
Financial statements of Fondation Hôpital Montfort

March 31, 2020

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Independent Auditor's Report

To the Directors of
Fondation Hôpital Montfort

Opinion

We have audited the financial statements of Fondation Hôpital Montfort (the "Foundation"), which comprise the statement of financial position as at March 31, 2020 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, 2020 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.

Other matter

The statement of financial position as at March 31, 2019 and the statements of operations, changes in fund balances, operations and cash flows for the year then ended were audited by another auditor who expressed an unmodified opinion on those financial statements on May 27, 2019.

Deloitte LLP

Chartered Professional Accountants
Licensed Public Accountants
June 23, 2020

Fondation Hôpital Montfort
Statement of operations
Year ended March 31, 2020

	Administration fund	Restricted funds				2020 Total	2019 Total
		Parking management	Support to Hôpital Montfort	Fundraising campaign	Designated donations		
Notes	\$	\$	\$	\$	\$	\$	\$
Revenue							
Donations	140,900	—	—	642,428	1,101,176	1,884,504	472,917
Fundraising	489,581	—	—	3,295	—	492,876	505,126
Parking	—	4,064,726	—	—	—	4,064,726	4,225,494
Other contributions	330,169	—	—	—	—	330,169	—
Interest	12,687	282,660	—	6,835	10,171	312,353	316,110
	973,337	4,347,386	—	652,558	1,111,347	7,084,628	5,519,647
Expenses							
Salaries, benefits and contractors	543,231	—	—	—	—	543,231	628,288
Fundraising	153,966	—	—	—	—	153,966	150,996
Operations	63,898	2,039,191	58,680	2,515	—	2,164,284	1,427,377
Interest on long-term debt	—	67,484	—	—	—	67,484	114,137
Amortization of capital assets	3,302	57,254	27,138	—	—	87,694	71,387
Amortization of intangible asset	—	547,253	—	—	—	547,253	547,253
	764,397	2,711,182	85,818	2,515	—	3,563,912	2,939,438
Excess (deficiency) of revenue over expenses before donations and other items	208,940	1,636,204	(85,818)	650,043	1,111,347	3,520,716	2,580,209
Donations to Hôpital Montfort	(1,365)	—	—	—	(58,540)	(59,905)	(60,514)
Donations to Institut du savoir Montfort	(5,495)	(2,158,541)	—	—	—	(2,164,036)	(2,116,551)
Donations for the creation of bursary funds	—	—	(20,000)	—	—	(20,000)	(21,200)
Unrealized gains (losses) on investments	—	83,353	—	—	(49,830)	33,523	81,512
Unrealized gains on interest rate swap	—	35,616	—	—	—	35,616	60,147
	(6,860)	(2,039,572)	(20,000)	—	(108,370)	(2,174,802)	(2,056,606)
Excess (deficiency) of revenue over expenses charges	202,080	(403,368)	(105,818)	650,043	1,002,977	1,345,914	523,603

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

Fondation Hôpital Montfort
Statement of changes in fund balances
Year ended March 31, 2020

	Note	Restricted funds						2020 Total \$	2019 Total \$
		Administration Fund \$	Parking management \$	Reserve for nfrastructure \$	Support to Hôpital Montfort \$	Fundraising campaign \$	Designated donations \$		
Fund balances, beginning of year		183,623	3,881,560	9,634,943	—	57,249	538,405	14,295,780	13,772,177
Excess (deficiency) of revenue over expenses		202,080	(403,368)	—	(105,818)	650,043	1,002,977	1,345,914	523,603
Interfund transfers	12	(253,140)	732,556	(4,717,536)	105,818	4,109,331	22,971	—	—
Fund balances, end of year		132,563	4,210,748	4,917,407	—	4,816,623	1,564,353	15,641,694	14,295,780

