
Financial statements of Fondation de l'Hôpital Montfort

March 31, 2023

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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, 2023 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, 2023 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.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
May 25, 2023

Fondation de l'Hôpital Montfort
Statement of operations
Year ended March 31, 2023

	Restricted funds						2023 Total \$	2022 Total \$
	Administration fund \$	Parking management \$	Support to Hôpital Montfort \$	Fundraising campaign \$	Designated donations \$	Food services \$		
Revenue								
Donations	406,549	—	—	2,209,488	158,716	—	2,774,753	3,344,654
Fundraising	456,934	—	—	38,365	—	—	495,299	524,531
Parking	—	3,024,321	—	—	—	—	3,024,321	2,608,145
Other contributions	—	—	—	—	—	—	—	56,439
Commercial initiatives	110,192	—	—	—	—	—	110,192	64,475
Interest	33,399	83,909	—	35,270	376	—	152,954	153,018
	1,007,074	3,108,230	—	2,283,123	159,092	—	6,557,519	6,751,262
Expenses								
Salaries and benefits	615,344	57,529	—	120,233	—	—	793,106	780,827
Fundraising	252,390	—	—	—	—	—	252,390	121,575
Operations	100,241	1,114,157	189,581	92,814	—	—	1,496,793	1,428,524
Amortization of capital assets	—	58,697	27,138	—	—	—	85,835	87,899
Amortization of intangible asset	—	547,253	—	—	—	—	547,253	547,252
	967,975	1,777,636	216,719	213,047	—	—	3,175,377	2,966,077
Excess (deficiency) of revenue over expenses before donations and other items	39,099	1,330,594	(216,719)	2,070,076	159,092	—	3,382,142	3,785,185
Donations to Hôpital Montfort	(75,219)	—	(78,795)	(149,478)	(182,888)	—	(486,380)	(9,746,803)
Donations to Institut du Savoir Montfort	(55,000)	(2,112,000)	—	—	(216,892)	—	(2,383,892)	(1,045,000)
Losses realized on disposition of capital assets	—	(5,130)	—	—	—	—	(5,130)	(4,980)
Unrealized gains (losses) on investments	5,228	(24,806)	—	(83)	5,228	—	(14,433)	(290,572)
Unrealized gains on foreign exchange	440	—	—	—	440	—	880	—
	(124,551)	(2,141,936)	(78,795)	(149,561)	(394,112)	—	(2,888,955)	(11,087,355)
Excess (deficiency) of revenue over expenses	(85,452)	(811,342)	(295,514)	1,920,515	(235,020)	—	493,187	(7,302,170)

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, 2023

	Notes	Restricted funds							2023 Total \$	2022 Total \$
		Administration Fund \$	Parking management \$	Reserve for infrastructure \$	Support to Hôpital Montfort \$	Fundraising campaign \$	Designated donations \$	Food Services \$		
Fund balances, beginning of year		1,452,955	4,153,981	5,100,591	—	(2,866,848)	1,923,360	—	9,764,039	17,066,209
Excess (deficiency) of revenue over expenses		(85,452)	(811,342)	—	(295,514)	1,920,515	(235,020)	—	493,187	(7,302,170)
Interfund transfers	12	(10,250)	(355,183)	17,198	295,514	8,211	44,510	—	—	—
Cumulative impact of remeasurment of employee future benefits		(2,315)	—	—	—	—	—	—	(2,315)	—
Fund balances, end of year		1,354,938	2,987,456	5,117,789	—	(938,122)	1,732,850	—	10,254,911	9,764,039

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

Fondation de l'Hôpital Montfort
Statement of financial position
As at March 31, 2023

