
Financial statements of
Montreal Heart Institute Foundation

March 31, 2022

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Independent Auditor's Report

To the Members of the
Montreal Heart Institute Foundation

Opinion

We have audited the financial statements of the Montreal Heart Institute 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 ("ASNPO").

Basis for Opinion

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

Other Information

Management is responsible for the other information. The other information comprises the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 ASNPO, 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*¹

June 8, 2022

¹ CPA auditor, public accountancy permit No. A120628

Montreal Heart Institute Foundation
Statement of financial position
As at March 31, 2022

		2022			2021	
Notes	General Fund	Endowment Fund	Other Funds	Total	Total	
	\$	\$	\$	\$	\$	
Assets						
Investments	3	11,930,740	97,042,938	24,963,537	133,937,215	136,022,987
Cash		1,337,577		101,242	1,438,819	2,558,669
Interfund – Endowment Fund		1,304,900*	—	—	—	—
Amounts due by the General Fund		—	—	3,482,784*	—	—
Accounts receivable		358,003	—	124,795	482,798	571,137
Inventories		14,918	—	—	14,918	11,682
Other assets		703,450	—	—	703,450	507,168
		15,649,588	97,042,938	28,672,358	136,577,200	139,671,643
Liabilities						
Accounts payable and accrued liabilities		3,373,005	—	22,416	3,395,421	3,420,706
Interfund – General Fund		—	1,304,900*	—	—	—
Amounts due to the Other Funds		3,482,784*	—	—	—	—
		6,855,789	1,304,900	22,416	3,395,421	3,420,706
Commitments	9					
Fund balances						
Externally restricted	7 and 8	—	8,593,452	28,649,942	37,243,394	43,356,808
Internally restricted	7	—	87,144,586	—	87,144,586	83,444,480
Unrestricted		8,793,799	—	—	8,793,799	9,449,649
		8,793,799	95,738,038	28,649,942	133,181,779	136,250,937
		15,649,588	97,042,938	28,672,358	136,577,200	139,671,643

* These items are not reported in the total column because they offset each other.

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

Approved by the Board

_____, Director

_____, Director

Montreal Heart Institute Foundation
Statement of operations and changes in fund balances
Year ended March 31, 2022

Notes	General Fund		Endowment Fund		Other Funds		Total	
	2022	2021	2022	2021	2022	2021	2022	2021
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Donations	3,985,465	4,239,357	556,445	441,473	8,379,758	16,053,791	12,921,668	20,734,621
Bequests	500,000	500,000	—	—	986,953	1,704,208	1,486,953	2,204,208
Interest and dividends	4,184,146	2,326,509	—	—	835,429	594,605	5,019,575	2,921,114
Gain on disposal of investments	1,188,252	1,595,930	—	—	1,586,312	368,875	2,774,564	1,964,805
Change in the unrealized fair value of investments	(700,455)	14,964,641	—	—	(297,551)	4,176,485	(998,006)	19,141,126
Fundraising activities	1,748,226	1,022,808	—	—	—	—	1,748,226	1,022,808
	10,905,634	24,649,245	556,445	441,473	11,490,901	22,897,964	22,952,980	47,988,682
Fundraising activities								
Direct costs of fundraising activities	521,926	331,206	—	—	—	—	521,926	331,206
Indirect costs of donations and fundraising activities	978,624	1,068,003	—	—	—	—	978,624	1,068,003
Operational subtotal	9,405,084	23,250,036	556,445	441,473	11,490,901	22,897,964	21,452,430	46,589,473
Expenses								
Salaries, employee benefits and other compensation	2,465,208	2,541,378	—	—	—	—	2,465,208	2,541,378
Other operating charges	355,853	414,113	—	—	—	—	355,853	414,113
	2,821,061	2,955,491	—	—	—	—	2,821,061	2,955,491
Shared expenses	(98,737)	(103,442)	—	—	98,737	103,442	—	—
	2,722,324	2,852,049	—	—	98,737	103,442	2,821,061	2,955,491
Excess of revenue over expenses before the contributions	6,682,760	20,397,987	556,445	441,473	11,392,164	22,794,522	18,631,369	43,633,982
Contributions to the Montreal Heart Institute	5,614,426	5,225,931	—	—	16,086,101	13,206,498	21,700,527	18,432,429
(Deficiency) excess of revenue over expenses	1,068,334	15,172,056	556,445	441,473	(4,693,937)	9,588,024	(3,069,158)	25,201,553
Fund balances, beginning of year	9,449,649	9,596,652	91,481,487	74,964,315	35,319,801	26,488,417	136,250,937	111,049,384
Transfers	(1,724,184)	(15,319,059)	3,700,106	16,075,699	(1,975,922)	(756,640)	—	—
Fund balances, end of year	8,793,799	9,449,649	95,738,038*	91,481,487*	28,649,942**	35,319,801**	133,181,779	136,250,937

