

**Sir Mortimer B. Davis Jewish  
General Hospital Foundation**

**Financial Statements  
March 31, 2022**

# Sir Mortimer B. Davis Jewish General Hospital Foundation

**Financial Statements**  
**March 31, 2022**

## **Table of Contents**

Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Changes in Fund Balances	4
Statement of Revenues and Expenditures	5 - 6
Statement of Cash Flows	7
Notes to Financial Statements	8 - 16

## Independent Auditor's Report

To the Directors of  
**Sir Mortimer B. Davis Jewish General Hospital Foundation**

### *Opinion*

We have audited the financial statements of Sir Mortimer B. Davis Jewish General Hospital Foundation (the Foundation), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenditures, 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.

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. 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.

#### **MONTRÉAL**

1981 McGill College  
Montréal QC H3A 0G6  
514.934.3400

#### **TORONTO**

181 Bay St., #3510  
Bay Wellington Tower  
Toronto ON M5J 2T3  
416.488.2345

#### **CHICAGO**

200 South Wacker Dr., #3100  
Chicago, IL 60606  
312.828.0800

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

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

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

The image shows a handwritten signature in black ink that reads "Richter LLP". The signature is written in a cursive, flowing style.

Montréal, Québec  
September 20, 2022

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Statement of Financial Position As at March 31, 2022

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	Total 2022 \$	Total 2021 \$
<b>Assets</b>					
Cash	48,193,505	-	-	<b>48,193,505</b>	37,542,727
Marketable securities, at quoted values (note 4)	245,081,809	-	-	<b>245,081,809</b>	235,049,251
Interest and sundry receivables	339,788	-	-	<b>339,788</b>	752,049
Interfund loans (note 5)	(219,594,256)	149,747,522	69,846,734	-	-
Pledges receivable	6,853,145	-	69,084,295	<b>75,937,440</b>	71,295,288
Property and equipment (note 6)	1,446,466	-	-	<b>1,446,466</b>	1,543,329
	<b>82,320,457</b>	<b>149,747,522</b>	<b>138,931,029</b>	<b>370,999,008</b>	<b>346,182,644</b>
<b>Liabilities</b>					
Accounts payable and accrued liabilities	617,429	-	-	<b>617,429</b>	251,870
Due to hospital (note 5)	6,717,855	-	-	<b>6,717,855</b>	6,339,552
Deferred pledges and contributions (note 8)	24,598,727	-	58,289,729	<b>82,888,456</b>	78,336,878
Promissory note to Hospital (note 9)	2,762,574	-	-	<b>2,762,574</b>	3,315,089
	<b>34,696,585</b>	<b>-</b>	<b>58,289,729</b>	<b>92,986,314</b>	<b>88,243,389</b>
<b>Commitments and contingencies (note 10)</b>					
<b>Fund balances</b>					
Internally restricted (note 11)	47,623,872	-	-	<b>47,623,872</b>	47,606,968
Externally restricted	-	-	80,641,300	<b>80,641,300</b>	70,706,670
Endowments	-	149,747,522	-	<b>149,747,522</b>	139,625,617
	<b>47,623,872</b>	<b>149,747,522</b>	<b>80,641,300</b>	<b>278,012,694</b>	<b>257,939,255</b>
	<b>82,320,457</b>	<b>149,747,522</b>	<b>138,931,029</b>	<b>370,999,008</b>	<b>346,182,644</b>

See accompanying notes

Approved by,

  
\_\_\_\_\_  
Aaron Fina

9/20/22

\_\_\_\_\_  
Date

9/20/22

\_\_\_\_\_  
Date

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Statement of Changes in Fund Balances For the Year Ended March 31, 2022

	General Fund	Endowment Fund	Externally Restricted Fund	
	Internally restricted \$	Endowment \$	Restricted \$	Total 2022 \$
<b>Balance - beginning of year</b>	47,606,968	139,625,617	70,706,670	257,939,255
<b>Excess of revenues over expenses</b>	1,455,645	8,742,338	9,875,456	20,073,439
<b>Interfund transfers</b>	(1,438,741)	1,379,567	59,174	-
<b>Balance - end of year</b>	47,623,872	149,747,522	80,641,300	278,012,694

	General Fund	Endowment Fund	Externally Restricted Fund	
	Internally restricted \$	Endowment \$	Restricted \$	Total 2021 \$
<b>Balance - beginning of year</b>	38,713,205	118,655,419	66,293,960	223,662,584
<b>Excess of revenues over expenses</b>	6,252,386	20,974,009	7,050,276	34,276,671
<b>Interfund transfers</b>	2,641,377	(3,811)	(2,637,566)	-
<b>Balance - end of year</b>	47,606,968	139,625,617	70,706,670	257,939,255

