

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION  
FINANCIAL STATEMENTS  
MARCH 31, 2024**

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## 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, 2024, and the statements of operations, 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, 2024, 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.

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.

*BDO Canada s.r.l./S.E.N.C.R.L./LLP*<sup>1</sup>

Montreal, September 19, 2024

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<sup>1</sup> By CPA auditor, public accountancy permit No. AI 18902

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2024**

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	2024 Total \$	2023 Total \$
<b>ASSETS</b>					
Cash and cash equivalents	63,965,349	-	-	<b>63,965,349</b>	63,942,525
Investments (Note 3)	257,905,948	-	-	<b>257,905,948</b>	236,857,209
Interest and sundry receivables	1,708,512	-	-	<b>1,708,512</b>	543,852
Interfund loans (Note 4)	(298,990,985)	182,909,061	116,081,924	-	-
Property and equipment (Note 5)	1,344,564	-	-	<b>1,344,564</b>	1,441,427
	<b>25,933,388</b>	<b>182,909,061</b>	<b>116,081,924</b>	<b>324,924,373</b>	<b>302,785,013</b>
<b>LIABILITIES</b>					
Accounts payable and accrued liabilities	3,164,873	-	-	<b>3,164,873</b>	419,404
Due to the Hospital (Note 7)	105,825	-	-	<b>105,825</b>	524,353
Promissory note to the Hospital (Note 8)	1,657,544	-	-	<b>1,657,544</b>	2,210,059
	<b>4,928,242</b>	<b>-</b>	<b>-</b>	<b>4,928,242</b>	<b>3,153,816</b>
<b>FUND BALANCES</b>					
Internally restricted (Note 9)	21,005,146	-	-	<b>21,005,146</b>	21,407,498
Endowment	-	182,909,061	-	<b>182,909,061</b>	168,013,122
Externally restricted	-	-	116,081,924	<b>116,081,924</b>	110,210,577
	<b>21,005,146</b>	<b>182,909,061</b>	<b>116,081,924</b>	<b>319,996,131</b>	<b>299,631,197</b>
	<b>25,933,388</b>	<b>182,909,061</b>	<b>116,081,924</b>	<b>324,924,373</b>	<b>302,785,013</b>
Commitments (Note 12)					
Guarantee (Note 13)					
Approved by,					
_____ , Director					
_____ , Director					

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

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2024**

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	2024 Total \$	2023 Total \$
<b>Revenues (Note 10)</b>					
Annual campaign and other donations	3,337,102	2,489,202	34,795,528	<b>40,621,832</b>	32,862,991
Fundraising events	602,070	-	2,653,431	<b>3,255,501</b>	4,034,116
Funding enhancement initiative	5,348,241	-	-	<b>5,348,241</b>	4,078,383
	<b>9,287,413</b>	<b>2,489,202</b>	<b>37,448,959</b>	<b>49,225,574</b>	<b>40,975,490</b>
<b>Administrative expenditures</b>					
Fundraising events	188,004	-	1,126,447	<b>1,314,451</b>	1,710,377
Campaign and sundry	3,156,465	-	122,534	<b>3,278,999</b>	2,741,126
Foundation administrative expenditures	5,568,392	-	-	<b>5,568,392</b>	4,165,104
Amortization	96,863	-	-	<b>96,863</b>	96,863
	<b>9,009,724</b>	<b>-</b>	<b>1,248,981</b>	<b>10,258,705</b>	<b>8,713,470</b>
<b>Excess of revenues over expenditures before investment activity and allocations</b>	<b>277,689</b>	<b>2,489,202</b>	<b>36,199,978</b>	<b>38,966,869</b>	<b>32,262,020</b>
<b>Investment activities</b>					
Dividend, interest and gains on sale of investments	4,586,718	3,037,197	983,170	<b>8,607,085</b>	2,000,899
Change in fair value of investments	4,453,209	9,252,184	2,381,933	<b>16,087,326</b>	9,343,776
Management fees (expenditures) recovery	83,857	298,570	-	<b>382,427</b>	(568,198)
	<b>9,123,784</b>	<b>12,587,951</b>	<b>3,365,103</b>	<b>25,076,838</b>	<b>10,776,477</b>
<b>Excess of revenues over expenditures before allocations</b>	<b>9,401,473</b>	<b>15,077,153</b>	<b>39,565,081</b>	<b>64,043,707</b>	<b>43,038,497</b>

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

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**STATEMENT OF OPERATIONS**  
**YEAR ENDED MARCH 31, 2024**