* See Note 7

** See Note 8

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

Montreal Heart Institute Foundation**Statement of cash flows**

Year ended March 31, 2022

	2022	2021
	\$	\$
Operating activities		
(Deficiency) excess of revenue over expenses	(3,069,158)	25,201,553
Adjustments for:		
Donations in shares	(698,073)	(1,869,815)
Gain on disposal of investments	(2,774,564)	(1,964,805)
Change in the unrealized fair value of investments	998,006	(19,141,126)
	(5,543,789)	2,225,807
Net changes in non-cash operating working capital items		
Accounts receivable	88,339	(300,857)
Inventories	(3,236)	14,089
Other assets	(196,282)	(9,381)
Accounts payable and accrued liabilities	(25,285)	(376,329)
	(5,680,253)	1,553,329
Investing activities		
Net change in investments	4,560,403	(1,119,930)
Net (decrease) increase in cash	(1,119,850)	433,399
Cash, beginning of year	2,558,669	2,125,270
Cash, end of year	1,438,819	2,558,669

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

Montreal Heart Institute Foundation

Notes to the financial statements

Year ended March 31, 2022

1. Status and nature of activities

The Montreal Heart Institute Foundation (the "Foundation") incorporated under Part III of the *Companies Act* (Quebec) is a charitable organization within the meaning of the *Income Tax Act* created to collect and administer funds to support research, care, teaching, prevention, rehabilitation and the assessment of new technologies at the Montreal Heart Institute.

2. Accounting policies

The financial statements have been 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 Section 3856 establish new guidance for determining the measurement of a related party financial instrument. The related party financial instruments amendments require that such a financial instrument be initially measured at cost, which is determined based on whether the instrument has repayment terms.

The adoption of these amendments had no material impact on the amounts recognized in the Foundation's financial statements or disclosures.

Fund accounting

The Foundation uses the restricted fund method to account for its activities.

a) General Fund

The General Fund comprises unrestricted donations, bequests and other revenue, unrestricted investment income, as well as this fund's administrative and management expenses. With the exception of contributions paid by the Other Funds, contributions paid to the Montreal Heart Institute are also charged to this fund. This fund reflects the unrestricted resources.

b) Endowment Fund

The Endowment Fund is allocated as follows:

Externally restricted amounts – Endowment

Comprises donations that, based on the donors' instructions, must be held in perpetuity.

Internally restricted amounts – Other capital

Results from transfers from the General Fund and Other Funds. This capital, which is internally restricted, may not be used without obtaining prior consent from the board of directors.

Montreal Heart Institute Foundation

Notes to the financial statements

Year ended March 31, 2022

2. Accounting policies (continued)

Fund accounting (continued)

c) Other Funds

Other Funds are made up of the Bourses du Coeur of the Elina & Giuseppe Borsellino Foundation (the "Bourses du Coeur Fund"), the Heart Beat for the Future campaign Fund (Battre au Rythme du Monde, BRM), the Dedicated donations Fund of the BRM campaign and the Dedicated donations Fund of the annual campaign and Prevent, Take Act and Get well campaign. These funds include donations that must be allocated to special projects (the expansion and construction of specific facilities such as laboratories, the purchase of high-tech equipment and the creation of bursaries for the training of specialists), donations dedicated to purposes specified by the donor, as well as investment income from resources attached to these funds. Expenses charged to these funds, if any, include direct development expenses and a share of the General Fund expenses.