See accompanying notes

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Statement of Revenues and Expenditures For the Year Ended March 31, 2022

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	Total 2022 \$	Total 2021 \$
<b>Revenues</b>					
<b>Donations and fundraising (note 12)</b>					
Annual campaign and other donations	5,097,872	3,574,670	24,622,095	<b>33,294,637</b>	29,967,275
Fundraising events	5,579,065	-	-	<b>5,579,065</b>	3,793,468
Funding Enhancement Initiative	4,239,184	-	-	<b>4,239,184</b>	5,578,995
	14,916,121	3,574,670	24,622,095	<b>43,112,886</b>	39,339,738
Net transfers to deferred contributions from fundraising events (note 8)	498,344	-	-	<b>498,344</b>	(1,151,801)
Net transfers to deferred contributions from capital campaign	-	-	-	-	(99,023)
<b>Total revenues from donations and fundraising</b>	<b>15,414,465</b>	<b>3,574,670</b>	<b>24,622,095</b>	<b>43,611,230</b>	<b>38,088,914</b>
<b>Expenses</b>					
Fundraising events	1,656,864	-	-	<b>1,656,864</b>	2,226,147
Campaign and sundry	2,406,846	-	153,678	<b>2,560,524</b>	2,663,525
Foundation administrative expenses	3,821,645	-	-	<b>3,821,645</b>	3,896,506
Investment management fees	159,018	401,356	-	<b>560,374</b>	408,638
Amortization	96,863	-	-	<b>96,863</b>	96,863
	8,141,236	401,356	153,678	<b>8,696,270</b>	9,291,679
<b>Excess of revenues over expenses before investment returns and allocations</b>	<b>7,273,229</b>	<b>3,173,314</b>	<b>24,468,417</b>	<b>34,914,960</b>	<b>28,797,235</b>
<b>Investment returns</b>					
Dividend, interest and gains on sale of marketable securities	3,249,569	6,150,912	-	<b>9,400,481</b>	9,076,065
Change in fair value of marketable securities	301,705	1,716,873	-	<b>2,018,578</b>	23,517,551
	3,551,274	7,867,785	-	<b>11,419,059</b>	32,593,616
<b>Excess of revenues over expenses before allocations</b>	<b>10,824,503</b>	<b>11,041,099</b>	<b>24,468,417</b>	<b>46,334,019</b>	<b>61,390,851</b>

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Statement of Revenues and Expenditures For the Year Ended March 31, 2022

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	Total 2022 \$	Total 2021 \$
<b>Allocations to the Sir Mortimer B. Davis Jewish General Hospital and other establishments</b>					
Research and academic enhancement	4,553,556	-	-	<b>4,553,556</b>	3,437,475
Capital projects and equipment	194,580	-	1,713,265	<b>1,907,845</b>	7,910,923
Designated for Hospital	3,011,484	-	8,562,728	<b>11,574,212</b>	9,517,874
Endowment allocations	-	1,976,432	-	<b>1,976,432</b>	2,657,663
Allocations to other establishments	188,544	322,329	91,000	<b>601,873</b>	444,475
Allocation to Hospital for building projects	1,420,694	-	-	<b>1,420,694</b>	1,155,111
Digital Health Initiative	-	-	4,225,968	<b>4,225,968</b>	1,990,659
	<b>9,368,858</b>	<b>2,298,761</b>	<b>14,592,961</b>	<b>26,260,580</b>	<b>27,114,180</b>
<b>Excess of revenues over expenses and allocations</b>	<b>1,455,645</b>	<b>8,742,338</b>	<b>9,875,456</b>	<b>20,073,439</b>	<b>34,276,671</b>

See accompanying notes



# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Statement of Cash Flows For the Year Ended March 31, 2022

	2022	2021
	\$	\$
<b>Operating activities</b>		
Excess of revenues over expenses and allocations	20,073,439	34,276,671
Amortization	96,863	96,863
Increase in fair value of marketable securities	(2,018,578)	(23,517,551)
Decrease (increase) in -		
Interest and sundry receivables	412,261	292,729
Pledges receivable	(4,642,152)	(6,321,527)
Increase (decrease) in -		
Accounts payable and accrued liabilities	365,559	(674,134)
Due to Hospital	378,303	807,698
Deferred pledges and contributions	4,551,578	5,943,935
	<b>19,217,273</b>	<b>10,904,684</b>
<b>Investing activities</b>		
Proceeds on disposition of marketable securities	23,361,976	25,841,329
Purchase of marketable securities	(31,375,956)	(34,556,673)
Additions to property and equipment	-	(95,000)
	<b>(8,013,980)</b>	<b>(8,810,344)</b>
<b>Financing activity</b>		
Promissory note to Hospital	(552,515)	(552,515)
<b>Increase in cash</b>	<b>10,650,778</b>	<b>1,541,825</b>
<b>Cash - beginning of year</b>	<b>37,542,727</b>	<b>36,000,902</b>
<b>Cash - end of year</b>	<b>48,193,505</b>	<b>37,542,727</b>

