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Financial statements of  
The Montreal Children's Hospital  
Foundation

March 31, 2016

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## Independent Auditor's Report

To the Members of  
The Montreal Children's Hospital Foundation

We have audited the financial statements of The Montreal Children's Hospital Foundation, which comprise the statement of financial position as at March 31, 2016, and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of The Montreal Children's Hospital Foundation as at March 31, 2016, 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.

*Other Matter*

Without modifying our opinion, we draw attention to Note 2 of the financial statements, which explains that some of the comparative figures for the year ended March 31, 2015, have been restated.

Deloitte LLP<sup>1</sup>

September 29, 2016

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

**The Montreal Children's Hospital Foundation**  
**Statement of operations and changes in fund balances**

Year ended March 31, 2016

		2016				2015			
Notes		Operating Fund	Special Fund	Endowment Fund	Total	Operating Fund	Special Fund	Endowment Fund	Total
		\$	\$	\$	\$	\$	\$	\$	\$
						(Restated) (Note 2)	(Restated) (Note 2)		
<b>Revenue</b>									
	Donations	6,818,927	11,676,307	2,233,976	20,729,210	6,521,711	11,222,673	3,188,417	20,932,801
	Realized investment income – net	1,174,860	2,659,402	3,070	3,837,332	1,553,039	2,687,079	3,669	4,243,787
4	Change in unrealized fair value of investments	(2,438,029)	(3,797,986)	—	(6,236,015)	1,119,722	1,510,646	—	2,630,368
4		(1,263,169)	(1,138,584)	3,070	(2,398,683)	2,672,761	4,197,725	3,669	6,874,155
		5,555,758	10,537,723	2,237,046	18,330,527	9,194,472	15,420,398	3,192,086	27,806,956
<b>Expenses</b>									
	Salaries and benefits	2,640,684	292,924	—	2,933,608	2,460,066	260,234	—	2,720,300
	Direct campaign costs	1,006,895	312,959	—	1,319,854	1,074,010	328,703	—	1,402,713
	Publicity and donor recognition	126,254	32,648	—	158,902	99,854	35,940	—	135,794
	General and administrative	451,777	16,826	—	468,603	406,751	19,353	—	426,104
	Professional and consulting	164,890	7,661	—	172,551	285,712	—	—	285,712
	Rent	204,485	30,215	—	234,700	227,482	32,526	—	260,008
	Amortization of fixed assets	60,493	9,799	—	70,292	57,896	9,799	—	67,695
		4,655,478	703,032	—	5,358,510	4,611,771	686,555	—	5,298,326
	Excess of revenue over expenses before contributions	900,280	9,834,691	2,237,046	12,972,017	4,582,701	14,733,843	3,192,086	22,508,630
<b>Contributions to the Montreal Children's Hospital</b>									
	Hospital equipment and services	753,380	1,693,072	—	2,446,452	620,753	1,174,280	—	1,795,033
	Research equipment and services	2,306,449	1,804,421	—	4,110,870	2,074,884	3,365,552	—	5,440,436
	Other restricted contributions	—	2,540,132	—	2,540,132	—	1,753,551	—	1,753,551
	Renovations, rent and other priorities	—	7,832,282	—	7,832,282	—	3,491,915	—	3,491,915
		3,059,829	13,869,907	—	16,929,736	2,695,637	9,785,298	—	12,480,935
	<b>(Deficiency) excess of revenue over expenses</b>	<b>(2,159,549)</b>	<b>(4,035,216)</b>	<b>2,237,046</b>	<b>(3,957,719)</b>	1,887,064	4,948,545	3,192,086	10,027,695
	Fund balances, beginning of year	(1,387,596)	63,683,805	48,569,623	110,865,832	(3,232,001)	58,793,461	45,276,677	100,838,137
	Interfund transfers	(17,575)	(95,076)	112,651	—	(42,659)	(58,201)	100,860	—
5		(3,564,720)	59,553,513	50,919,320	106,908,113	(1,387,596)	63,683,805	48,569,623	110,865,832

