
Financial statements of Fondation de l'Hôpital Montfort

March 31, 2024

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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, 2024 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, 2024 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
June 18, 2024

Fondation Hôpital Montfort
Statement of operations
Year ended March 31, 2024

	Administration fund \$	Restricted funds				2024 Total \$	2023 Total \$
		Parking management \$	Support to Hôpital Montfort \$	Fundraising campaign \$	Designated donations \$		
Revenue							
Donations	829,414	—	—	1,928,295	245,955	3,003,664	2,774,753
Fundraising	530,705	—	—	990	252,040	783,735	495,299
Parking	—	3,678,875	—	—	—	3,678,875	3,024,321
Commercial initiatives	119,739	—	—	—	—	119,739	110,192
Interests, investments incomes and others	142,516	182,006	—	53,225	64,525	442,272	134,271
	1,622,374	3,860,881	—	1,982,510	562,520	8,028,285	6,538,836
Expenses							
Salaries and benefits	774,864	50,584	—	—	—	825,448	793,106
Fundraising	204,645	—	—	—	99,234	303,879	252,390
Operations	151,185	1,078,802	136,241	121,117	—	1,487,345	1,496,793
Amortization of capital assets	—	58,806	25,943	—	—	84,749	85,835
Amortization of intangible asset	3,032	547,253	—	—	—	550,285	547,253
	1,133,726	1,735,445	162,184	121,117	99,234	3,251,706	3,175,377
Excess (deficiency) of revenue over expenses before donations	488,648	2,125,436	(162,184)	1,861,393	463,286	4,776,579	3,363,459
Donations to Hôpital Montfort	50,868	—	55,480	7,443	258,832	372,623	486,380
Donations to Institut du savoir Montfort	30,000	2,112,000	—	—	189,494	2,331,494	2,383,892
	80,868	2,112,000	55,480	7,443	448,326	2,704,117	2,870,272
Excess (deficiency) of revenue over expenses charges	407,780	13,436	(217,664)	1,853,950	14,960	2,072,462	493,187

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

Fondation Hôpital Montfort
Statement of changes in fund balances

Year ended March 31, 2024

Note	Administration Fund	Restricted funds				Designated donations	2024 Total	2023 Total
		Parking management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign			
	\$	\$	\$	\$	\$	\$	\$	
Fund balances, beginning of year	1,354,938	2,987,456	5,117,789	—	(938,122)	1,732,850	10,254,911	9,764,039
Excess (deficiency) of revenue over expenses	407,780	13,436	—	(217,664)	1,853,950	14,960	2,072,462	493,187
Interfund transfers	32,606	1,325,529	(676,781)	217,664	(915,828)	16,810	—	—
Cumulative impact of revaluations employee future benefits	(5,660)	—	—	—	—	—	(5,660)	(2,315)
Fund balances, end of year	1,789,664	4,326,421	4,441,008	—	—	1,764,620	12,321,713	10,254,911

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

Fondation Hôpital Montfort
Statement of financial position


As at March 31, 2024

Notes	Aministration Fund	Restricted funds					2024 Total	2023 Total	
		Parking management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations			
	\$	\$	\$	\$	\$	\$	\$		
Assets									
Current assets									
	Cash	897,556	1,947,738	14,151	—	208,327	598,647	3,666,419	3,105,675
3	Accounts receivable	84,607	314,089	—	—	1,243,284	31,094	1,673,074	2,395,381
	Prepaid expenses	18,359	28,388	—	—	—	20,637	67,384	70,937
4	Current portion of investments	27,852	—	130,068	—	—	27,839	185,759	332,602
	Interfund advances (payables), without interest	(94,814)	737,462	828,222	(50,721)	(1,465,611)	45,462	—	—
		933,560	3,027,677	972,441	(50,721)	(14,000)	723,679	5,592,636	5,904,595
4	Investments	1,086,421	—	3,468,567	—	—	1,061,481	5,616,469	5,059,029
5	Life insurance policies	36,121	—	—	—	—	—	36,121	35,856
6	Intangible asset	33,347	957,691	—	—	—	—	991,038	1,541,323
7	Capital assets	1	416,086	—	50,721	—	—	466,808	520,146
8	Pledges receivable	—	—	—	—	14,000	50,000	64,000	90,000
		1,155,890	1,373,777	3,468,567	50,721	14,000	1,111,481	7,174,436	7,246,354
		2,089,450	4,401,454	4,441,008	—	—	1,835,160	12,767,072	13,150,949
Liabilities									
Current liabilities									
10	Accounts payable and accrued liabilities	205,584	75,033	—	—	—	70,540	351,157	2,314,044
	Long-term payable	—	—	—	—	—	—	—	500,000
11	Deferred contributions related to intangible asset	33,347	—	—	—	—	—	33,347	36,379
14	Post-retirement benefit obligations	60,855	—	—	—	—	—	60,855	45,615
		299,786	75,033	—	—	—	70,540	445,359	2,896,038
15	Commitments	—	—	—	—	—	—	—	—
Fund balances									
	Unrestricted	1,789,664	—	—	—	—	—	1,789,664	1,354,938
	External restrictions	—	4,326,421	4,441,008	—	—	1,764,620	10,532,049	8,899,973
		1,789,664	4,326,421	4,441,008	—	—	1,764,620	12,321,713	10,254,911
		2,089,450	4,401,454	4,441,008	—	—	1,835,160	12,767,072	13,150,949

