



**CHU  
Sainte-  
Justine  
Foundation**

# **Financial statements**

of the CHU Sainte-Justine  
Foundation



March 31, 2022



## Independent Auditor's Report

To the Members of the  
CHU Sainte-Justine Foundation

### Opinion

We have audited the financial statements of CHU Sainte-Justine Foundation (the "Foundation"), which comprise the statement of financial position as at March 31, 2022, and the statements of operations and changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*Deloitte LLP*

June 16, 2022

---

<sup>1</sup> CPA auditor, public accountancy permit No. A120628

**CHU Sainte-Justine Foundation**  
**Statement of operations and changes in fund balances**  
Year ended March 31, 2022

		2022				2022			
Notes		General Fund	Multidisciplinary Projects Fund	Endowment Fund	Total	General Fund	Multidisciplinary Projects Fund	Endowment Fund	Total
		\$	\$	\$	\$	\$	\$	\$	\$
Revenue									
	Donations and contributions	14,923,452	21,281,779	2,025,504	38,230,735	13,018,310	18,970,972	786,850	32,776,132
	Exceptional donations	—	3,000,000	—	3,000,000	—	—	—	—
3	Investment income	315,184	—	880,221	1,195,405	6,005,477	246,099	4,003,886	10,255,462
4	Commercial activities	5,450,938	—	—	5,450,938	4,502,272	—	—	4,502,272
		20,689,574	24,281,779	2,905,725	47,877,078	23,526,059	19,217,071	4,790,736	47,533,866
Fundraising expenses									
	Donations and contributions	4,655,231	—	—	4,655,231	3,639,238	—	—	3,639,238
	Management and custodial fees of investments	142,894	—	—	142,894	149,674	—	—	149,674
4	Commercial activities	1,853,116	—	—	1,853,116	1,227,088	—	—	1,227,088
		6,651,241	—	—	6,651,241	5,016,000	—	—	5,016,000
Operating expenses									
	Human resources	2,054,288	—	—	2,054,288	1,639,545	—	—	1,639,545
	Marketing and communications	46,345	—	—	46,345	23,241	—	—	23,241
	Administration	563,909	—	—	563,909	461,230	—	—	461,230
		2,664,542	—	—	2,664,542	2,124,016	—	—	2,124,016
Excess of revenue over expenses before contributions to CHU Sainte-Justine		11,373,791	24,281,779	2,905,725	38,561,295	16,386,043	19,217,071	4,790,736	40,393,850
Contributions to CHU Sainte-Justine									
	Research	260,457	13,970,970	475,386	14 706,813	192,931	13,518,649	563,127	14,274,707
	Teaching	13,474	2,299,176	35,483	2 348,133	150,000	1,544,311	9,897	1,704,208
	Health care	206,754	4,468,206	48,346	4 723,306	355,974	2,828,716	453,465	3,638,155
	Infrastructure	413,553	81,592	—	495,145	—	950,960	—	950,960
		894,238	20,819,944	559,215	22,273,397	698,905	18,842,636	1,026,489	20,568,030
Excess of revenue over expenses		10,479,553	3,461,835	2,346,510	16,287,898	15,687,138	374,435	3,764,247	19,825,820
Fund balances, beginning of year		4,979,735	53,070,164	28,164,966	86,214,865	1,403,366	40,800,134	24,185,545	66,389,045
9	Interfund transfers	(11,203,262)	11,996,899	(793,637)	—	(12,110,769)	11,895,595	215,174	—
Fund balances, end of year		4,256,026	68,528,898	29,717,839	102,502,763	4,979,735	53,070,164	28,164,966	86,214,865

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

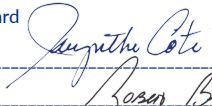
**CHU Sainte-Justine Foundation**  
**Statement of financial position**  
As at March 31, 2022