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

Fondation Hôpital Montfort
Statement of financial position
As at March 31, 2020

Notes	Aministration Fund	Restricted funds					2020 Total	2019 Total	
		Parking management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations			
	\$	\$	\$	\$	\$	\$	\$		
Assets									
Current assets									
	Cash	748,904	2,078,146	—	—	368,912	63,734	3,259,696	3,209,134
3	Accounts receivable	120,618	584,335	—	—	90,324	35,163	830,440	581,130
	Prepaid expenses	7,255	17,052	—	—	—	—	24,307	73,534
4	Current portion of investments	—	926,317	—	—	—	36,266	962,583	1,797,447
	Interfund advances (payables), without interest	(738,759)	(8,565,086)	4,917,407	(151,639)	4,127,394	410,683	—	—
		138,018	(4,959,236)	4,917,407	(151,639)	4,586,630	545,846	5,077,026	5,661,245
Investments									
4		—	6,721,683	—	—	—	868,507	7,590,190	7,631,114
5	Life insurance policies	82,974	—	—	—	—	—	82,974	102,006
6	Intangible asset	—	3,146,702	—	—	—	—	3,146,702	3,693,955
7	Capital assets	1	556,645	—	151,639	—	—	708,285	455,703
8	Pledges receivable	—	—	—	—	230,000	150,000	380,000	255,000
		82,975	10,425,030	—	151,639	230,000	1,018,507	11,908,151	12,137,778
		220,993	5,465,794	4,917,407	—	4,816,630	1,564,353	16,985,177	17,799,023
Liabilities									
Current liabilities									
10	Accounts payable and accrued liabilities	88,430	365,236	—	—	7	—	453,673	1,572,582
11	Current portion of long-term debt	—	889,810	—	—	—	—	889,810	1,005,235
		88,430	1,255,046	—	—	7	—	1,343,483	2,577,817
11	Long-term debt	—	—	—	—	—	—	—	925,426
		88,430	1,255,046	—	—	7	—	1,343,483	3,503,243
16	Commitments	—	—	—	—	—	—	—	—
Fund balances									
	Unrestricted	132,563	—	—	—	—	—	132,563	183,623
	External restrictions	—	4,210,748	4,917,407	—	4,816,623	1,564,353	15,509,131	14,112,157
		132,563	4,210,748	4,917,407	—	4,816,623	1,564,353	15,641,694	14,295,780
		220,993	5,465,794	4,917,407	—	4,816,630	1,564,353	16,985,177	17,799,023

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

Approved by the Board



, Administrator

Ronald F. Caza, Chairman of the Board of Directors, Fondation Montfort



, Administrator

Fondation Hôpital Montfort
Statement of cash flows
Year ended March 31, 2020

	2020	2019
	\$	\$
Operating activities		
Excess of revenue over expenses	1,345,914	523,603
Adjustments for:		
Amortization of intangible asset	547,253	547,253
Amortization of capital assets	87,694	71,387
Unrealized gains on investments	(33,523)	(81,512)
Unrealized gains on interest rate swap	(35,616)	(60,147)
	1,911,722	1,000,584
Net change in non-cash working capital items		
Accounts receivable	(249,310)	197,977
Prepaid expenses	49,227	(60,280)
Accounts payable and accrued liabilities	(1,118,909)	1,302,735
	592,730	2,441,016
Investing activities		
Purchase of investments	(3,504,406)	(2,085,042)
Proceed on disposal of investments	4,413,717	3,027,450
Net change in cash-surrender value of life insurance policies	19,032	(4,730)
Acquisition of capital assets	(340,276)	(193,974)
Pledges receivable	(125,000)	72,000
	463,067	815,704
Financing activities		
Repayment of long-term debt	(1,005,235)	(958,787)
Increase in cash and cash equivalents	50,562	2,297,933
Cash and cash equivalents, beginning of year	3,209,134	911,201
Cash and cash equivalents, end of year	3,259,696	3,209,134

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 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.

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 is recognized as an asset when the amount to be received can be reasonably estimated and ultimate collection is reasonably assured.

Financial instruments

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 as well as long-term debt.

Financial assets measured at fair value include investments and cash.

2. Significant accounting policies (continued)

Financial instruments (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.

Financial liabilities measured at fair value include the variable rate loan and the interest rate swap.

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.

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.

Fondation Hôpital Montfort
Notes to the financial statements
 March 31, 2020

3. Accounts receivable

	Administration fund	Parking management	Fundraising campaign	Designated Donations	2020 Total	2019 Total
	\$	\$	\$	\$	\$	\$
Hôpital Montfort, without interest	1,542	—	180	—	1,722	58,695
Santé Montfort, without interest	—	456,631	—	—	456,631	204,118
Institut du savoir Montfort, without interest	—	2,282	—	—	2,282	6,394
Sales taxes	9,920	54,295	144	1,288	65,647	12,993
Parking	—	71,127	—	—	71,127	202,241
Pledges (note 8)	—	—	90,000	33,875	123,875	96,689
Fundraising	2,987	—	—	—	2,987	—
Other contributions	106,169	—	—	—	106,169	—
	120,618	584,335	90,324	35,163	830,440	581,130