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

**The Montreal Children's Hospital Foundation**  
**Statement of financial position**  
As at March 31, 2016

		2016				2015			
Notes	Operating Fund	Special Fund	Endowment Fund	Total	Operating Fund	Special Fund	Endowment Fund	Total	
	\$	\$	\$	\$	(Restated) (Note 2)	(Restated) (Note 2)	\$	\$	
<b>Assets</b>									
	Cash	3,246,850	18,563,705	174,574	21,985,129	2,116,672	15,574,001	128,591	17,819,264
6	Restricted cash	—	3,854,570	—	3,854,570	—	21,839,522	—	21,839,522
	Accounts receivable	204,835	—	—	204,835	215,605	9,453	—	225,058
	Receivable by Special Fund	—	21,581,791*	—	—	—	23,209,854*	—	—
8	Investments	2,428,112	16,104,557	63,815,454	82,348,123	2,415,947	3,454,507	66,094,017	71,964,471
9	Fixed assets	168,146	21,232	—	189,378	87,847	31,030	—	118,877
	Prepaid expenses	60,298	—	—	60,298	57,713	—	—	57,713
		<b>6,108,241</b>	<b>60,125,855</b>	<b>63,990,028</b>	<b>108,642,333</b>	<b>4,893,784</b>	<b>64,118,367</b>	<b>66,222,608</b>	<b>112,024,905</b>
<b>Liabilities</b>									
	Accounts payable and accrued liabilities	653,908	23,773	—	677,681	608,987	164,290	—	773,277
	Contributions payable – Montreal Children's Hospital	507,970	548,569	—	1,056,539	115,524	270,272	—	385,796
	Due to Special Fund	8,511,083*	—	13,070,708*	—	5,556,869*	—	17,652,985*	—
		<b>9,672,961</b>	<b>572,342</b>	<b>13,070,708</b>	<b>1,734,220</b>	<b>6,281,380</b>	<b>434,562</b>	<b>17,652,985</b>	<b>1,159,073</b>
11	Commitments	—	—	—	—	—	—	—	—
<b>Fund balances</b>									
	Invested in fixed assets	168,146	21,232	—	189,378	87,847	31,030	—	118,877
10	Externally restricted	—	59,532,281	40,367,918	99,900,199	—	63,652,775	38,018,221	101,670,996
	Internally restricted	—	—	10,551,402	10,551,402	—	—	10,551,402	10,551,402
	Unrestricted deficit	(3,732,866)	—	—	(3,732,866)	(1,475,443)	—	—	(1,475,443)
		<b>(3,564,720)</b>	<b>59,553,513</b>	<b>50,919,320</b>	<b>106,908,113</b>	<b>(1,387,596)</b>	<b>63,683,805</b>	<b>48,569,623</b>	<b>110,865,832</b>
		<b>6,108,241</b>	<b>60,125,855</b>	<b>63,990,028</b>	<b>108,642,333</b>	<b>4,893,784</b>	<b>64,118,367</b>	<b>66,222,608</b>	<b>112,024,905</b>

\* 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.

Approved by the Board of Directors

\_\_\_\_\_, Director

\_\_\_\_\_, Director

# The Montreal Children's Hospital Foundation

## Statement of cash flows

Year ended March 31, 2016

	2016	2015
	\$	\$
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenses	<b>(3,957,719)</b>	10,027,695
Adjustments for		
Change in fair value of investments	<b>5,487,513</b>	(3,149,467)
Amortization of fixed assets	<b>70,292</b>	67,695
	<b>1,600,086</b>	6,945,923
Net changes in non-cash operating working capital items		
Accounts receivable	<b>20,223</b>	(16,982)
Prepaid expenses	<b>(2,585)</b>	(12,509)
Accounts payable and accrued liabilities	<b>(95,596)</b>	(346,938)
Contributions payable – Montreal Children's Hospital	<b>670,743</b>	(979,979)
	<b>592,785</b>	(1,356,408)
	<b>2,192,871</b>	5,589,515
<b>Financing activities</b>		
Variation in restricted cash	<b>17,984,952</b>	(2,518,748)
Net variation in investments	<b>(15,871,165)</b>	(3,861,302)
Acquisition of fixed assets	<b>(140,793)</b>	(65,110)
	<b>1,972,994</b>	(6,445,160)
Increase (decrease) in cash	<b>4,165,865</b>	(855,645)
Cash, beginning of year	<b>17,819,264</b>	18,674,909
<b>Cash, end of year</b>	<b>21,985,129</b>	17,819,264

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

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

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### 1. Purpose of the Foundation

The Montreal Children's Hospital Foundation (the "Foundation") is devoted to raising funds for research, teaching and clinical support at the Montreal Children's Hospital of the McGill University Health Centre (the "Montreal Children's Hospital"). The Foundation is a not-for-profit organization incorporated in 1973 under the laws of the Province of Quebec and is recognized as a registered charity under the *Income Tax Act*.