Notes	Administration Fund	Restricted funds					Food service	2023 Total	2022 Total	
		Parking management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations				
	\$	\$	\$	\$	\$	\$	\$	\$		
Assets										
Current assets										
	Cash	680,456	1,449,605	—	—	152,858	822,756	—	3,105,675	6,096,102
3	Accounts receivable	36,750	338,079	—	—	1,986,224	31,157	3,171	2,395,381	1,772,465
	Prepaid expenses	16,838	31,368	—	—	—	22,731	—	70,937	78,799
4	Current portion of investments	1,785	329,032	—	—	—	1,785	—	332,602	439,841
	Interfund advances (payables), without interest	(183,685)	(4,105,887)	5,117,789	(71,586)	(892,204)	138,744	(3,171)	—	—
		552,144	(1,957,803)	5,117,789	(71,586)	1,246,878	1,017,173	—	5,904,595	8,387,207
4	Investments	933,241	3,192,547	—	—	—	933,241	—	5,059,029	2,970,896
5	Life insurance policies	35,856	—	—	—	—	—	—	35,856	35,723
6	Intangible asset	—	1,504,944	—	—	—	—	36,379	1,541,323	2,052,197
7	Capital assets	—	448,560	—	71,586	—	—	—	520,146	537,912
8	Pledges receivable	—	—	—	—	15,000	75,000	—	90,000	180,000
		969,097	5,146,051	—	71,586	15,000	1,008,241	36,379	7,246,354	5,776,728
		1,521,241	3,188,248	5,117,789	—	1,261,878	2,025,414	36,379	13,150,949	14,163,935
Liabilities										
Current liabilities										
10	Accounts payable and accrued liabilities	120,688	200,792	—	—	1,700,000	292,564	—	2,314,044	2,170,296
10	Long term payable	—	—	—	—	500,000	—	—	500,000	2,200,000
11	Deferred contribution for intangible asset	—	—	—	—	—	—	36,379	36,379	—
14	Employee future benefits	45,615	—	—	—	—	—	—	45,615	29,600
		166,303	200,792	—	—	2,200,000	292,564	36,379	2,896,038	4,399,896
15	Commitments	—	—	—	—	—	—	—	—	—
Fund balances										
	Unrestricted	1,354,938	—	—	—	—	—	—	1,354,938	1,452,955
	External restrictions	—	2,987,456	5,117,789	—	(938,122)	1,732,850	—	8,899,973	8,311,084
		1,354,938	2,987,456	5,117,789	—	(938,122)	1,732,850	—	10,254,911	9,764,039
		1,521,241	3,188,248	5,117,789	—	1,261,878	2,025,414	36,379	13,150,949	14,163,935

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, 2023

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses	493,187	(7,302,170)
Adjustments for		
Amortization of intangible asset	547,253	547,252
Amortization of capital assets	85,835	87,899
Change in unrealized gains on investments	14,433	290,572
Loss on disposition of capital assets	5,130	4,980
Change in employee future benefit obligation	16,015	2,500
Change in remeasurement gain	(2,315)	—
	1,159,538	(6,368,967)
Net change in non-cash working capital items		
Accounts receivable	(622,916)	(348,019)
Prepaid expenses	7,862	(30,471)
Accounts payable and accrued liabilities	143,748	1,987,143
	688,232	(4,760,314)
Investing activities		
Purchase of investments	(4,735,631)	(283,405)
Proceed on disposal of investments	2,740,304	5,564,189
Net change in cash-surrender value of life insurance policies	(133)	2,510
Acquisition of capital assets	(88,366)	—
Disposition of capital assets	(21,212)	—
Pledges receivable	90,000	90,000
	(2,015,038)	5,373,294
Financing activity		
Long term payable	(1,700,000)	2,200,000
Deferred contributions related to intangible assets	36,379	—
	(1,663,621)	2,200,000
Change in cash	(2,990,427)	2,812,980
Cash, beginning of year	6,096,102	3,283,122
Cash, end of year	3,105,675	6,096,102

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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.

The Food Service Fund includes a 10-year license agreement with Starbucks beginning on the cafe's opening date, which will occur in 2023-2024. Santé Montfort has made a commitment to the Montfort Hospital Foundation to act as the operator of the Starbucks, which involves managing and supervising the operation of the coffee shop for the same duration. In addition, all future economic risks and benefits have been transferred to Santé Montfort.

2. Significant accounting policies (continued)

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 years 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.

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.

Revenue from commercial initiatives is recognized at fair value when commercial agreements are due and delivered.

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

Valuation of Financial Instruments

The Foundation initially measures its financial assets and financial liabilities at fair value, except in the case of certain transactions which are not entered into under arm's length conditions, which are recognized at cost.

It subsequently measures all of its financial assets and financial liabilities at amortized cost, except for securities quoted in an active market, which are measured at fair value. Changes in fair value are recognized in earnings.

Financial assets, included in accounts receivable, are measured at amortized cost whereas investments and cash are measured at fair value.

Financial liabilities, included in accounts payable and accrued liabilities, are measured at amortized cost.

2. Significant accounting policies (continued)

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 assets

The intangible assets are recorded at cost. Amortization of the parking license is calculated on the straight-line basis over a 20-year period. Amortization of the Starbucks operations license is calculated on the straight-line basis over a 10-year period.

Deferred contribution related to the intangible asset

The deferred contributions related to the intangible assets are deferred and amortized following the methods and amortization rates relating to the intangible assets.

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

Impairment 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.

Employee future benefits

The cost of post-employment benefits earned by employees is actuarially determined and is accounted for using the projected benefit method prorated on years of service.

Actuarial gains or losses are recognized immediately in the statement of changes in net assets.

