change in cash-surrender value of life insurance policies	2,510	44,741
Acquisition of capital assets	—	(10,372)
Pledges receivable	90,000	110,000
	5,373,294	(200,488)
Financing activity		
Repayment of long-term debt	—	(874,796)
Increase in cash and cash equivalents	2,812,980	23,426
Cash and cash equivalents, beginning of year	3,283,122	3,259,696
Cash and cash equivalents, end of year	6,096,102	3,283,122

Cash and cash equivalents consist of cash.

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

1. Mandate and nature of operations

Fondation de l'Hôpital Montfort (the Foundation) was incorporated on March 25, 1986 as a charitable organization under the Canada Not-for-Profit Corporations Act to encourage and assist Hôpital Montfort and Institut du savoir Montfort by providing financial support. The Foundation is exempt from income tax under paragraph 149(1)(f) of the Income Tax Act.

2. Significant accounting policies

The Foundation applies Canadian accounting standards for not-for-profit organizations (ASNPO) in accordance with Part III of the CPA Canada Handbook – Accounting.

Fund accounting

To ensure that limitations and restrictions placed on the use of resources are observed, the accounts of the Foundation are classified for reporting purposes into funds in accordance with the activities or objectives specified by the donors or in accordance with the directives issued by the Board of Directors. For financial reporting purposes, the fund balances have been classified into the following funds:

Administration Fund

The Administration Fund consists of donations which have not been restricted by the donor for specific purposes, general fundraising and the day-to-day transactions of the Foundation. During the year, the Foundation transfers a portion of the donations from the Administration Fund to the Restricted Funds.

Restricted funds

The Parking Management Fund consists of the operations related to parking management. An agreement was signed with Hôpital Montfort which specifies that all fund balances must be kept by the Foundation until expiration of the agreement in 2025. A portion of the fund balances is dedicated to infrastructure needs (Reserve for Infrastructure); when the agreement expires, this amount will be transferred to Hôpital Montfort. The remaining fund balances will be kept by the Foundation to use in furthering its mission.

The Support to Hôpital Montfort Fund includes expenses incurred to help the Hospital achieve its objectives.

The Fundraising Campaign Fund consists of operations related to major fundraising campaigns for specific projects.

The Designated Donations Fund consists of donations which have been restricted by the donor for specific purposes other than major fundraising campaigns.

Use of estimates

The preparation of financial statements in compliance with the ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the reported amounts of revenues and expenses for the periods covered.

Cash and cash equivalents

The Foundation's policy is to disclose bank balances under cash and cash equivalents including bank overdrafts with balances that can fluctuate from being positive to overdrawn.

2. Significant accounting policies (continued)

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. Donations that are restricted by the donors are recognized as revenue of the appropriate restricted fund when received or receivable. All unrestricted donations are recognized as revenue of the Administration Fund when received or receivable. Restricted contributions for which the Foundation has no corresponding restricted fund are recognized as revenue of the Administration Fund in the year in which the related expenses are incurred.

Fundraising revenue is recognized in the year in which the funds are donated if the amount to be received can be determined and collection is reasonably assured.

Parking revenue is recognized when the service is provided if the amount to be received can be determined and collection is reasonably assured.

Interest revenue is recognized in the respective funds when it becomes due.

Contributed services

Volunteers contribute many hours to assist the Foundation in carrying out its activities. Because of the difficulty in assessing the number of hours of contributed services and in determining their fair value, contributed services are not recognized in the financial statements.

Pledges receivable

A pledge receivable in the next fiscal year is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Financial instruments

Adoption of the amendments to Section 3856, Financial Instruments, for financial instruments originated or exchanged in a related party transaction

Effective January 1, 2021, the Fondation has adopted the amendments to Handbook Section 3856, Financial Instruments ("Section 3856") related to the recognition of financial instruments originated or exchanged in a related party transaction, referred to herein as the "related party financial instruments amendments".

These amendments to Section 3856 establish new guidance for determining the measurement of a related party financial instrument. The related party financial instruments amendments require that such a financial instrument be initially measured at cost, which is determined based on whether the instrument has repayment terms. If the instrument has repayment terms, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any reduction for impairment. Otherwise, the cost is determined using the consideration transferred or received by the Fondation in the transaction. Subsequent measurement is based on how the instrument was initially measured.