See accompanying notes

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 1. Purpose of the Foundation

The principal activity of the Foundation is to raise funds for research in the field of medicine and for the development of related health care activities for the Sir Mortimer B. Davis Jewish General Hospital. The Foundation is incorporated under the Canada Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2 Change in accounting policy

The Foundation adopted the amendments to Financial Instruments, Section 3856, relating to the recognition of financial instruments originated or exchanged in a related party transaction.

Under these new requirements, such a financial instrument is initially measured at cost, which is determined depending on whether the instrument has repayment terms:

- The cost of a financial instrument that does not have repayment terms is determined using the consideration transferred or received by the Foundation; and
- The cost of a financial instrument that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses.

Subsequent measurement is based on how the instrument was initially measured. In general, a financial instrument is subsequently measured at cost, less any reduction for impairment, or at fair value.

According to the transition provisions, such financial instruments that exist at the date; these amendments are applied for the first time, i.e., April 1, 2021, are measured as follows. The cost of an instrument that has repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment as at the beginning of the earliest comparative period, i.e., April 1, 2020. The cost of an instrument that does not have repayment terms is deemed to be its carrying amount in the Foundation's financial statements, less any impairment, as at the same date. The fair value of an instrument that is an investment in shares quoted in an active market is determined as at the same date.

The adoption of these new requirements had no impact on the Foundation's financial statements.

### 3. Summary of significant accounting policies

The Foundation has elected to apply Canadian accounting standards for not-for-profit organizations (ASNFPO) in Part III of the CPA Canada Handbook - Accounting.

The Foundation also applies Canadian standards for private enterprises to the extent that these standards address topics not addressed in Canadian accounting standards for not-for-profit organizations.

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 3. Summary of significant accounting policies (continued)

#### Fund accounting

The General Fund reports on revenues and expenses related to annual donations and fundraising activities which subsidizes research, teaching, medical technology and related expenditures.

Endowment contributions are reported in the Endowment Fund. Investment income earned on resources of the Endowment Fund is reported in the Endowment Fund or the General Fund depending on the nature of any restrictions imposed by contributors of these funds.

The Externally Restricted Fund reports on contributions which generally are pledged and subsequently paid over a fixed period of time. Such contributions are being raised to enhance the capital of the Foundation or for specific projects of the Hospital.

#### Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the General Fund when received.

Externally restricted contributions are recognized as revenue of the Externally Restricted Fund when received or if pledged, and the amount to be received can be reasonably estimated, collection is reasonably assured, and the related expenses have been incurred.

Endowment contributions are recognized as revenue of the Endowment Fund when received.

Fundraising events contributions are deferred and recognized as revenue in the year in which the related expenses are incurred.

Funding Enhancement Initiative fees comprise an administration charge used to i) fund the infrastructure costs of the Lady Davis Institute and the Foundation which is recognized on all gifts and donations when received; and ii) fund innovation at the Lady Davis Institute and the Jewish General Hospital which is recognized on all gifts and donations when the related expenses are incurred.

Investment transactions are accounted for on the transaction date. Gains or losses on the disposal of investment are determined using the average cost method. Interest income is recognized on the accrual basis as earned.

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 3. Summary of significant accounting policies (continued)

#### Use of estimates

The preparation of financial statements in conformity 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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates.

#### Property and equipment

Property and equipment are accounted for at cost. Amortization for the buildings is calculated on their respective estimated useful life using the straight-line method over a period of 20 years.

#### Long-lived asset

The Foundation tests long-lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the estimated undiscounted future net cash flows the long-lived assets are expected to generate, through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

#### Foreign currency translation

Accounts in foreign currency have been translated into Canadian dollars as follows:

- Monetary items - at exchange rates in effect at the balance sheet date;
- Non-monetary items - at exchange rates in effect on the dates of the transactions; and
- Revenue and expenses - at average exchange rates prevailing during the year.

Gains and losses arising from foreign currency translation are included in the statement of revenues and expenditures.