Revenue recognition

a) Donation and bequests

Donations and bequests are recorded in the year they are received. Pledges are disclosed in a note to the financial statements and recorded in the statement of operations and changes in fund balances when they are received.

b) Gifts in kind

Gifts in kind are measured at fair value and recognized in the year they are received.

c) Investment income

Investment income from General Fund resources is recognized at the time it is earned. Investment income from the resources of the Endowment Fund and Other Funds is recognized in the General Fund or Other Funds at the time it is earned, depending on the nature of the allocations stipulated by donors.

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 instruments originated or exchanged in related party transactions are initially measured at cost. The cost of a financial instrument in a related party transaction depends on whether or not the instrument has repayment terms. If it does have repayment terms, cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, cost is determined using the consideration transferred or received by the Foundation as part of the transaction.

Subsequent measurement

All financial instruments are measured at amortized cost except for investments, which are measured at fair value on the balance sheet date. The fair value of mutual funds is measured using the fair value of the units established by the fund manager. Fluctuations in fair value, which include interest earned, interest accrued, gains and losses realized upon disposal, and unrealized gains and losses, are included in the revenue of the statement of operations and changes in fund balances.

Montreal Heart Institute Foundation

Notes to the financial statements

Year ended March 31, 2022

2. Accounting policies (continued)

Financial instruments (continued)

Transaction costs

Transaction costs related to financial instruments measured at fair value are expensed as incurred.

Impairment

With respect to financial assets measured at amortized cost, the Foundation recognizes in the statement of operations and changes in fund balances an impairment loss, if any, when 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 shall be reversed in the statement of operations and changes in fund balances in the period the reversal occurs.

Sharing of expenses

Expenses are recorded in the statement of operations and changes in fund balances of the General Fund and rebilled to the Other Funds in the proportion of 3.5% (3.5% in 2021) to the BRM campaign Fund.

Foreign currency translation

Foreign currency transactions are translated into Canadian dollars. Monetary assets and liabilities are translated at the exchange rates in effect at the statement of financial position date. Non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at the day of transaction rate.

Gains and losses on these translations are included in the change in the unrealized fair value of investments.

Contributions to the Montreal Heart Institute

Contributions granted to the Montreal Heart Institute are recorded in the year that they are paid or become payable. Any excess of approved amounts over paid or payable amounts is reported as a commitment in a note to the financial statements.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make certain estimates and assumptions that may affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the amounts of revenues and expenses during the period covered by the financial statements. Actual results could differ from these estimates.

Montreal Heart Institute Foundation
Notes to the financial statements
Year ended March 31, 2022

3. Investments

	2022		2021	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
General Fund				
Cash with trustee	359,162	359,162	68,371	68,371
Treasury bills and other discount securities, (maturing through August 2021 in 2021)	—	—	37,055	37,055
Shares	19,124	19,240	254	244
Mutual funds of Canadian bonds	11,552,454	13,195,089	12,104,520	12,741,100
	11,930,740	13,573,491	12,210,200	12,846,770
Endowment Fund				
Cash with trustee	226,784	226,784	76,303	76,303
Treasury bills and other discount securities, maturing through June 2022 (July 2021 in 2021)	1,523,435	1,523,042	814,942	814,648
Mutual funds of Canadian bonds	22,319,250	25,145,348	23,031,286	23,922,527
Canadian shares and mutual funds of Canadian shares	40,744,439	33,871,823	38,197,079	32,701,258
Foreign shares and mutual funds of foreign shares	32,183,719	25,109,932	31,342,170	25,132,072
	96,997,627	85,876,929	93,461,780	82,646,808
Accrued interest and dividends	45,311	45,311	37,678	37,678
	97,042,938	85,922,240	93,499,458	82,684,486