The Fondation has applied the related party financial instruments amendments in accordance with the transition provisions of Section 3856. The amendments should be applied retrospectively. When related party financial instruments exist at the date these amendments are applied for the first time, the cost of an instrument that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment as at the beginning of the earliest comparative period, i.e. April 1, 2020. The cost of an instrument that does not have repayment terms is deemed to be its carrying amount in the Fondation's consolidated financial statements, less any impairment, as at the same date. The fair value of an instrument that is an investment in shares quoted in an active market is determined as at the same date.

2. Significant accounting policies (continued)

Financial instruments (continued)

When related party financial instruments do not exist at the date these amendments are applied for the first time, transition relief was provided such that the related party financial instruments do not need to be restated as at the beginning of the earliest comparative period.

The adoption of these amendments had no material impact on the amounts recognized in the Foundation's financial statements or disclosures.

Measurement of financial instruments

The Foundation initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market and for interest rate swaps, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include investments and cash.

Life insurance policies

Life insurance policies are recognized as revenue when the Foundation becomes the beneficiary. The fair value of life insurance policies approximates their cash surrender value.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The Foundation determines whether a significant adverse change has occurred in the expected timing or amount of future cash flows from the financial asset. If this is the case, the carrying amount of the asset is reduced directly to the higher of the present value of the cash flows expected to be generated by holding the asset, and the amount that could be realized by selling the asset at the balance sheet date. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

Transaction costs

The Foundation recognizes its transaction costs in operations in the period incurred. However, transaction costs related to financial instruments subsequently measured at amortized cost reduce the carrying amount of the financial asset or liability and are accounted for in the statement of operations using the straight-line method.

Intangible asset

The intangible asset is recorded at cost. Amortization of the parking license is calculated on the straight-line basis over a 20-year period.

2. Significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost. Amortization is based on their useful life using the straight-line method over the following periods:

Equipment	3 to 10 years
Parking equipment	3 and 15 years
Furniture and equipment	10 and 15 years

Write-down of capital assets

When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value, if any. The excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations.

3. Accounts receivable

	Administration fund	Parking management	Fundraising campaign	Designated Donations	2022 Total	2021 Total
Notes	\$	\$	\$	\$	\$	\$
Hôpital Montfort, without interest	11,465	65,452	1,139	—	78,056	121,969
Santé Montfort, without interest	—	24,590	—	—	24,590	8,140
Institut du savoir Montfort, without interest	525	877	—	—	1,402	3,247
Sales taxes	3,494	34,390	2,987	2,660	43,531	29,246
Parking	—	98,114	—	—	98,114	94,227
Pledges	—	—	#####	25,000	#####	1,110,710
Fundraising	7,771	—	—	—	7,771	6,542
Other contributions	—	—	—	—	—	50,365
	23,255	223,423	#####	27,660	#####	1,424,446

4. Investments

	Fair value	2022	Fair value	2021
	\$	Cost	\$	Cost
	\$	\$	\$	\$
Financial institutions				
Term deposit, effective interest rate of 1.20%, maturing in November 2022	410,000	410,000	717,798	707,399
Bond, effective interest rate of 4.93%, maturing in July 2025	317,096	343,782	2,681,095	2,688,333
Canadian equities	5,944	5,861	226,105	218,376
American and International equities	—	—	469,081	414,761
Federal, provincial and municipal Bonds, effective interest rates range from 2.00% to 3.90%, maturing from September 2023 to June 2030	2,653,800	2,758,466	4,836,275	4,742,119
Accrued interest	23,897	23,897	51,739	51,739
	3,410,737	3,542,006	8,982,093	8,822,727
Current portion of investments	439,841	439,758	1,183,623	1,108,625
	2,970,896	3,102,248	7,798,470	7,714,102

5. Life insurance policies

The amount of \$35,723 (\$38,233 in 2021) represents the cash surrender value of the life insurance policies for which the Foundation is the beneficiary. The realizable value at the time of the donors' death totals \$310,000 (\$310,000 in 2021).