4. Investments

	2020		2019	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Financial Institutions				
Term deposits, effective interest rates range from 1,75 % to 3,36 %, maturing between July 2020 and August 2021	605,267	575,037	728,320	700,955
Bonds, effective interest rates range from 2,09 % to 4,95 %, maturing November 2021 and December 2028	2,967,230	3,025,601	4,031,989	4,067,632
Canadian equities	123,909	155,903	—	—
American and International equities	302,722	319,383	—	—
Other	—	—	759	759
Federal, provincial and municipal				
Term deposits	149,175	146,679	148,806	146,679
Bonds, effective interest rates range from 2,00 % to 4,50 %, maturing between December 2020 and June 2026	4,344,597	4,191,396	4,443,407	4,395,937
Accrued interest	59,874	59,874	75,280	75,280
	8,552,773	8,473,873	9,428,561	9,387,242
Current portion of investments	962,583	961,725	1,797,447	1,792,071
	7,590,190	7,512,148	7,631,114	7,595,171

5. Life insurance policies

The amount of \$82,974 (\$102,006 in 2019) 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 \$1,310,000 (\$1,310,000 in 2019).

6. Intangible asset

	Cost	Accumulated amortization	2020	2019
	\$	\$	\$	\$
Parking license	10,945,055	7,798,353	3,146,702	3,693,955

7. Capital assets

	Cost	Accumulated amortization	2020	2019
	\$	\$	\$	\$
Administration Fund				
Equipment	73,717	73,716	1	3,302
Parking management				
Parking equipment	783,541	226,896	556,645	273,625
Support to Hôpital Montfort				
Furniture and equipment	275,301	123,662	151,639	178,776
	1,132,559	424,274	708,285	455,703

8. Pledges

Pledge receivables consist of donations for which the Foundation has a signed contractual agreement in place. Pledges are not interest bearing.

Pledges to be received over the next five years are noted below:

	Fundraising campaign	Designated donations	Total
	\$	\$	\$
2021	90,000	33,875	123,875
2022	85,000	25,000	110,000
2023	65,000	25,000	90,000
2024	65,000	25,000	90,000
2025 and thereafter	15,000	75,000	90,000
	320,000	183,875	503,875
Short-term portion (note 3)	90,000	33,875	123,875
	230,000	150,000	380,000

9. Bank loan

The Foundation has an authorized line of credit of \$190,000, renewable annually, at prime lending rate minus 0.5%. This line of credit is fully secured by term deposits for a minimum amount of \$200,000. As at March 31, 2020 and 2019, the line of credit was unused.

10. Accounts payable and accrued liabilities

	Administration fund \$	Parking management \$	Fundraising campaign \$	2020 Total \$	2019 Total \$
Hôpital Montfort, without interest	49,138	210,887	—	260,025	1,377,665
Institut du savoir Montfort, without interest	—	—	—	—	3,000
Accrued liabilities	30,907	53,363	—	84,270	73,613
Suppliers	685	100,986	7	101,678	118,304
Deferred revenues	7,700	—	—	7,700	—
	88,430	365,236	7	453,673	1,572,582

11. Long-term debt

	2020 \$	2019 \$
Parking license		
Variable rate loan converted to a flat rate loan at 4.74%, per swap, secured by Hôpital Montfort, repayable in monthly instalments of \$89,391, principal and interest, maturing in January 2021	874,796	1,880,032
Negative value of the interest rate swap	15,014	50,629
	889,810	1,930,661
Current portion of long-term debt	889,810	1,005,235
	—	925,426

12. Interfund transfers

Notes	Administration fund	Restricted funds				
		Parking management	Reserve for infrastructure	Support to Hôpital Montfort	Fundraising campaign	Designated donations
	\$	\$	\$	\$	\$	\$
A	(22 971)	—	—	—	—	22 971
B	—	(105 818)	—	105 818	—	—
C	—	1 179 984	(1 179 984)	—	—	—
D	—	3 792 456	(3 792 456)	—	—	—
D	—	(3 792 456)	—	—	3 792 456	—
E	100 000	(100 000)	—	—	—	—
F	—	(254 904)	254 904	—	—	—
G	—	13 294	—	—	(13 294)	—
H	(330 169)	—	—	—	330 169	—
	(253 140)	732 556	(4 717 536)	105 818	4 109 331	22 971