3 Investments (continued)

	2022		2021	
	Fair value	Cost	Fair value	Cost
	\$	\$	\$	\$
Other Funds				
Cash with trustee	108,460	108,460	28,711	28,711
Treasury bills and other discount securities, maturing through June 2022 (July 2021 in 2021)	324,649	324,565	554,849	554,813
Mutual funds of Canadian bonds	12,534,627	14,277,804	15,614,712	16,387,650
Canadian shares	6,762,896	4,382,276	7,472,145	5,630,965
Foreign shares and mutual funds of foreign shares	5,211,798	3,687,071	6,618,723	5,227,196
	24,942,430	22,780,176	30,289,140	27,829,335
Accrued interest and dividends	21,107	21,107	24,189	24,189
	24,963,537	22,801,283	30,313,329	27,853,524
Total of the funds	133,937,215	122,297,014	136,022,987	123,384,780

The General Fund's interest and dividends and gain on disposal of investments include revenue from resources held as endowments in an amount of \$4,949,798 (\$3,374,014 in 2021), after deduction of management fees of \$631,194 (\$556,382 in 2021). The General Fund's change in the unrealized fair value of investments also includes the portion of the unrealized gain from resources held as endowments in an amount of \$305,726 (\$15,238,616 in 2021).

4. Pledges receivable

As at March 31, 2022, the Foundation held pledges for all the funds totalling \$20,959,000 and running through 2039 as follows:

	\$
2023	5,958,000
2024	4,963,000
2025	2,911,000
2026	1,822,000
2027 and thereafter	5,305,000

Montreal Heart Institute Foundation
Notes to the financial statements
Year ended March 31, 2022

5. Contributions to the Montreal Heart Institute

	2022	2021
	\$	\$
General Fund		
Laboratories and project operations	4,218,669	2,780,736
Equipment (Note 11)	1,065,525	2,108,428
Prevention	237,682	197,790
Education	82,971	133,218
Bursaries	9,579	5,759
	5,614,426	5,225,931
Other Funds		
Dedicated donations	10,585,297	11,602,720
Equipment (Note 11)	4,891,248	841,418
Laboratories and project operations	504,593	148,063
Education	4,963	539,297
Bursaries	100,000	75,000
	16,086,101	13,206,498
	21,700,527	18,432,429

6. Fundraising activities

	2022		
	Revenue	Direct expenses	Net
	\$	\$	\$
General Fund			
Bal des Vins-Cœurs	961,317	321,582	639,735
VP Challenge	61,416	5,504	55,912
Loto Cardio	133,931	42,394	91,537
Other	591,562	152,446	439,116
	1,748,226	521,926	1,226,300
			2021
	Revenue	Direct expenses	Net
	\$	\$	\$
General Fund			
Bal des Vins-Cœurs	501,203	221,912	279,291
VP Challenge	132,751	4,953	127,798
Loto Cardio	123,030	44,765	78,265
Emerging Leaders Committee	83,286	38,187	45,099
Other	182,538	21,389	161,149
	1,022,808	331,206	691,602

Montreal Heart Institute Foundation
Notes to the financial statements
Year ended March 31, 2022

7. Balance of Endowment Fund

	2022		
	Endowment	Other capital	Total
	\$	\$	\$
Balance, beginning of year	8,037,007	83,444,480	91,491,487
Endowments received	556,445	—	556,445
Transfer from the General Fund*	—	1,724,184	1,724,184
Transfer from the Other Funds**	—	1,975,922	1,975,922
Balance, end of year	8,593,452	87,144,586	95,738,038
Consisting of:			
Externally restricted amounts			8,593,452
Internally restricted amounts			87,144,586
			95,738,038
			2021
	Endowment	Other capital	Total
	\$	\$	\$
Balance, beginning of year	7,595,534	67,368,781	74,964,315
Endowments received	441,473	—	441,473
Transfer from the General Fund*	—	15,319,059	15,319,059
Transfer from the Other Funds**	—	756,640	756,640
Balance, end of year	8,037,007	83,444,480	91,481,487
Consisting of:			
Externally restricted amounts			8,037,007
Internally restricted amounts			83,444,480
			91,481,487

* The board of directors authorized a transfer of \$1,724,184 from the General Fund to the Endowment Fund (\$15,319,059 in 2021).