Fondation de l'Hôpital Montfort
Notes to the financial statements
March 31, 2023

3. Accounts receivable

Notes	Administration fund management	Parking	Fundraising campaign	Designated Donations	Food Services	2023 Total	2022 Total
	\$	\$	\$	\$	\$	\$	\$
Hôpital Montfort, without interest	18,405	66,351	626	—	—	85,382	78,056
Santé Montfort, without interest	—	74,577	—	—	—	74,577	24,590
Institut du savoir Montfort, without interest	515	858	—	—	—	1,373	1,402
Sales taxes	6,440	51,788	873	6,157	3,171	68,429	43,531
Parking	—	144,505	—	—	—	144,505	98,114
Pledges	—	—	1,984,725	25,000	—	2,009,725	1,519,001
Fundraising	11,390	—	—	—	—	11,390	7,771
	36,750	338,079	1,986,224	31,157	3,171	2,395,381	1,772,465

4. Investments

	Fair value	2023 Cost	Fair value	2022 Cost
	\$	\$	\$	\$
Financial institutions				
Term deposit, effective interest rate of 1.20%, maturing in November 2022	—	—	410,000	410,000
Bonds, effective interest rates range from 2.088% to 5.30%, maturing from May 2023 and February 2033	1,064,566	1,104,069	317,096	343,782
Canadian equities	121,145	127,580	5,944	5,861
Federal, provincial and municipal				
Bonds, effective interest rates range from 1.75% to 3.75%, maturing from October 2023 to May 2033	2,819,803	2,931,790	2,653,800	2,758,466
Corporate				
Bonds, effective interest rate of 2.90%, maturing in August 2026	28,502	27,852	—	—
Canadian equities	619,952	626,253	—	—
American and international equities	706,524	688,096	—	—
Accrued interest	31,138	31,138	23,897	23,897
	5,391,630	5,536,777	3,410,737	3,542,006
Current portion of investments	332,602	333,712	439,841	439,758
	5,059,029	5,203,064	2,970,896	3,102,248

5. Life insurance policies

The amount of \$35,856 (\$35,723 in 2022) 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 2022).

6. Intangible assets

	Cost	Accumulated amortization	2023	2022
	\$	\$	\$	\$
Parking license	10,945,055	9,440,111	1,504,944	2,052,197
Starbucks license	36,379	—	36,379	—
	10,981,434	9,440,111	1,541,323	2,052,197

7. Capital assets

	Cost	Accumulated amortization	2023	2022
	\$	\$	\$	\$
Administration Fund Equipment	7,573	7,573	—	1
Parking management Parking equipment	818,700	370,140	448,560	440,547
Support to Hôpital Montfort Furniture and equipment	321,723	250,137	71,586	97,364
	1,147,996	627,850	520,146	537,912

During the period, the Foundation acquired capital assets in the amount of \$109,580 (nil in 2022) and disposed of capital assets in the amount of \$21,212 (\$41,924 in 2022).

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 four years are as follows:

	Notes	Fundraising campaign	Designated donations	Total
		\$	\$	\$
2023-2024		1,984,725	25,000	2,009,725
2024-2025		5,000	25,000	30,000
2025-2026		5,000	25,000	30,000
2026-2027		5,000	25,000	30,000
		1,999,725	100,000	2,099,725
Short-term portion	3	1,984,725	25,000	2,009,725
		15,000	75,000	90,000

Fondation de l'Hôpital Montfort
Notes to the financial statements
March 31, 2023

8. Pledges (continued)

As of March 31, 2023, the Foundation has confirmed pledges not recorded in the statement of financial position totaling:

	Fundraising Campaign \$
2023-2024	474,975
2024-2025	1,504,669
2025-2026	513,128
2026-2027	994,828
	<u>3,487,600</u>

The Foundation finalized the fundraising campaign for the Carrefour santé Aline-Chrétien project. The objective of the campaign was to raise a sum totaling \$12M representing the local share of the project. As of March 31, 2023, the campaign has raised cumulative donations totaling \$11.6M (\$8.6M in 2022).

9. Line of credit

During the year, the Foundation obtained an authorized line of credit of \$2,500,000 renewable annually, at the prime rate increased by 1%. This line of credit is fully secured by a pledge of term deposits for a minimum amount of \$5,000,000 and a guarantee of \$2,500,000 from Hôpital Montfort. As at March 31, 2023, the line of credit was unused.

10. Liabilities

	Administration fund \$	Parking management \$	Fundraising campaign \$	Designated donations \$	Food services \$	2023 Total \$	2022 Total \$
Hôpital Montfort, without interest	69,862	13,166	2,200,000	39,034	—	2,322,062	4,285,490
Institut du savoir Montfort, without interest	—	—	—	110,000	—	110,000	—
Santé Montfort, without interest	956	—	—	—	—	956	—
Accrued liabilities	8,680	3,500	—	1,500	—	13,680	15,827
Suppliers	11,440	184,126	—	49,530	—	245,096	29,479
Deferred revenues	29,750	—	—	92,500	—	122,250	39,500
	120,688	200,792	2,200,000	292,564	—	2,814,044	4,370,296
Long-term portion	—	—	(500,000)	—	—	(500,000)	(2,200,000)
Current portion	120,688	200,792	1,700,000	292,564	—	2,314,044	2,170,296

The fundraising campaign includes an amount of \$1,700,00 that is due in 2024 and \$500,000 that is due in March 2025. All amounts are non-interest-bearing.