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

Approved by the Board

 Administrator

 Administrator

Fondation Hôpital Montfort**Statement of cash flows**

Year ended March 31, 2024

	2024	2023
	\$	\$
Operating activities		
Excess of revenue over expense	2,072,462	493,187
Adjustments for		
Amortization of intangible asset	550,285	547,253
Amortization of capital assets	84,749	85,835
Change in unrealized gains on investments	(127,868)	14,433
Loss on disposition of capital assets	—	5,130
Change in employee future benefit obligation	9,580	13,700
Amortization of the deferred contribution related to intangible assets	(3,032)	—
	2,586,176	1,159,538
Net change in non-cash working capital items		
Accounts receivable	722,307	(622,916)
Prepaid expenses	3,553	7,862
Accounts payable and accrued liabilities	(1,962,887)	143,748
	1,349,149	688,232
Investing activities		
Purchase of investments	(1,815,544)	(4,735,631)
Proceed on disposal of investments	1,532,815	2,740,304
Net change in cash-surrender value of life insurance policies	(265)	(133)
Acquisition of capital assets	(31,411)	(88,366)
Disposition of capital assets	—	(21,212)
Pledges receivable	26,000	90,000
	(288,405)	(2,015,038)
Financing activities		
Long term payable	(500,000)	(1,700,000)
Deferred contributions related to intangible assets	—	36,379
	(500,000)	(1,663,621)
Change in cash	560,744	(2,990,427)
Cash, beginning of year	3,105,675	6,096,102
Cash, end of year	3,666,419	3,105,675

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 and may issue charitable donation receipts.

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 Administration fund includes a 10-year license agreement with Starbucks beginning on the cafe's opening date, which was June 5th, 2023. 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.

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.

2. Significant accounting policies (continued)

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.

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.

2. Significant accounting policies (continued)

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.

3. Accounts receivable

	Administration fund	Parking management	Fundraising campaign	Designated Donations	2024 Total	2023 Total
	\$	\$	\$	\$	\$	\$
Hôpital Montfort, without interest	15,195	56,523	365	—	72,082	85,382
Santé Montfort, without interest	5,235	57,618	—	—	62,854	74,577
Institut du savoir Montfort, without interest	350	1,320	—	—	1,670	1,373
Sales taxes	12,195	36,270	—	6,094	54,559	68,429
Parking	—	162,358	—	—	162,358	144,505
Pledges (Note 8)	—	—	1,242,919	25,000	1,267,919	2,009,725
Fundraising	51,632	—	—	—	51,632	11,390
	84,607	314,089	1,243,284	31,094	1,673,074	2,395,381

4. Investments

	Fair value	2024 Cost	Fair value	2023 Cost
	\$	\$	\$	\$
Financial institutions				
Bonds, effective interest rates range from 2.08% to 5.68% (2.088% to 5.30% in 2023) maturing from December 2024 to May 2035	1,520,127	1,538,015	1,064,566	1,104,069
Canadian equities	153,708	142,946	121,145	127,580
Federal, provincial and municipal				
Bonds, effective interest rates range from 1.25% to 3.75% (1.75% to 3.75% in 2022) maturing from June 2025 to June 2033	2,574,986	2,708,397	2,819,803	2,931,790
Corporate				
Bonds, effective interest rates range from 2.05% to 5.96% (2.90% in 2023) maturing from August 2026 to October 2030	85,146	82,922	28,502	27,852
Canadian equities	714,998	684,871	619,952	626,253
American and international equities	717,504	624,413	706,524	688,096
Accrued interest	35,759	35,759	31,138	31,138
	5,802,228	5,817,324	5,391,630	5,536,777
Current portion of investments	185,759	185,759	332,602	333,712
	5,616,469	5,631,565	5,059,029	5,203,064

5. Life insurance policies

The amount of \$36,121 (\$35,856 in 2023) 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 2023).