		2022				2021			
Notes		General Fund	Multi-disciplinary Projects Fund	Endowment Fund	Total	General Fund	Multi-disciplinary Projects Fund	Endowment Fund	Total
		\$	\$	\$	\$	\$	\$	\$	\$
<b>Assets</b>									
	Investments and accrued interest								
	Investments	113,995,635	—	—	113,995,635	88,225,984	—	—	88,225,984
	Accrued interest	180,472	—	—	180,472	36,919	—	—	36,919
		114,176,107	—	—	114,176,107	88,262,903	—	—	88,262,903
	Cash	2,640,877	1,626,341	—	4,267,218	4,456,101	1,223,996	—	5,680,097
	Amounts due by the General Fund*	—	80,900,627	32,134,876	—	—	58,261,092	29,908,452	—
	Amounts due by the Endowment Fund*	—	1,898,000	—	—	—	1,104,156	—	—
	Accounts receivable	741,169	132,365	40,177	913,711	1,364,745	210,000	—	1,574,745
	Prepaid expenses	79,134	—	—	79,134	64,078	—	—	64,078
	Life insurance policies	344,763	—	—	344,763	—	—	—	—
	Capital assets and intangible assets	1,211,732	—	—	1,211,732	972,280	—	—	972,280
		119,193,782	84,557,333	32,175,053	120,992,665	95,120,107	60,799,244	29,908,452	96,554,103
<b>Liabilities</b>									
	Accounts payable and accrued liabilities	883,773	—	—	883,773	1,510,388	—	—	1,510,388
	Contributions payable to CHU Sainte-Justine	741,304	16,028,435	559,214	17,328,953	171,250	7,729,080	639,330	8,539,660
	Deferred revenue from activities	277,176	—	—	277,176	289,190	—	—	289,190
	Amount due to other Funds*	113,035,503	—	1,898,000	—	88,169,544	—	1,104,156	—
		114,937,756	16,028,435	2,457,214	18,489,902	90,140,372	7,729,080	1,743,486	10,339,238
<b>Fund balances</b>									
	Invested in capital assets and intangible assets	1,211,732	—	—	1,211,732	972,280	—	—	972,280
	External restrictions	—	45,416,472	23,835,808	69,252,280	—	37,968,186	22,282,935	60,251,121
	Internal restrictions	—	23,112,426	5,882,031	28,994,457	—	15,101,978	5,882,031	20,984,009
	Unrestricted	3,044,294	—	—	3,044,294	4,007,455	—	—	4,007,455
		4,256,026	68,528,898	29,717,839	102,502,763	4,979,735	53,070,164	28,164,966	86,214,865
		119,193,782	84,557,333	32,175,053	120,992,665	95,120,107	60,799,244	29,908,452	96,554,103

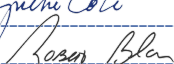
\* These items are not included in the total column since they offset each other.

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

On behalf of the Board



Director



Director

**CHU Sainte-Justine Foundation**  
**Statement of cash flows**  
Year ended March 31, 2022

	2022	2021
	\$	\$
<b>Operating activities</b>		
Excess of revenue over expenses	16,287,898	19,825,820
Adjustments for:		
Amortization of capital assets and intangible assets	228,932	196,250
Change in fair value of investments	1,317,842	(7,592,430)
Donations of life insurance policies	(344,763)	—
	17,489,909	12,429,640
Changes in non-cash operating working capital items		
Accrued interest	(143,553)	43,948
Accounts receivable	661,034	1,010,289
Prepaid expenses	(15,056)	30,970
Accounts payable and accrued liabilities	(626,615)	597,242
Contributions payable to CHU Sainte-Justine	8,789,293	1,947,070
Deferred revenue from activities	(12,014)	113,849
	8,653,089	3,743,368
	26,142,998	16,173,008
<b>Investing activities</b>		
Net acquisition of investments	(27,087,493)	(15,154,558)
Acquisition of capital assets and intangible assets	(468,384)	(205,702)
	(27,555,877)	(15,360,260)
Net (decrease) increase in cash	(1,412,879)	812,748
Cash, beginning of year	5,680,097	4,867,349
<b>Cash, end of year</b>	<b>4,267,218</b>	<b>5,680,097</b>

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

**1. Status and nature of activities**

The CHU Sainte-Justine Foundation (the "Foundation"), incorporated under Part III of the *Companies Act* (Québec), subsidizes, for medical, charitable, education and research purposes, the CHU Sainte-Justine, its beneficiaries and its affiliated works. It is a registered charity under the *Income Tax Act*.

**2. Accounting policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

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

Effective April 1, 2021, the Foundation has adopted the amendments to *CPA Canada Handbook Section 3856, Financial Instruments* ("Section 3856") related to the recognition of financial instruments originated or exchanged in a related party transaction.

These amendments to Chapter 3856 provide guidance on the evaluation of a financial instrument resulting from a related party transaction. These amendments require that such a financial instrument be initially valued at cost. This cost depends on whether or not the instrument has repayment terms. Where the financial instrument has repayment terms, the cost is determined by means of its undiscounted cash flows, excluding interest and dividend payments, net of impairment losses. Otherwise, the cost is determined based on the consideration transferred or received by the Foundation. The subsequent assessment depends on the method used initially and will generally be the cost, decreased to take into account the depreciation, or fair value.