### 2. Restatement

Following an analysis of the investment income generated by certain endowments, the Foundation reclassified some investment income for the 2015 fiscal year from the Operating Fund to the Special Fund. The global impact of the restatement of the prior year financial statements is an increase of the unrestricted deficit in \$1,043,426 and an increase in the externally restricted fund balance for the same amount. The prior year financial statements have been restated as follows:

	Balance previously stated as at March 31, 2015	Restatement	Restated balance as at March 31, 2015
	\$	\$	\$
Operating Fund			
Statement of operations and change in funds balances			
Realized investment income – net	1,824,150	(271,111)	1,553,039
Change in unrealized fair value of investments	1,297,036	(177,314)	1,119,722
Excess of revenue over expenses	2,335,489	(448,425)	1,887,064
Fund balance as at April 1, 2014	(2,637,000)	(595,001)	(3,232,001)
Fund balance as at March 31, 2015	(344,170)	(1,043,426)	(1,387,596)
Statement of financial position			
Due to Special Fund	4,513,443	1,043,426	5,556,869
Fund balance as at March 31, 2015 – unrestricted deficit	(432,017)	(1,043,426)	(1,475,443)
Special Fund			
Statement of operations and change in funds balances			
Realized investment income – net	2,415,968	271,111	2,687,079
Change in unrealized fair value of investments	1,333,332	177,314	1,510,646
Excess of revenue over expenses	4,500,120	448,425	4,948,545
Fund balance as at April 1, 2014	58,198,460	595,001	58,793,461
Fund balance as at March 31, 2015	62,640,379	1,043,426	63,683,805
Statement of financial position			
Receivable by Special Fund	22,166,428	1,043,426	23,209,854
Fund balance as at March 31, 2015 – externally restricted	62,609,349	1,043,426	63,652,775

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

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### 3. Significant 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:

#### *Fund accounting*

The Foundation follows the restricted fund method of accounting for its operations.

i) Operating fund

The Foundation's general fundraising and administrative activities are presented in the Operating Fund.

ii) Special fund

The Special Fund represents externally restricted donations (see Note 10), other than endowment.

iii) Endowment fund

The Endowment Fund includes accumulated donations subject to restrictions imposed by donors specifying that the capital be maintained in perpetuity, as well as interfund transfers from the Operating Fund authorized by the Board of Directors, subject to internal restrictions and which cannot be used without the prior consent of the Board of Directors.

#### *Revenue recognition*

i) Restricted donations

Restricted donations related to general operations are recognized as revenue of the Operating Fund in the year received. Other restricted donations are recognized as revenue of the Special Fund in the year received. Endowment donations are recognized as revenue in the Endowment Fund.

ii) Unrestricted donations

Unrestricted donations are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

iii) Investment income

Investment income is recognized when earned. Investment income on Endowment Fund resources that must be spent on donor restricted activities is recognized in the Special Fund. Unrestricted investment income on Endowment Fund resources is recognized in the Operating Fund.

iv) Contributed services

In the course of its activities, the Foundation uses the services of volunteers. Due to the difficulty in determining their fair value, these contributed services are not recognized in these financial statements.

v) Gifts-in-kind

Gifts-in-kind are recorded at fair value.

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

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### 3. Significant accounting policies (continued)

#### *Expense sharing*

The expenses of the Best Care for Children Fund, included in the Special Fund, are comprised of directly attributable expenses, a transfer of a portion of rent expenses of the Operating Fund related to the additional rental space required for the activities of the Best Care for Children Fund, and a portion of salaries and benefits.

#### *Contributions to the Montreal Children's Hospital*

The contributions to the Montreal Children's Hospital are recorded in the statement of operations and changes in fund balances of the year in which they are paid or become payable.

#### *Financial instruments*

Financial assets and liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost except for investments, which are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are presented in the investment income.

Transaction costs related to financial instruments measured at fair value are expensed as incurred. Transaction costs related to the 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 straight-line method. Any premium or discount related to an instrument measured at amortized cost is amortized over the expected life of the item using the straight-line method and recognized in the statement of operations and changes in fund balances as investment income.