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	2024 Total \$	2023 Total \$
Allocations to the Sir Mortimer B. Davis Jewish General Hospital					
Research and academic enhancement	2,547,485	-	-	<b>2,547,485</b>	2,549,408
Innovation funds	1,981,356	-	-	<b>1,981,356</b>	1,230,852
Digital Health Initiative	7,293,792	-	6,928,873	<b>14,222,665</b>	15,956,858
Capital projects and equipment	1,568,765	-	5,303,887	<b>6,872,652</b>	1,449,713
Designated for patient care and supplementary activities	498,105	-	16,707,662	<b>17,205,767</b>	12,685,135
Allocations to other establishments	22,922	-	825,926	<b>848,848</b>	1,093,945
	13,912,425	-	29,766,348	<b>43,678,773</b>	34,965,911
Excess (deficiency) of revenues over expenditures	(4,510,952)	15,077,153	9,798,733	<b>20,364,934</b>	8,072,586

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



**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**YEAR ENDED MARCH 31, 2024**

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	2024 Total \$
Balance, beginning of year	21,407,498	168,013,122	110,210,577	<b>299,631,197</b>
Excess (deficiency) of revenues over expenditures	(4,510,952)	15,077,153	9,798,733	<b>20,364,934</b>
Interfund transfers	4,108,600	(181,214)	(3,927,386)	-
<b>Balance, end of year</b>	<b>21,005,146</b>	<b>182,909,061</b>	<b>116,081,924</b>	<b>319,996,131</b>

	General Fund \$	Endowment Fund \$	Externally Restricted Fund \$	2023 Total \$
Balance, beginning of year	32,831,476	158,614,799	100,112,336	291,558,611
Excess (deficiency) of revenues over expenditures	(11,418,254)	8,797,257	10,693,583	8,072,586
Interfund transfers	(5,724)	601,066	(595,342)	-
<b>Balance, end of year</b>	<b>21,407,498</b>	<b>168,013,122</b>	<b>110,210,577</b>	<b>299,631,197</b>

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

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**STATEMENT OF CASH FLOWS**  
**YEAR ENDED MARCH 31, 2024**

	2024	2023
	\$	\$
<b>Operating activities</b>		
Excess of revenues over expenditures	<b>20,364,934</b>	8,072,586
Non-cash items:		
Amortization	<b>96,863</b>	96,863
Increase in fair value of investments	<b>(16,087,326)</b>	(9,343,776)
Reinvested dividends and interest and (gain) loss on sale of investments	<b>(5,323,403)</b>	591,725
	<b>(948,932)</b>	(582,602)
Net change in non-cash items related to operating activities:		
Interest and sundry receivables	<b>(1,164,660)</b>	(4,464)
Accounts payable and accrued liabilities	<b>2,745,469</b>	(197,960)
Due to the Hospital	<b>(418,528)</b>	401,082
	<b>213,349</b>	(383,944)
<b>Investing activities</b>		
Proceeds on disposition of investments	<b>76,196,267</b>	61,307,388
Acquisition of investments	<b>(75,834,277)</b>	(61,030,085)
Acquisition of property and equipment	-	(91,824)
	<b>361,990</b>	185,479
<b>Financing activity</b>		
Repayment of promissory note to Hospital	<b>(552,515)</b>	(552,515)
Increase (decrease) in cash and cash equivalents	<b>22,824</b>	(750,980)
Cash and cash equivalents, beginning of year	<b>63,942,525</b>	64,693,505
Cash and cash equivalents, end of year	<b>63,965,349</b>	63,942,525
<b>Cash and cash equivalents</b>		
Cash	<b>47,465,349</b>	45,483,769
Term deposits	<b>16,500,000</b>	18,458,756
	<b>63,965,349</b>	63,942,525

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

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2024**

**I. Purpose of the Foundation**

The Sir Mortimer B. Davis Jewish General Hospital Foundation (the "Foundation") is a federal not-for-profit organization whose mission 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 "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 and, as such, is exempt from income taxes.

**2. Significant accounting policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) in Part III of the CPA Canada Handbook - Accounting and include the following accounting policies:

**Fund accounting**

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they are provided. For financial reporting purposes, the accounts have been classified into the following funds:

The General Fund comprises the resources donated to the Foundation for its use, as well as those resources available for use at the discretion of the Foundation's Board. The primary purpose is to subsidize research, teaching, medical technology and related expenditures.

The Endowment Fund comprises resources that are required by the donor to be maintained permanently by the Foundation. The income earned on the resources held are distributed to the restricted funds determined by the donor and based on the Foundation's spending policy. Any excess income between the income earned and the allocations to the externally restricted funds are reinvested in the endowment fund.

The Externally Restricted Fund comprises the resources that are to be used for specific purposes as specified by the donor.

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**2. Significant accounting policies (continued)**

**Revenue recognition**

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

Endowment contributions are recognized as revenue in the Endowment Fund in the year received.