The adoption of these amendments had no significant impact on the disclosures or on the amounts recorded in the financial statements of the Foundation during the considered period.

*Fund Accounting*

The Foundation uses the method of accounting by allocated funds to account for its activities.

**i) General Fund**

The General Fund only includes unrestricted donations and contributions, revenues from commercial activities, unrestricted interest income, as well as any related expenses and operating expenses. This fund also presents assets and expenses related to capital assets. This fund presents unrestricted resources on the Statement of financial position date.

**ii) Multidisciplinary Projects Fund**

*External restrictions*

The externally restricted Multidisciplinary Projects Fund includes donations and contributions received for which the donors have specified that the latter should be restricted for specific purposes for projects.

*Internal restrictions*

The internally restricted Multidisciplinary Projects Fund includes resources restricted by the Board of Directors for specific purposes for medium-term projects. The Foundation may not use these resources for other purposes without the prior consent of the Board.

**iii) Endowment Fund**

*External restrictions*

The externally restricted Endowment Fund includes donations received for which the donors have specified that the latter should be maintained in perpetuity, as well as a portion or the full investment revenue when specified by donors.

*Internal restrictions*

The internally restricted Endowment Fund includes resources restricted by the Board of Directors from which the revenues generated are used to ensure the Foundation's financial stability. The Foundation may not use these resources for other purposes without the prior consent of the Board.



2. Accounting policies (continued)

*Revenue recognition*

The Foundation follows the restricted fund method whereby externally restricted contributions are recognized upon reception in the fund corresponding to the purpose for which they were contributed. Restricted contributions for which no corresponding restricted fund is presented must be recognized in the General Fund using the deferral method. Non restricted contributions are recorded as revenues in the General Fund.

*Donations and contributions*

Donations and contributions are recognized in the period in which they are received or when collection is reasonably assured. Pledges are recorded in the notes to the financial statements.

*Contributions of materials*

Contributions of materials, measured at fair value, are recognized in the year in which they are received.

*Contributions of services*

Contributions of services are not recognized in the financial statements.

*Investment income*

Investment income is recognized when earned and takes into account the change in the unrealized fair value of investments.

The Foundation signed a fund management agreement in effect since April 1, 2007, under which the interests generated by the investments resulting from contributions by Opération Enfant Soleil remain the property of Opération Enfant Soleil until the contributions are paid to the CHU Sainte-Justine. Contributions are paid by the Foundation to CHU Sainte-Justine when Opération Enfant Soleil confirms that the conditions for acceptance of the related projects have been satisfied. The value of investments and cash at the end of the year is \$2,127,217 (\$3,514,007 as at March 31, 2021).

*Income from commercial activities*

Revenues from activities are recognized in the fiscal year in which the activities take place.

*Expense breakdown*

The different categories of expenses in the Statement of operations and changes in fund balances include direct charges, excluding employees' wages and payroll taxes, which are broken down between fundraising expenses for \$3,518,453 (\$2,784,981 in 2021) and operating expenses for \$1,782,336 (\$1,310,579 in 2021). The division between the two functions is based on the time allocated by the affected employees.

*Contributions to CHU Sainte-Justine*

Contributions to CHU Sainte-Justine are recognized in the Statement of operations and changes in fund balances in the period in which they are granted.



## 2. Accounting policies (continued)

### *Financial instruments*

#### *Initial measurement*

Financial assets and financial liabilities originated or exchanged in arm's length transactions are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Financial assets and financial liabilities originated or exchanged in related party transactions are initially recognized at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. The cost of financial instruments with repayment terms is determined using its undiscounted cash flows, excluding interest payments, less any impairment losses previously recognized by the transferor. The cost of financial instruments without repayment terms is determined using the consideration transferred or received by the Foundation in the transaction.

#### *Subsequent measurement*

All financial instruments are subsequently measured at amortized cost, except for investments that are recognized at fair value at the date of the financial statements. Fair value fluctuations, which include interest earned, accrued interests, realized gain and loss and unrealized gain and loss, are included in the investment revenue.

#### *Transaction costs*

Transaction costs related to financial instruments measured subsequent to initial recognition at fair value are expensed as incurred. Transaction costs related to other financial instruments are added to the carrying value of the asset or netted against the carrying value of the liability and are then recognized over the expected life of the instrument using the effective interest method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the effective interest method and recognized in the Statement of operations and changes in fund balances as interest income or expense.