6. Intangible assets

	Cost	Accumulated amortization	2024	2023
	\$	\$	\$	\$
Parking license	10,945,055	9,987,364	957,691	1,504,944
Starbucks license	36,379	3,032	33,347	36,379
	10,981,434	9,990,396	991,038	1,541,323

7. Capital assets

	Cost	Accumulated amortization	2024	2023
	\$	\$	\$	\$
Administration Fund Equipment	7,573	7,572	1	—
Parking management Parking equipment	845,031	428,945	416,086	448,560
Support to Hôpital Montfort Furniture and equipment	326,801	276,080	50,721	71,586
	1,179,405	712,597	466,808	520,146

During the period, the Foundation acquired capital assets in the amount of \$31,411 (\$109,580 in 2023) and did not dispose of any capital assets (\$21,212 in 2023).

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 three years are as follows:

	Fundraising campaign	Designated donations	Total
	\$	\$	\$
2024-2025	1,242,919	25,000	1,267,919
2025-2026	9,000	25,000	34,000
2026-2027	5,000	25,000	30,000
	1,256,919	75,000	1,331,919
Short-term portion (Note 3)	(1,242,919)	(25,000)	(1,267,919)
Long-term portion	14,000	50,000	64,000

8. Pledges (continued)

As of March 31, 2024, the Foundation has confirmed pledges not recorded in the statement of financial position totaling:

	Fundraising Campaign (Unaudited) \$
2024-2025	1,675
2025-2026	534,128
2026-2027	319,828
2027-2028 and thereafter	700,000
	<u>1,555,631</u>

The Foundation finalized the fundraising campaign for the Carrefour santé Aline-Chrétien Orléans project as of March 31, 2023. The objective of the campaign was to raise a sum totaling \$12 millions representing the local share of the project. As of March 31, 2024, the campaign has raised cumulative donations totaling \$ 11.33 millions (\$11.16 million in 2023).

9. Line of credit

The Foundation has an authorized line of credit of \$2,500,000 renewable annually, at the prime rate plus 0.75%. This line of credit is fully secured by all present and future personal property of the Foundation, and insurance providing adequate protection, with indemnity in the event of loss payable to the Bank. Should the line of credit be used, the credit balance must be repaid in full at least once a year. As at March 31, 2024, the line of credit was unused.

10. Current Liabilities

	Administration fund \$	Parking management \$	Fundraising campaign \$	Designated donations \$	2024 Total \$	2023 Total \$
Hôpital Montfort, without interest	73,051	8,091	—	—	81,142	1,822,062
Institut du savoir Montfort, without interest	364	—	—	12,713	13,077	110,000
Santé Montfort, without interest	500	—	—	—	500	956
Accrued liabilities	34,670	7,224	—	2,225	44,119	13,680
Suppliers	66,102	59,721	—	4,933	130,756	245,096
Deferred revenues	30,900	—	—	50,666	81,566	122,250
	<u>205,587</u>	<u>75,036</u>	<u>—</u>	<u>70,537</u>	<u>351,160</u>	<u>2,314,044</u>

11. Deferred contributions related to intangible asset

	2024	2023
	\$	\$
Opening balance	36,379	—
Contributions received	—	36,379
Amortization	(3,032)	—
Ending balance	33,347	36,379

12. Interfund transfers

	Restricted Funds					
	Administration Fund	Parking Management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations
	\$	\$	\$	\$	\$	\$
Notes						
A	—	(217,664)	—	217,664	—	—
B	—	57,734	(57,734)	—	—	—
C	—	915,828	—	—	(915,828)	—
D	—	(180,953)	180,953	—	—	—
E	49,416	(49,416)	—	—	—	—
F	675	—	—	—	—	(675)
G	(10,000)	—	—	—	—	10,000
H	(7,485)	—	—	—	—	7,485
I	—	800,000	(800,000)	—	—	—
	32,606	1,325,529	(676,781)	217,664	(915,828)	16,810