Externally restricted contributions are recognized as revenue of the appropriate restricted fund when received.

The Funding Enhancement Initiative fee comprises a charge on donations which is used to (a) fund the infrastructure costs of the Lady Davis Institute and the Foundation which is recognized on all gifts and donations received and (b) fund innovation at the Lady Davis Institute and the Jewish General Hospital which is recognized on gifts and donations received.

Investment income earned on Endowment Fund resources that must be spent per the Foundation's spending rate is recognized as revenue of the appropriate externally restricted fund when earned. Any excess of income between the income earned and the allocations to the externally restricted funds, are reinvested in the endowment fund. Other unrestricted investment income is recognized as revenue of the General Fund when earned.

Contributions in kind which are used in the normal course of the organization's operations and would otherwise have been purchased, including investments, are recorded at their fair value at the date of contribution.

**Use of estimates**

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the amounts recognized as revenues and expenditures for the periods covered. Actual results may differ from these estimates. The critical estimates relate to the impairment of financial assets and the useful lives of property and equipment.

**Collections**

The Foundation's collections, including paintings and artwork, are capitalized in the statement of financial position at cost, but are not subject to amortization. When cost cannot be reasonably determined, collections or items in a collection are capitalized at a nominal value. Purchased items are reported at cost. Contributions of collection items are reported at cost, which is deemed to be the item's fair value at the date of contribution plus all costs directly attributable to the acquisition. When fair value cannot be determined, the contribution is recognized at a nominal value.

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**2. Significant accounting policies (continued)**

**Property and equipment**

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

**Impairment of long-lived assets**

Property and equipment are tested for recoverability whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

**Foreign currency transactions**

Monetary assets and liabilities are translated at the exchange rate in effect at the balance sheet date. Other assets and liabilities are translated at the exchange rate in effect at the transaction date. Revenues and expenditures are translated at the exchange rate in effect at the transaction date. Exchange gains and losses are included in the Statement of Operations.

**Financial Instruments**

Arm's length financial instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in the Statement of Operations.

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**3. Investments**

	2024	2023
	\$	\$
Equities	242,922,885	233,902,265
Fixed income funds	14,983,063	2,954,944
	<b>257,905,948</b>	<b>236,857,209</b>

Investments are carried in the accounts at their quoted values and any change in fair value is recorded in the Statement of Operations.

**4. Interfund loans**

Interfund loans are non-interest bearing and have no specific terms of repayment.

**5. Property and equipment**

	2024			2023
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	56,400	-	56,400	56,400
Building	1,953,150	1,639,220	313,930	410,793
Paintings and artwork	974,234	-	974,234	974,234
	<b>2,983,784</b>	<b>1,639,220</b>	<b>1,344,564</b>	<b>1,441,427</b>

**6. Credit facility**

The Foundation's credit facility provides a \$5,000,000 line of credit with borrowings thereunder bearing interest at bank prime rate per annum. As at March 31, 2024, there was no bank indebtedness outstanding (2023, \$Nil).

**7. Due to the Hospital**

Due to the Hospital is non-interest bearing and has no specific terms of repayment.

**8. Promissory note to the Hospital**

The promissory note to the Hospital is non-interest bearing and repayable in 10 equal annual instalments of \$552,515 that started in fiscal year 2017.

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**9. Internally restricted net assets**

As at March 31, 2024, the Foundation's board of directors has internally restricted capital of \$21,005,146 in aggregate, which consists of \$19,660,582 of the General Fund which consists of estates, bequests and other capital amounts and the remaining internally restricted capital of the General Fund of \$1,344,564 relates to property and equipment.

**10. Donations**

	2024	2023
	\$	\$
Foundations and not-for-profit organizations	14,534,671	7,435,597
Individuals	26,676,719	25,156,084
Corporations	8,014,184	8,383,809
	<b>49,225,574</b>	40,975,490

**11. Pledges receivable**

The Foundation accepts multi-year payments for significant donations. The pledges are for the various projects underway by the Foundation.

	2024	2023
	\$	\$
Balance, beginning of year	85,850,072	75,231,703
Plus: Net new pledges during the year	37,301,351	37,468,071
Less: Pledge payments received during the year	<b>(30,935,583)</b>	(26,849,702)
Balance, end of year	<b>92,215,840</b>	85,850,072

**12. Commitments**

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

The Foundation has made a recurring annual commitment to provide \$3,100,000 of funding to the Hospital to be applied towards supplementary activities ("activités accessoires").

**Investment purchase commitments**

As at March 31, 2024, the Foundation has committed to invest approximately \$218,508,445 in 40 closed-end investment funds of which approximately \$164,215,736 has been purchased as at March 31, 2024.