6. Intangible asset

	Cost	Accumulated	2022	2021
	\$	amortization	\$	\$
	\$	\$	\$	\$
Parking license	10,945,055	8,892,858	2,052,197	2,599,449

7. Capital assets

	Cost	Accumulated amortization	2022	2021
	\$	\$	\$	\$
Administration Fund Equipment	7,573	7,572	1	1
Parking management Parking equipment	751,989	311,442	440,547	506,289
Support to Hôpital Montfort Furniture and equipment	336,445	239,081	97,364	124,501
	1,096,007	558,095	537,912	630,791

8. Pledges

Pledge receivables consist of donations for which the Foundation has an agreement in place. Pledges are non-interest bearing. Pledges to be received over the next five years are as follows:

	Notes	Fundraising campaign \$	Designated donations \$
2022-2023		1,494,001	25,000
2023-2024		65,000	25,000
2024-2025		5,000	25,000
2025-2026		5,000	25,000
2026-2027 and thereafter		5,000	25,000
		<u>1,574,001</u>	<u>125,000</u>
Short-term portion	3	<u>1,494,001</u>	<u>25,000</u>
		<u>80,000</u>	<u>100,000</u>

As of March 31, 2022, the Foundation has confirmed pledges not recorded in the statement of financial position totaling:

	Fundraising Campaign \$
2022-2023	89,278
2023-2024	1,179,400
2024-2025	1,113,669
2025-2026	332,128
2026-2027 and thereafter	<u>63,828</u>
	<u>2,778,303</u>

The Foundation is in a fundraising campaign for the Carrefour santé d'Orléans project. The objective of the campaign is to raise a sum totaling \$12M representing the local share of the project. As of March 31, 2022, the campaign has raised cumulative donations totaling \$8.6M (\$2.9M in 2021).

9. Accounts payable and accrued liabilities

	Administration fund	Parking management	Fundraising campaign	Designated donations	2022 Total	2021 Total
	\$	\$	\$	\$	\$	\$
Hôpital Montfort, without interest	73,185	12,305	4,200,000	—	4,285,490	78,607
Institut du savoir Montfort, without interest	—	—	—	—	—	37,617
Accrued liabilities	37,458	7,969	—	—	45,427	50,981
Suppliers	3,866	22,140	2,712	761	29,479	38,348
Deferred revenues	—	—	39,500	—	39,500	4,700
	114,509	42,414	4,242,212	761	4,399,896	210,253

10. Interfund transfers

	Restricted funds					
	Administration fund	Parking management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations
	\$	\$	\$	\$	\$	\$
Notes						
A	(10,073)	—	—	—	10,073	—
B	—	(251,555)	—	251,555	—	—
C	—	41,195	(41,195)	—	—	—
D	3,900	—	—	—	—	(3,900)
E	100,000	(100,000)	—	—	—	—
F	—	(123,368)	123,368	—	—	—
G	—	500	—	—	(500)	—
	93,827	(433,228)	82,173	251,555	9,573	(3,900)

- A. An amount of \$10,073 (\$7,500 in 2021) was transferred from the Administration Fund to the Fundraising campaign for designated donations received.
- B. An amount of \$251,555 (\$106,732 in 2021) was transferred from the Parking Management Fund to the Support to Hôpital Montfort Fund to finance expenses incurred on behalf of Hôpital Montfort during the year.
- C. An amount of \$41,195 (\$42,144 in 2021) was transferred from the Reserve for Infrastructure Fund to the Parking Management Fund to finance repair costs incurred during the year.
- D. An amount of \$3,900 (\$2,250 in 2021) was transferred from the Designated Donation Fund to the Administration Fund to finance management costs of the Foundation.
- E. An amount of \$100,000 (\$100,000 in 2021) was transferred from the Parking Management Fund to the Administration Fund to finance the parking management functions carried out by Foundation staff.
- F. An amount of \$123,368 (\$143,155 in 2021) derived from interest on investments was transferred from the Parking Management Fund to the Reserve for Infrastructure Fund.
- G. An amount of \$500 (\$12,065 in 2021) was transferred from the Fundraising Campaign Fund to the Parking Management Fund for reimbursement of a commitment.

11. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk. The Foundation is exposed to certain of these risks, as described below.

a) *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk with its American and International equity investments.

b) *Price risk*

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. The Foundation is exposed to price risk through its investments in equities for which the value fluctuates with the quoted market price.

c) *Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Foundation's main credit risks relate to its fixed income investments and accounts receivable. The Foundation is not exposed to significant credit risk from a particular client or counterparty.

12. Related party transactions

Parking

The Foundation has an agreement with Santé Montfort, an entity related to Hôpital Montfort, regarding the management of Hôpital Montfort's parking. A summary of transactions conducted with this related party is as follows:

	2022	2021
	\$	\$
Revenue received from Santé Montfort	82,710	21,230
Recovery of parking operations expenses received from Santé Montfort	105,821	99,642
Total ^(a)	188,531	120,872

(a) Related party transactions recorded in Santé Montfort's financial statements total \$179,016 (\$118,341 in 2021) for a difference of \$9,514 (\$2,431 in 2021), which is attributable to the treatment of sales taxes on revenue received from Santé Montfort.

Donations

The Foundation made donations totaling \$100,799 (\$177,466 in 2021) for current operations and \$9,646,004 (\$2,500,000 in 2021) for Carrefour santé d'Orléans to Hôpital Montfort during the year and donations totaling \$1,045,000 (\$210,982 in 2021) to Institut du savoir Montfort.

These transactions were carried out in the normal course of operations and are recorded at the exchange value. This value corresponds to the consideration agreed upon by the parties.

12. Related party transactions (continued)

Salaries and benefits

The Foundation's employees' salaries are paid through the Hospital's payroll system. The Foundation reimburses the amounts periodically. Through the Hospital, the Foundation participates in the Healthcare of Ontario Pension Plan (HOOPP), a multi-employer defined benefits pension plan ("Plan"). It is mandatory for a full-time employee to enroll in HOOPP. This Plan is also offered to part-time and occasional employees on a voluntary basis. The Foundation's pension costs charged to operations during the year ended March 31, 2022, amounts to \$58,273 (\$47,654 in 2021). HOOPP's most recent audited financial statements, as at December 31, 2021, indicate that the Plan is fully funded.

Post-retirement benefits

The Foundation also provides health and dental benefits as well as life insurance to its employees and extends coverage to the post-retirement period. The valuation of these other benefits is based on the actuarial valuation as at March 31, 2022 (the 2021 accrued benefit obligation is based on the actuarial valuation as at March 31, 2019 and was extrapolated to March 31, 2021). The information regarding these benefits is as follows:

	2022	2021
	\$	\$
Plan status		
Accrued benefit obligation at the beginning	27,100	24,500
Current service cost (net)	2,600	2,800
Interest on accrued benefit obligation	700	600
Benefit payments	(800)	(800)
Accrued benefit obligation at year-end	29,600	27,100

The accrued benefit liability is included in the accounts payable and accrued liabilities of the statement of financial position.

13. Commitments

In 2020, the Foundation committed to pay, under an agreement with the University of Ottawa and the Institut du savoir Montfort, an amount of \$500,000 for the Research Chair in Family Medicine over a period of ten years, starting in January 2021. The Foundation also committed to remit the portion received from the University of Ottawa in the amount of \$1,000,000, which is held in the Designated Donations Fund.

During the year, an amount of \$150,000 (\$37,500 in 2021) was contributed to the Institut du savoir Montfort for the Research Chair in Family Medicine, leaving the following amounts to be paid by the Foundation:

13. Commitments (continued)

	Foundation contribution \$	Designated donations from University of Ottawa contribution \$	Total \$
Payments for the next fiscal years are the following:			
2022-2023	50,000	100,000	150,000
2023-2024	50,000	100,000	150,000
2024-2025	50,000	100,000	150,000
2025-2026	50,000	100,000	150,000
2026-2027 and thereafter	237,500	475,000	712,500
	437,500	875,000	1,312,500
Paid in 2020-2021	12,500	25,000	37,500
Paid in 2021-2022	50,000	100,000	150,000
Total	500,000	1,000,000	1,500,000

14. Subsequent event

As of March 31, 2022, the Foundation was in the process negotiating a line of credit with a major bank, which was finalized on April 14, 2022, in the amount of \$2,500,000.