With respect to financial assets measured at cost or 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 decrease and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in statement of operations and changes in fund balances in the period the reversal occurs.

#### *Receivable by/due to Special Fund*

These amounts bear no interest and have no specific terms of repayment.

#### *Fixed assets*

Fixed assets are recorded at cost and amortized based on their useful lives using the straight-line methods:

Office furniture	5 years
Computer equipment	3 years
Leasehold improvements	5 years
Other equipment	10 years

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

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### 3. Significant accounting policies (continued)

#### *Foreign currency translation*

Monetary assets and liabilities are translated at the exchange rates in effect at the balance sheet date and non-monetary assets and liabilities are translated at historical rates. Revenue and expenses are translated at average rates prevailing during the year. Translation gains and losses are reflected in expenses.

#### *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 disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

### 4. Investment income – net

Investment income, net of management and custodian fees, is detailed as follows:

	2016	2015
	\$	\$
Interest and dividends	3,364,243	4,002,833
Net gains on disposal of investments	748,502	519,099
	<b>4,112,745</b>	4,521,932
Management and custodian fees	(275,413)	(278,145)
Realized investment income – net	<b>3,837,332</b>	4,243,787
Change in unrealized fair value of investments	<b>(6,236,015)</b>	2,630,368
	<b>(2,398,683)</b>	6,874,155

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

### 4. Investment income – net (continued)

Net investment income is recorded as follows:

	2016	2015
	\$	\$ (Restated) (Note 2)
Operating Fund		
Resources held by the Endowment Fund*	(1,400,187)	2,654,442
Resources held by the Operating Fund	137,018	18,319
	<b>(1,263,169)</b>	2,672,761
Special Fund		
Resources held by the Endowment Fund**	(1,194,538)	3,954,247
Resources held by the Special Fund	55,954	243,478
	<b>(1,138,584)</b>	4,197,725
Endowment Fund		
Resources held by the Endowment Fund	3,070	3,669
	<b>(2,398,683)</b>	6,874,155

\* The net investment income of the Operating Fund derived from resources held as endowments for a negative amount of \$1,400,187 (positive of \$2,654,442 in 2015), which consists of \$1,215,192 (\$1,466,825 in 2015) of interest and dividends, \$285,068 (\$195,672 in 2015) of net gain on disposal of investments and \$2,798,598 (gain of \$1,097,994 in 2015) of negative change in fair value of investments, net of investment and custodian fees of \$101,849 (\$106,049 in 2015).

\*\* The net investment income of the Special Fund derived from resources held as endowments for a negative amount of \$1,194,538 (positive of \$3,954,247 in 2015), which consists of \$1,909,225 (\$2,298,808 in 2015) of interest and dividends, \$456,832 (\$326,351 in 2015) of net gain on disposal of investments and \$3,403,565 (positive of \$1,486,701 in 2015) of negative change in fair value of investments, net of investment and custodian fees of \$157,030 (\$157,613 in 2015).

### 5. Interfund transfers

Interfund transfers are performed in accordance with donor instructions and with the Board of Directors' resolutions.

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

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### 6. Restricted cash

The use of restricted cash is subject to approval by Opération Enfant Soleil.

Under a fund management agreement effective April 1, 2007, these amounts can be paid to the Montreal Children's Hospital only when Opération Enfant Soleil confirms that the acceptance conditions for the projects associated with these payments are met. In addition, interest generated by restricted cash (and investments, if applicable), are the property of Opération Enfant Soleil. Consequently, this interest of \$433,183 for the year ended March 31, 2016 (\$358,513 in 2015), is not recorded in the Foundation's financial statements.

### 7. Donation pledges

In addition to sums already received for this purpose since the creation of the Best Care for Children Fund, the Foundation has received donation pledges in support of the building of the new Montreal Children's Hospital. The total amount of pledges supported by signed agreement represents \$5,672,298. Amounts to be received in the forthcoming years are as follows:

	2017	2018	2019	2020	2021 and thereafter	Total
	\$	\$	\$	\$	\$	\$
Special Fund	2,125,904	1,555,760	1,125,166	459,060	406,408	5,672,298

The Foundation also has verbal pledges that are not included in this note.