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**12. Commitments (continued)**

**Digital Health Initiative**

The Foundation made a commitment to fund the Hospital's Digital Health Initiative in the amount of \$94,000,000. The remaining commitment aggregates to \$57,056,039. The anticipated allocations over the next four years are the following:

	\$
2025	17,767,473
2026	20,233,071
2027	10,546,837
2028	8,508,658
	57,056,039

Active fundraising continues for this commitment and it is the principal priority for the Comprehensive Campaign which is currently in the silent phase.

**Hospital's other activities**

The commitment of the Foundation under various agreements to fund the Hospital's other activities aggregates to \$15,841,901. The anticipated allocations over the next three years are the following:

	\$
2025	7,001,105
2026	6,302,176
2027	2,538,620
	15,841,901



**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**12. Commitments (continued)**

**Rossy Cancer Network**

The commitment of the Foundation under an agreement with the Rossy Cancer Network to establish a cancer network and improve the identification of cancer indicators and quality of cancer care aggregates to \$2,606,000. The instalments over the next five years are the following:

	\$
2025	545,000
2026	545,000
2027	545,000
2028	545,000
2029	426,000
	2,606,000

**Hospital's Phase 4 renovations**

As a condition of the Québec government funding the renovations of the Hospital's Legacy's Buildings (Phase 4) in the amount of approximately \$270 million, the Foundation made an additional commitment to the Hospital that it will be responsible if costs exceed the budgeted amount, to a maximum of \$15,742,280 ("the Risk Reserve"). In the prior year, the Foundation was informed by the Hospital that the entirety of the Risk Reserve will be required. The expected allocations over the next years are as follows:

	\$
2025	5,000,000
2026	-
2027	5,000,000
2028	-
2029	5,742,280
	15,742,280

**13. Guarantee**

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 Pavillon K project. The balance of debt related to the parking structure amounted to approximately \$14.8 million as at March 31, 2024 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. The Foundation will be liable, on an annual basis, to fund the shortfall if the parking revenue is not sufficient. To date, there has been no annual shortfall and no funding provided by the Foundation in this regard.

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
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**14. Foreign currency exchange contract**

As at year-end, in order to protect against foreign currency fluctuations inherent in holding foreign currency denominated investments, the Foundation has a contractual obligation through forward exchange contracts to sell in aggregate \$71,352,000 U.S. in exchange for approximately \$95,928,084 Canadian in May 2024 at foreign exchange rates approximating 1.34 and to sell in aggregate \$3,804,324 CAD in exchange for approximately \$2,804,000 U.S. in May 2024 at a foreign exchange rate of 1.36. Gains and losses related to foreign currency exchange contracts exercised are recognized when realized. During the year, the Foundation recognized income on foreign currency exchange contracts exercised for an amount of approximately \$Nil (2023, \$Nil), which is included in the investment income amount on the Statement of Operations.

As at year-end, the fair value of the foreign currency exchange contracts has been determined using the March 31, 2024 noon-closing exchange rates published by the Bank of Canada. The resulting derivative asset was not material and recognized in investments on the Statement of Financial Position.

**15. Financial instruments**

**Financial risks**

The Foundation is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the Foundation's risk exposure at the statement of financial position date of March 31, 2024. There have been no substantive changes in the Foundation's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from previous periods unless otherwise stated in this note.

**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. Some of the Foundation's financial instruments expose it to this risk, which comprises currency risk, interest rate risk and other price risk.

**SIR MORTIMER B. DAVIS JEWISH GENERAL HOSPITAL FOUNDATION**  
**NOTES TO FINANCIAL STATEMENTS**  
**MARCH 31, 2024**

**15. Financial instruments (continued)**

**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's activities involve investments denominated in foreign currencies. Consequently, some assets and liabilities are exposed to foreign exchange fluctuations. The Foundation enters into foreign exchange contracts to mitigate the risk. As at March 31, 2024, assets and liabilities denominated in foreign exchange and converted into Canadian dollars are the following:

	2024		2023	
	Canadian dollars \$	Foreign Currency	Canadian dollars \$	Foreign Currency
Cash (in US \$)	116,328	85,851	535,558	395,743
Marketable securities (in U.S. \$)	83,349,207	61,591,876	83,048,272	61,364,963
Marketable securities (in Euro)	7,858,670	5,377,090	6,909,087	4,698,950

**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 interest rates. The Foundation is exposed to interest rate risk on its financial instruments. Fixed interest rate instruments subject the Foundation to a fair value risk, since fair value fluctuates inversely to changes in market interest rates.

**16. Comparative figures**

Certain figures for 2023 have been reclassified to conform to the presentation adopted in 2024.