#### *Depreciation*

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes an impairment loss, if any, in the Statement of operations and changes in fund balances when there are indicators of impairment and it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the Statement of operations and changes in fund balances in the period the reversal occurs.

### *Life insurance policies*

Life insurance policies owned or irrevocably beneficiary by the Foundation are recorded at their cash value.

### *Capital assets*

Capital assets are recorded at cost and amortized on a straight-line over their estimated useful life at the following annual rates:

Leasehold improvements	10 years
Computer equipment	3 years
Furniture and equipment	5 to 10 years
Activities equipment	2 years
Vending machines and equipment	5 years

### *Intangible assets*

Intangible assets, consisting of information systems, are accounted for at cost and are depreciated according to their useful life using the linear depreciation method over a five-year period.

2. Accounting policies (continued)

*Write-down of capital assets and intangible assets*

Where circumstances indicate that a capital asset or an intangible asset has been depreciated, its net book value must be reduced to fair value or the cost of replacing the asset. Capital value reductions must be recorded as expenses in the Statement of operations and changes in fund balances. A reduction in value should not be taken back.

*Use of estimates*

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the reporting date, and the reported amounts of revenues and expenses for the reporting period. Actual results could differ from these estimates.

3. Investment income

	2022				2021
	General Fund	Multidisciplinary Projects Fund	Endowment Fund	Total	Total
	\$	\$	\$	\$	\$
Interest	1,142,042	—	20,430	1,162,472	1,939,679
Dividends	787,743	—	563,032	1,350,775	723,353
Change in fair value	(1,614,601)	—	296,759	(1,317,842)	7,592,430
	315,184	—	880,221	1,195,405	10,255,462

4. Commercial activities

	2022			2021
	Parking	Service area and other	Total	Total
	\$	\$	\$	\$
Revenue	4,841,748	609,190	5,450,938	4,502,272
Expenses	(1,781,666)	(71,450)	(1,853,116)	1,227,088
	3,060,082	537,740	3,597,822	3,275,184

The cumulative surplus resulting from the operation of the parking lot of \$5,402,005 (\$2,753,476 at March 31, 2021) is presented in the internal multidisciplinary projects fund balance and will be used for a funding partnership with the CHU Sainte-Justine. The Foundation contributed \$411,553 (nil in 2021) to the CHU Sainte-Justine during the year to operations related to the operation of the parking lot. The Foundation also received Canada's Emergency Wage Subsidy of \$235,594 during the year (\$466,069 in 2021), presented in service areas and other.

5. Investments

	2022	2021
	\$	\$
Cash		
Cash at broker and custodian	572,552	389,081
Other cash bearing interest	451,046	—
Term deposits, at rates varying from 0.45% to 1.78% in 2021, matured during the year	—	4,536,128
Bonds		
Investment fund	64,621,688	44,879,392
Shares in public companies		
Investment fund	48,350,349	38,421,383
	<b>113,995,635</b>	<b>88,225,984</b>

6. Capital assets and intangible assets

	2022			2021
	Cost	Accumulated amortization	Net carrying value	Net carrying value
	\$	\$	\$	\$
Leasehold improvements	78,492	17,005	61,487	69,335
Computer equipment	207,673	162,365	45,308	49,988
Furniture and equipment	556,911	120,741	436,170	491,881
Activities equipment	149,113	148,143	970	2,278
Vending machine and equipment	28,536	28,084	452	6,164
<b>Capital assets</b>	<b>1,020,725</b>	<b>476,338</b>	<b>544,387</b>	<b>619,646</b>
Information system	986,637	319,292	667,345	352,634
<b>Intangible assets</b>	<b>2,007,362</b>	<b>795,630</b>	<b>1,211,732</b>	<b>972,280</b>

Amortization for the year amounts to \$228,932 (\$196,250 in 2021) and is included in fundraising expenses of donations and contributions as well as operating expenses.