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 3. Summary of significant accounting policies (continued)

#### Financial instruments

The Foundation initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the Foundation is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If it does, the cost is determined using its undiscounted cash flows, excluding interest, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the Foundation in the transaction.

The Foundation subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market and derivative financial instruments that do not qualify as a hedge, which are measured at fair value with changes in fair value recognized in excess of revenues over expenses.

Transaction costs related to financial instruments subsequently measured at fair value or to those originated or exchanged in a related party transaction are recognized in income in the period incurred. Transaction costs related to financial instruments originated or exchanged in an arm's length transaction that are subsequently measured at cost or amortized cost are recognized in the original cost of the instrument. When the instrument is measured at amortized cost, the transaction costs are then recognized in income over the life of the instrument using the straight-line method.

Financial assets subsequently measured at cost or amortized cost are tested for impairment when there are indicators of possible impairment. Any impairment loss is recognized in excess of revenues over expenses. The previously recognized impairment loss may subsequently be reversed to a maximum of the cost or amortized cost that would have been reported at the date of the reversal had the impairment not been recognized previously.

### 4. Marketable securities

	2022 \$	2021 \$
Equities	200,147,214	173,576,235
Fixed income securities	44,934,595	61,473,016
	<b>245,081,809</b>	<b>235,049,251</b>

Marketable securities are carried in the accounts at their quoted values and any change in fair value is recorded in the statement of revenues and expenditures.

Included in marketable securities is the fair value of the derivative financial instruments (note 10).

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 5. Interfund loans and due to Hospital

Interfund loans and amounts due to Hospital are non-interest bearing and have no specific terms of repayment.

### 6. Property and equipment

	Cost \$	Accumulated amortization \$	2022 Net carrying amount \$	2021 Net carrying amount \$
Land	56,400	-	<b>56,400</b>	56,400
Buildings	2,835,560	1,445,494	<b>1,390,066</b>	1,486,929
	<b>2,891,960</b>	<b>1,445,494</b>	<b>1,446,466</b>	<b>1,543,329</b>

### 7. Credit facility

The Foundation's credit facility provides for a \$5,000,000 line of credit with borrowings thereunder bearing interest at bank prime rate per annum. As at March 31, 2022, there was no bank indebtedness outstanding (2021 - \$Nil).

### 8. Deferred pledges and contributions

	Deferred pledges \$	Deferred contributions \$	2022 Total \$	2021 Total \$
<b>Balance - beginning of year</b>	59,938,101	18,398,777	<b>78,336,878</b>	72,392,943
Recognized this year	(30,192,348)	(3,108,958)	<b>(33,301,306)</b>	(29,516,547)
Amounts received or receivable for future periods	35,397,123	2,455,761	<b>37,852,884</b>	35,460,482
<b>Balance - end of year</b>	<b>65,142,876</b>	<b>17,745,580</b>	<b>82,888,456</b>	<b>78,336,878</b>

The net transfers from deferred contributions to fundraising events consists of the following:

	2022 \$	2021 \$
Transfers from deferred contributions to fundraising events relating to expenditures incurred in the year	<b>3,104,459</b>	1,859,972
Transfers to deferred contributions from fundraising events in the current year	<b>(2,606,115)</b>	(3,011,773)
	<b>498,344</b>	(1,151,801)

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements

March 31, 2022

### 9. Promissory note - Sir Mortimer B. Davis Jewish General Hospital

The promissory note is non-interest bearing and repayable in 10 equal annual instalments of approximately \$550,000 that started in fiscal year 2017.

### 10. Commitments and contingencies

#### Investment purchase commitments

In its long-term investment pool, the Foundation has entered into agreements to purchase various equity investments for a total commitment of approximately \$148,100,000 of which approximately \$109,900,000 has been purchased as at March 31, 2022.

#### Pavilion K project of Sir Mortimer B. Davis Jewish General Hospital

The Foundation has guaranteed the debt service with respect to the loan which funds the construction costs of the parking structure related to the Hospital's Pavilion K project. The balance of the debt related to the parking structure amounted to approximately \$16.82 million as at March 31, 2022 and is bearing 4.31% interest on an annual basis. The loan is repayable over 25 years and matures in 2038, and it is intended that the debt service of the loan and operating costs of the parking structure will be funded from the parking revenue. Should such revenue not be sufficient, the Foundation will be liable, on an annual basis, to fund the shortfall. To date, there has been no annual shortfall and no funding has been provided by the Foundation in this regard, nor have any future needs been identified.