11. Deferred contributions related to the intangible asset

	2023	2022
	\$	\$
Opening balance	-	-
Contributions received	36,379	-
Amortization	-	-
Ending balance	36,379	-

12. Interfund transfers

	Restricted Funds					
	Administration Fund	Parking Management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations
	\$	\$	\$	\$	\$	\$
Notes						
A	(8,211)	-	-	-	8,211	-
B	-	(295,514)	-	295,514	-	-
C	-	66,711	(66,711)	-	-	-
D	(44,510)	-	-	-	-	44,510
E	42,471	(42,471)	-	-	-	-
F	-	(83,909)	83,909	-	-	-
	(10,250)	(355,183)	17,198	295,514	8,211	44,510

- (A) An amount of \$8,211 (\$10,073 in 2022) was transferred from the Administration Fund to the Fundraising campaign for designated donations received.
- (B) An amount of \$295,514 (\$251,555 in 2022) 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 \$66,711 (\$41,195 in 2022) 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 \$44,510 (\$3,900 in 2022) was transferred from the Administration Fund to the Designated Donation Fund to finance management costs of the Foundation and to present designated donations.
- (E) An amount of \$42,471 (\$100,000 in 2022) 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 \$83,909 (\$123,368 in 2022) coming from the interests on investments was transferred from the Parking Management Fund to the Reserve for infrastructure Fund.

13. 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 risk relates to its fixed income investments and accounts receivable. The Foundation is not exposed to significant credit risk from a particular client or counterparty.

(d) *Liquidity risk*

Liquidity risk is the risk that an enterprise will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation's main liquidity risk relates to the payment of their short-term liabilities.

(e) *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation's main interest rate risk relates to its fixed income investments. The risk is mitigated if the investments are held until maturity.

14. 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:

	2023	2022
	\$	\$
Revenue received from Santé Montfort	129,210	82,710
Recovery of parking operations expenses received from Santé Montfort	123,392	105,821
Total ^(a)	252,602	188,531

14. Related party transactions (continued)

- (a) Related party transactions recorded in Santé Montfort's financial statements total \$237,737 (\$179,016 in 2022) for a difference of \$14,865 (\$9,514 in 2022), which is attributable to the treatment of sales taxes on revenue received from Santé Montfort.

Donations

The Foundation made donations totaling \$336,902 (\$100,799 in 2022) for current operations and \$149,478 (\$9,646,004 in 2022) for Carrefour santé Aline-Chrétien to Hôpital Montfort during the year and donations totaling \$2,383,892 (\$1,045,000 in 2022) 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.

Starbucks licence

During the year, Santé Montfort made a contribution of \$36,379 to cover the cost of the Starbucks's licence, which is being deferred and amortized over the useful life of the licence.

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, 2023, amounts to \$58,204 (48,255 in 2022). HOOPP's most recent audited financial statements, as at December 31, 2022, 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, 2023 (the 2022 accrued benefit obligation is based on the actuarial valuation as at March 31, 2019 and was extrapolated to March 31st, 2022). The information regarding these benefits is as follows:

	2023	2022
	\$	\$
Plan status		
Accrued benefit obligation at the beginning	29,600	27,100
Current service cost (net)	11,700	2,600
Interest on accrued benefit obligation	2,000	700
Benefit payments	—	(800)
Actuarial loss	2,315	—
Accrued benefit obligation at year-end	45,615	29,600

14. Related party transactions (continued)

The expense for the period is detailed as follow:

	2023	2022
	\$	\$
Current service costs	11,700	2,600
Interest on accrued benefit obligation	2,000	700
Total expense	13,700	3,300

Actuarial assumptions

	2023	2022
	%	%
Discount rate on the obligation	4.04%	3.89%
Increase in dental costs	4.00%	4.00%
Increase in health costs	5.00%	5.00%

15. 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 (\$150,000 in 2022) 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:

	Foundation contribution	Designated donations from University of Ottawa contribution	Total
	\$	\$	\$
Payments for the next fiscal years are the following			
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
	387,500	775,000	1,162,500
Paid in 2020-2021	12,500	25,000	37,500
Paid in 2021-2022	50,000	100,000	150,000
Paid in 2022-2023	50,000	100,000	150,000
Total	500,000	1,000,000	1,500,000

16. Comparative figures

Certain comparative figures have been reclassified to conform to the current year's presentation.