- (A) An amount of \$217,664 (\$295,514 in 2023) 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.
- (B) An amount of \$57,734 (\$66,711 in 2023) was transferred from the Reserve for Infrastructure Fund to the Parking Management Fund to finance the repair costs incurred during the year.
- (C) An amount of \$915,828 (nil in 2023) was transferred from the Fundraising campaign to the Parking Management Fund to reimburse the Carrefour Santé Aline Chrétien Orléans funding made as of March 31, 2020
- (D) An amount of \$180,953 (\$83,909 in 2023) derived from interest on investments was transferred from the Parking Management Fund to the Reserve for Infrastructure Fund.
- (E) An amount of \$49,416 (\$42,470 in 2023) 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 \$675 (\$2,250 in 2023) was transferred from the Designated Donation Fund to the Administration Fund to finance management costs of the Foundation.
- (G) An amount of \$10,000 (\$41,360 in 2023) was transferred from the Administration Fund to the Designated Donation Fund for designated donations received.
- (H) An amount of \$7,485 (\$5,400 in 2023) was transferred from the Administration Fund to the Designated Donation Fund to match physician donations for the resident recognition fund.
- (I) An amount of \$800,000 (nil \$ in 2023) was transferred from the Reserve for infrastructure to the parking management fund to adjust the balance of the reserve to the recapitalization plan.

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

In addition to related party transactions disclosed elsewhere in these financial statements, the Fund entered into the following transactions, which are recorded at the exchange amounts.

14. Related party transactions (continued)

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:

	2024	2023
	\$	\$
Revenue received from Santé Montfort	163,350	129,210
Recovery of parking operations expenses received from Santé Montfort	103,867	123,392
Total ^(a)	267,217	252,602

- (a) Related party transactions recorded in Santé Montfort's financial statements total \$248,424 (\$237,737 in 2023) for a difference of \$18,792 (\$14,865 in 2023), which is attributable to the treatment of sales taxes on revenue received from Santé Montfort.

Donations

The Foundation made donations totaling \$365,180 (\$336,902 in 2023) for current operations and \$7,443 (\$149,478 in 2023) for Carrefour santé Aline-Chrétien Orléans to Hôpital Montfort during the year and donations totaling \$2,331,494 (\$2,383,892 in 2023) 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.

Food services

As the Foundation acts as an intermediary for Santé Montfort with regards to the operation of a Starbucks (or "food services operations"), the receipts and disbursements stemming from this operation are not recognized as revenue and expenses of the Foundation.

	2024	2023
	\$	\$
Purchased from Santé Montfort	37,998	1,839
Sold to Santé Montfort	407,160	—

Related party food services transactions presented in Santé Montfort's financial statements are \$36,558 (\$1,769 in 2023). The difference of \$1,440 (\$70 in 2023) is explained by the different sales taxes' treatment between the two entities.

Pledges

In the prior period the Foundation had a payable of \$2,200,000 to the Hôpital Montfort in relation to the financing campaign including \$500,000 classified as a long term payable. The payable was repaid in full during the fiscal year ended March 31, 2024.

14. 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, 2024, amount to \$61,719 (\$58,204 in 2023). HOOPP's most recent audited financial statements, as at December 31, 2023, indicate that the Plan is fully funded.

Post-retirement benefits

The Foundation also provides its employees with health care, dental care and life insurance, and continues to offer these benefits after retirement. The obligation related to these benefits is based on the actuarial valuation dated March 31, 2023, which was extrapolated to March 31, 2024 (the obligation related to 2023 benefits is based on the actuarial valuation performed as at March 31, 2023). Information relating to these benefits is as follows:

	2024	2023
	\$	\$
Plan status		
Accrued benefit obligation at the beginning	45,615	29,600
Current service cost (net)	7,780	11,700
Interest on accrued benefit obligation	2,200	2,000
Benefit payments	(400)	—
Actuarial loss	5,660	2,315
Accrued benefit obligation at year-end	60,855	45,615

The expense for the period is detailed as follow:

	2024	2023
	\$	\$
Current service costs	7,780	11,700
Interest on accrued benefit obligation	2,200	2,000
Total expense	9,980	13,700

Actuarial assumptions

	2024	2023
	%	%
Discount rate on the obligation	4.89	4.04
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 2023) 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			
2024-2025	50,000	100,000	150,000
2025-2026	50,000	100,000	150,000
2026-2027	50,000	100,000	150,000
2027-2028 and thereafter	187,500	375,000	562,500
	337,500	675,000	1,012,500
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
Paid in 2023-2024	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.