** The board of directors authorized a transfer of \$1,975,922 from the Other Funds to the Endowment Fund (\$756,640 in 2021).

Montreal Heart Institute Foundation
Notes to the financial statements
Year ended March 31, 2022

8. Other Funds balances

	2022				2021
	Bourses du Cœur Fund	BRM campaign Fund	Dedicated donations Funds	Total	Total
	\$	\$	\$	\$	\$
Revenue					
Donations	200,000	197,869	7,981,889	8,379,758	16,053,791
Bequests	—	—	986,953	986,953	1,704,208
Interest and dividends	57,630	777,799	—	835,429	594,605
Gain on disposal of investments	6,989	1,579,323	—	1,586,312	368,875
Change in the unrealized fair value of investments	(146,268)	(151,283)	—	(297,551)	4,176,485
Operational subtotal	118,351	2,403,708	8,968,842	11,490,901	22,897,964
Expenses, excluding contributions	—	98,737	—	98,737	103,442
Contributions to the Montreal Heart Institute	100,000	5,135,300	10,850,801	16,086,101	13,206,498
	100,000	5,234,037	10,850,801	16,184,838	13,309,940
(Deficiency) excess of revenue over expenses	18,351	(2,830,329)	(1,881,959)	(4,693,937)	9,588,024
Balances, beginning of year	1,853,593	14,781,949	18,684,259	35,319,801	26,488,417
Transfers from (to) the Endowment Fund	17,033	(1,725,342)	(267,613)	(1,975,922)	(756,640)
Balances, end of year	1,888,977	10,226,278	16,534,687	28,649,942	35,319,801

9. Commitments

The Foundation is committed to pay the Montreal Heart Institute amounts totalling \$32,692,389 (\$4,471,795 by the General Fund and \$28,220,594 by the Other Funds). These amounts include a commitment of \$5,264,834 for Phase II of the Montreal Heart Institute *Investir dans l'excellence* construction project.

10. Financial instruments

Due to its financial assets, 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 is comprised of interest rate risk, other price risk, and currency risk. The Foundation is exposed to some of these risks, as described below.

a) Interest rate risk

Investments in Treasury bills bear interest at fixed rates. Consequently, a change in market interest rate will have an impact on the fair value of these investments. The Foundation is also indirectly exposed to this risk through its investments in bond mutual funds.

b) Other price risk

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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is exposed to other price risk through its investments in shares and mutual funds for which the value fluctuates with the quoted market price.

c) Currency risk

The Foundation holds cash in U.S. dollars totalling C\$21,940 (C\$605,787 in 2021). It is therefore exposed to foreign currency fluctuations.

Investment policy

Funds must be managed in adherence to the principles of consistency and continuity. The principle of conservatism predominates when the investment committee is engaged in decision-making and applying strategies.

The objective is to optimize the return on the funds while considering the risk that the Foundation is prepared to assume, as well as specific constraints set out in the investment policy. Risk stems from the uncertainty inherent to several factors (loss in value of specific investments, decrease in fair value caused by financial market fluctuations, etc.), the combined actions of which could have consequences on the Foundation's ability to meet its commitments.

Return is optimized through an ideal combination of financial assets, diversification and sufficient latitude to use investment vehicles with higher return potential depending on the periods.

Montreal Heart Institute Foundation

Notes to the financial statements

Year ended March 31, 2022

11. Related party transactions

Transactions conducted with the Montreal Heart Institute, which is a related party, as well as related accounts receivable and accounts payable, are presented separately in the financial statements and in the notes to the financial statements, with the exception of an amount of \$133,116 (\$31,182 in 2021) included in Accounts receivable, and an amount of \$2,470,948 (\$2,501,157 in 2021) included in Accounts payable and accrued liabilities.

Equipment in an amount of \$5,583,751 (\$1,523,637 in 2021), acquired by the Foundation during the year and remaining its property, was subject to a bargain rent with the Montreal Heart Institute over the useful life of the equipment. This equipment is presented, net of the bargain rent, as equipment contributions.

These transactions are within the normal course of operations and are measured at the exchange amount.