The donation pledges will be recorded as revenue when collected.

### 8. Investments

	2016	2015
	\$	\$
Cash	199,720	178,476
Money market and Treasury bills	10,753,558	4,205,194
Guaranteed Investment Certificates	6,080,272	—
Canadian bonds, par value of \$11,331,747 (\$11,271,747 in 2015)	11,972,305	12,064,568
Pooled Canadian Bond Funds	904,226	932,886
Canadian Equities	9,008,221	8,249,133
Canadian Balanced Fund	29,091,482	30,723,944
U.S. Equities	7,330,977	7,477,052
International Equities	5,899,261	6,979,736
Emerging Market Equity Fund	1,108,101	1,153,482
	<b>82,348,123</b>	<b>71,964,471</b>

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

### 9. Fixed assets

	2016		2015
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Office furniture	62,311	44,767	17,544
Computer equipment	433,898	374,482	59,416
Leasehold improvements	101,319	10,132	91,187
Other equipment	97,986	76,755	21,231
	<b>695,514</b>	<b>506,136</b>	<b>189,378</b>
			14,035
			73,812
			—
			31,030
			118,877

### 10. Special Fund – externally restricted

The Special Fund includes the following externally restricted donations:

	2016	2015
	\$	\$
		(Restated)
		(Note 2)
Capital Campaign Fund	1,216,959	1,763,217
Best Care for Children Fund	32,937,724	37,599,351
Other external restrictions	25,377,598	24,290,207
	<b>59,532,281</b>	<b>63,652,775</b>

### 11. Commitments

The Foundation leases various premises on behalf of the Montreal Children's Hospital. These leases expire through 2019 and require annual payments as follows:

	\$
2017	430,500
2018	430,500
2019	107,625
	<u>968,625</u>

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

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### 11. Commitments (continued)

In addition, under operating leases expiring through 2021, the Foundation has lease commitments relating to its own premises that require the following annual payments:

	\$
2017	157,266
2018	157,266
2019	85,794
2020	71,500
2021	23,833
	<u>495,659</u>

Under a signed agreement between the McGill University Health Centre and the ministère de la Santé et des Services sociaux in respect of the Glen site, the Foundation's share of this undertaking amounted to \$42,200,000 payable over 10 years, commencing in the current fiscal year with a payment of \$4,220,000 and requires the following minimum annual payments:

	\$
2017	4,220,000
2018	4,220,000
2019	4,220,000
2020	4,220,000
2021	4,220,000
2022 and thereafter	16,880,000

### 12. Financial instruments

The Foundation is exposed to the following risks:

#### *Market risk*

Market risk is the risk of loss that results from fluctuations in equity prices, interest and exchange rates. The Foundation is exposed to market risk from its investing activities. The level of risk to which the Foundation is exposed varies depending on market conditions and the composition of the asset mix.

#### *Credit risk*

The Foundation's investment assets include bonds. As result, there is a credit risk that the bond issuer will be unable to pay its obligations toward the Foundation, which will have an impact on the assets of the Foundation.

#### *Interest rate risk*

The investments in bonds bear fixed interest rates. Consequently, a change in the market interest rate would have an impact on the fair value of these investments. Bonds bear interest from 1.11% to 11.00% (1.38% to 11.00% in 2015) and mature from 2016 to 2036 (2015 to 2036 in 2015).

# The Montreal Children's Hospital Foundation

## Notes to the financial statements

March 31, 2016

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### 12. Financial instruments (continued)

#### *Currency risk*

The Foundation holds investments in foreign currencies and related income and is therefore exposed to currency fluctuations.

The balance sheet includes \$14,141,914 (\$17,264,287 in 2015) of investments denominated in U.S. dollars, \$3,176,218 (\$3,997,519 in 2015) denominated in Euros and \$4,375,616 (\$5,541,728 in 2015) denominated in other foreign currencies.

#### *Investment policy*

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

The objective is to optimize the return on the investments while considering the risk that the Foundation is prepared to assume along with its specific constraints as 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 a suitable combination of financial assets, diversification and sufficient latitude to use investment vehicles with higher return potential depending on the periods.

### 13. Related party transactions

Transactions with the Montreal Children's Hospital, which is a related organization, as well as the assets and liabilities relating to them, are presented separately in the financial statements or in the notes to the financial statements.

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