- A. A net amount of \$22,971 was transferred from the Administration Fund to the Designated Donation Fund for designated donations received. \$Nil (\$106,680 in 2019) was transferred from the Administration Fund to the Fundraising Campaign Fund during the year.
- B. An amount of \$105,818 (\$132,580 in 2019) 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 \$1,179,984 (\$Nil in 2019) was transferred from the Reserve for Infrastructure Fund to the Parking Management Fund to finance the repair costs incurred during the year.
- D. An amount of \$3,792,456 (\$Nil in 2019) was transferred from the Reserve for Infrastructure Fund to the Parking Management Fund and then to the Fundraising Campaign Fund for Carrefour Santé Orléans following the reassessment of the infrastructure reserve.
- E. An amount of \$100,000 (\$100,000 in 2019) 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 \$254,904 (\$Nil in 2019) derived from interest on investments was transferred from the Parking Management Fund to the Reserve for Infrastructure Fund.
- G. An amount of \$13,294 (\$31,174 in 2019) was transferred from the Fundraising Campaign Fund to the Parking Management Fund for reimbursement of a commitment.
- H. An amount of \$330,169 (\$Nil in 2019) was transferred from the Administration Fund to the Fundraising Campaign fund, which represents amounts received after the dissolution of the Ottawa Hospitals Food Association.

13. Other contributions

In 2019, the assets of the Ottawa Hospitals Food Association were sold and the Association was dissolved. Consequently, the Foundation will receive \$330,169, of which \$224,000 was received before the end of the fiscal year, and the remaining \$106,169 was recorded as a receivable as at March 31, 2020.

14. 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) 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 is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments subject the Foundation to a fair value risk while the floating-rate instruments subject it to a cash flow risk.

The Foundation has a line of credit and a loan bearing variable interest rates. Consequently, the Foundation is exposed to interest rate risk as fluctuations occur in the prime rate. However, a variation of 1% in the prime rate would not have a significant effect on the net earnings and financial position of the Foundation.

The interest rate swap agreement has a notional value equivalent to the long-term debt; it matures on January 4, 2021 and sets the interest rate paid by the Foundation at 4.74%. The Foundation's derivatives broker estimates the fair value of this swap at \$15,014 as at March 31, 2020 (\$50,629 in 2019).

Fixed income investments which include term deposits and bonds, pay interest at rates appropriate to the market at the date of purchase. These investments bear interest ranging from 1.75% to 4.95% (1.60% to 4.95% in 2019), maturing at different dates until 2028.

c) 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.

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.

15. 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:

	2020	2019
	\$	\$
Revenue received from Santé Montfort	144,350	321,790
Recovery of parking operations expenses received from Santé Montfort	300,873	117,799
Total ^(a)	445,223	439,589

^(a) Related party transactions recorded in Santé Montfort's financial statements total \$428,618 (\$402,569 in 2018) for a difference of \$16,605 (\$37,020 in 2018), which is attributable to the treatment of sales taxes.

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 defined benefit multi-employer pension plan. All full-time employees who have reached six months of continuous service have to join HOOPP. This pension is also available on a voluntary basis to part-time employees. As at March 31, 2020, contributions to the pension plan are recorded in the Foundation's expenses and total \$59,905 (\$49,217 in 2019). Since the information required to present the Foundation's pension obligation is not available, it is treated as a defined contribution plan.

Donations

The Foundation made donations totaling \$57,668 (\$60,514 in 2019) to Hôpital Montfort during the year and donations totaling \$2,164,036 (\$2,116,551 in 2019) 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.

16. Commitment

The Foundation has 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. The Foundation also committed to remit the portion received from the University of Ottawa (\$1,000,000) which is recorded in the Designated Donation Fund.

The Foundation's portion of the commitment is as follows:

	\$
2021	50 000
2022	50 000
2023	50 000
2024	50 000
2025 et suivantes	<u>300 000</u>
	<u>500 000</u>

17. COVID-19

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which has resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus. The duration and impact of COVID-19 are unknown at this time and it is not possible to reliably estimate the impact that the length and severity of the pandemic will have on the financial results and condition of the Foundation in future periods.

18. Corresponding figures

Certain corresponding figures have been reclassified to be conform with the current year's presentation