Subsequent to year end, as a condition of the Québec government funding the budgeted construction cost of the Hospital's Pavillion K (Phase 4) in the amount of approximately \$270 million, the Foundation has made an additional commitment to the Hospital that it will be responsible if cost exceed the budgeted amount at the time of completion for a maximum of \$15,700,000. During the year, no funding has been provided by the Foundation in this regard, nor have any future needs been identified.

#### Sir Mortimer B. Davis Jewish General Hospital

The Foundation has made a commitment to provide approximately \$3,100,000, in fiscal 2023, of funding to the Sir Mortimer B. Davis Jewish General Hospital to be applied towards supplementary activities ("activités accessoires").

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 10. Commitments and contingencies (continued)

#### Rosby Cancer Network

The Foundation has made a commitment to the Rosby Cancer Network for an amount of \$7,200,000 in 2014 to establish a cancer network and improve the identification of cancer indicators and quality of cancer care.

The remaining committed payments are due approximately as follows:

	\$
2023	545,000
2024	545,000
2025	545,000
2026	545,000
2027	545,000
Thereafter	971,000
	<b>3,696,000</b>

#### Digital Health Initiative

The Foundation has made a commitment to fund the Hospital's Digital Health Initiative in the amount of \$94,000,000. As at March 31, 2022, the balance is approximately \$87,000,000. Active fundraising continues for this commitment and it is the principal priority for the Comprehensive Campaign which is currently in the silent phase.

#### Foreign exchange contracts

As at March 31, 2022, the Foundation has a contractual obligation through forward exchange contracts to sell a fixed amount of U.S.\$27,560,000 for CDN\$34,451,406 maturing on May 2, 2022 and to sell a fixed amount of CDN\$342,196 for U.S.\$269,000 maturing on May 2, 2022. As explained in note 3, the Foundation accounts for these financial instruments as non-hedging derivative financial instruments. The Foundation's derivatives dealer established the forward exchange contracts' fair value as insignificant.

### 11. Internally restricted net assets

As at March 31, 2022, the Foundation's board of directors has internally restricted capital of \$47,623,872 in aggregate, which consists of \$46,177,406 of the General Fund which consists of estates, bequests and other capital amounts and the remaining internally restricted capital of the General Fund Capital of \$1,446,466 relates to property and equipment.



# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 12. Donations

Donations recorded during the years ended March 31, 2022 and 2021 were from the following categories of donors:

	2022 \$	2021 \$
Foundations and not-for-profit organizations	<b>11,102,390</b>	6,187,514
Individuals	<b>23,523,175</b>	26,107,640
Corporations	<b>8,487,321</b>	7,044,584
	<b>43,112,886</b>	39,339,738

### 13. Financial instruments

The significant risks arising from financial instruments to which the Foundation is exposed as at March 31, 2022 are detailed below.

#### 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.

Some assets are exposed to foreign exchange fluctuations. As at March 31, 2022, assets in foreign exchange are the following:

	2022		2021	
	Canadian dollars \$	Foreign currency	Canadian dollars \$	Foreign currency
Cash (U.S.\$)	<b>75,000</b>	<b>58,000</b>	71,000	57,000
Marketable securities (U.S.\$)	<b>152,241,000</b>	<b>117,470,000</b>	88,435,000	70,326,000
Marketable securities (Euro)	<b>119,000</b>	<b>86,000</b>	228,000	155,000

The Foundation's activities involve investments denominated in foreign currencies. These activities result in exposure to fluctuations in foreign currency rates. The Foundation enters into foreign exchange contracts to mitigate the risk.

#### 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 reductions in interest rates, which could adversely impact expected returns from the Foundation's reinvestment of funds in marketable securities upon maturity of such instruments.

# Sir Mortimer B. Davis Jewish General Hospital Foundation

## Notes to Financial Statements March 31, 2022

### 13. Financial instruments (continued)

#### 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 is exposed to credit risk only with respect to uncertainty as to timing and amount of collectibility of sundry receivables and pledges receivable. Historically, the Foundation collects virtually all of its pledges receivable.

#### Market risk

Market risk, which includes other 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's investments in publicly traded securities expose the Foundation to market risk as such investments are subject to price changes in the open market. The Foundation mitigates the risk by regularly rebalancing its portfolio to ensure proper diversification.

#### Liquidity risk

Liquidity risk is the risk that the Foundation will have difficulty in meeting obligations associated with financial liabilities. Prudent management of liquidity risk implies retaining a sufficient level of liquidity and arranging for appropriate credit facilities and being able to liquidate market positions. The Foundation believes that its recurring financial resources are adequate to cover all its expenditures.

### 14. Comparatives figures

Certain reclassifications of 2021 amounts have been made to facilitate comparison with the current year.