7. General Fund balances

	2022			2021		
	Invested in capital assets and intangible assets	Unrestricted	Total	Invested in capital assets and intangible assets	Unrestricted	Total
	\$	\$	\$	\$	\$	\$
Balances, beginning of year	972,280	4,007,455	4,979,735	962,828	440,538	1,403,366
Excess of revenue over expenses	(228,932)*	10,708,485	10,479,553	(196,250)*	15,883,388	15,687,138
Interfund transfer	—	(11,203,262)	(11,203,262)	—	(12,110,769)	(12,110,769)
Acquisition of capital assets and intangible assets	468,384	(468,384)	—	205,702	(205,702)	—
Balances, end of year	1,211,732	3,044,294	4,256,026	972,280	4,007,455	4,979,735

\*This amount corresponds to the amortization of capital assets and intangibles assets

8. Fund balance of the Endowment Fund – externally restricted

Endowment funds include amounts received from donors to be retained in perpetuity as well as accumulated investment income.

	2022	2021
	\$	\$
Endowment capital	19,195,070	17,587,624
Accumulated investment income	4,640,738	4,695,311
	23,835,808	22,282,935

9. Interfund transfers

Interfund transfers are carried out to conform to the instructions received by donors and the resolutions of the Board of Directors.

	2022				2021			
	General Fund	Multidisciplinary Projects Fund	Endowment Fund	Total	General Fund	Multidisciplinary Projects Fund	Endowment Fund	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Changes in donor's intentions	(64,862)	858,499	(793,637)	—	542,899	(258,073)	(284,826)	—
Reallocation of surplus funds by the Board of Directors	(11,138,400)	11,138,400	—	—	(12,653,668)	12,153,668	500,000	—
	(11,203,262)	11,996,899	(793,637)	—	(12,110,769)	11,895,595	215,174	—

**10. Pension plan**

The Foundation offers a defined contribution pension plan to its employees. The Foundation pays its financial obligations to this plan regularly and, as at March 31, 2022, all of the obligations have been recorded. The expense and the amount disbursed during the year total \$129,430 (\$108,378 in 2021).

**11. Pledges and contributions receivable**

	Years ending March 31					
	2023	2024	2025	2026	2027 and beyond	Total
	\$	\$	\$	\$	\$	\$
Multidisciplinary Projects Fund	11,601,135	8,349,025	6,201,133	4,558,635	12,873,925	43,583,853
Endowment Fund	215,000	215,000	—	—	—	430,000
	<u>11,816,135</u>	<u>8,564,025</u>	<u>6,201,133</u>	<u>4,558,635</u>	<u>12,873,925</u>	<u>44,013,853</u>

As at March 31, 2022, a group of future pledges to occur upon death and totalling over \$41,000,000 was brought to the attention of the Foundation.

**12. Financial instruments**

Due to its financial assets and liabilities, the Foundation is exposed to the following risks related to the use of 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 due to changes in market prices. Market risk includes currency risk, interest rate risk and other price risk. The Foundation is exposed to some of these risks, as described in the following paragraphs.

a) **Currency risk**

The Foundation holds foreign investments in U.S. dollars that have a fair value of \$19,456,540 (\$19,031,508 in 2021). Consequently, it is exposed to foreign exchange fluctuations. The same applies to related investment income.

b) **Interest rate risk**

The Foundation's investments include fixed-rate term deposits as well as mutual funds that include interest-bearing bonds at fixed rates. Therefore, a change in market interest rates will affect the fair value of these investments.

c) **Other price risk**

The other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices (other than those arising from interest rate risk or foreign exchange risk), whether these changes are caused by factors specific to the instrument in question or its issuer, or by factors affecting all similar financial instruments traded on the market. The Foundation is exposed to other price risk due to its investment funds, whose value fluctuates according to market price.

*Credit risk*

The Foundation's investments include mutual funds that include bonds. As a result, there is a credit risk that the issuer of the bond will not be able to fulfill its obligations, which could ultimately impact the assets of the Foundation.

**13. Related party transactions**

CHU Sainte-Justine holds an economic interest in the Foundation, given that the Foundation was created to provide it with financial assistance.

Transactions carried out with CHU Sainte-Justine, which is a related organization, as well as related liabilities, are presented separately in the financial statements or in the notes to the financial statements, with the exception of \$120,450 (\$132,557 in 2021), which is included in commercial activities expenses.

The Foundation benefits from free occupation of the rental spaces as the building in which the offices of the Foundation are located belongs to CHU Sainte-Justine.

On the other hand, the Foundation incurred professional and financial management fees from companies of which certain board members are associates or managers. These transactions total \$142,895 (\$125,837 in 2021).

These transactions were made in the normal course of business and have been recorded at the exchange amounts, which is the amount of consideration established and agreed to by the related parties.

**14. Comparative figures**

Some figures for the comparative year have been reclassified to conform to that adopted for the current year.

**THANK YOU** 