
Financial statements of The Portage Foundation

March 31, 2022

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Independent Auditor's Report

To the Board of Directors of
The Portage Foundation

Opinion

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

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

Basis for Opinion

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Deloitte LLP

June 28, 2022

¹ CPA auditor, public accountancy permit No. A132478

The Portage Foundation
Statement of revenue and expenses
Year ended March 31, 2022

					2022	2021
Notes	Operating Fund	Fixed Assets Fund	Restricted Fund	Total	Total	
	\$	\$	\$	\$	\$	
Revenue						
Special events	18	—	—	1,707,297	1,707,297	1,495,855
Contributions	18	—	—	942,301	942,301	1,685,280
Rent	17	—	—	1,798,987	1,798,987	1,712,093
Investment income		238,061	—	—	238,061	180,046
Unrealized and realized gain on investments		174,450	—	—	174,450	672,526
Gifts in kind	16	—	—	188,429	188,429	117,527
Amortization of deferred grants related to fixed assets	10	—	310,862	—	310,862	312,659
Amortization of deferred contributions related to fixed assets	11	—	113,655	—	113,655	111,655
Miscellaneous		18,509	—	3,600	22,109	11,962
		431,020	424,517	4,640,614	5,496,151	6,299,603
Expenses						
Contributions	17	—	—	1,706,290	1,706,290	2,343,402
Salaries and fringe benefits		197,670	—	528,275	725,945	781,054
Other expenses	13	128,321	—	808,512	936,833	600,559
Interest on long-term debt		—	81,916	—	81,916	50,375
Amortization of fixed assets		—	1,140,538	—	1,140,538	1,048,817
		325,991	1,222,454	3,043,077	4,591,522	4,824,207
Excess (deficiency) of revenue over expenses						
		105,029	(797,937)	1,597,537	904,629	1,475,396

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

The Portage Foundation
Statement of changes in fund balances
Year ended March 31, 2022

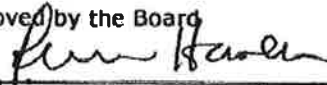
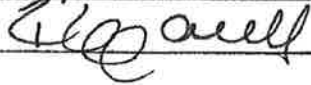
				2022	2021
				Total	Total
Notes	Operating Fund	Fixed Assets Fund	Restricted Fund	Total	Total
				\$	\$
Balance, beginning of year	2,653,043	5,193,364	7,675,361	15,521,768	14,046,372
Excess (deficiency) of revenue over expenses	105,029	(797,937)	1,597,537	904,629	1,475,396
Interfund transfers	777,886	480,641	(1,258,527)	—	—
Balance, end of year	3,535,958	4,876,068	8,014,371	16,426,397	15,521,768

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

The Portage Foundation
Statement of financial position
As at March 31, 2022

	Notes and schedule	2022	2021
		\$	\$
Assets			
Current assets			
Cash		794,504	472,931
Accounts receivable	3	1,604,432	540,530
Prepaid expenses		13,208	6,727
		2,412,144	1,020,188
Investments			
Fixed assets	4 5 and A	9,631,579 14,907,736	9,890,179 12,491,958
		26,951,459	23,402,325
Liabilities			
Current liabilities			
Bank indebtedness	6	—	305,000
Accounts payable and accrued liabilities	7	69,952	214,034
Deferred revenue		488,540	83,743
Current portion of long-term debt	6 and 8	1,004,276	705,584
Current portion of obligation under capital lease	9	186,623	183,437
		1,749,391	1,491,798
Loan payable to Centre d'accueil le Programme de Portage Inc.		202,887	202,111
Long-term debt	6 and 8	2,778,228	580,952
Obligation under capital lease	9	95,589	282,212
Deferred grants related to fixed assets	10	2,814,289	3,125,151
Deferred contributions related to fixed assets	11	2,884,678	2,198,333
		10,525,062	7,880,557
Commitments			
	15		
Fund balances			
Operating Fund		3,535,958	2,653,043
Fixed Assets Fund		4,876,068	5,193,364
Restricted Fund	12	8,014,371	7,675,361
		16,426,397	15,521,768
		26,951,459	23,402,325

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

Approved by the Board

_____, Director

_____, Director

The Portage Foundation
Statement of cash flows
Year ended March 31, 2022

	Notes	2022	2021
		\$	\$
Operating activities			
Excess of revenue over expenses		904,629	1,475,396
Adjustments for:			
Amortization of deferred grants related to fixed assets	10	(310,862)	(312,659)
Amortization of deferred contributions related to fixed assets	11	(113,655)	(111,655)
Amortization of fixed assets		1,140,538	1,048,817
Unrealized change in fair value of investments		38,543	(489,320)
Gain on disposal of investments		(212,993)	(183,206)
		1,446,200	1,427,373
Changes in non-cash operating working capital items			
Accounts receivable		(1,063,902)	(373,103)
Prepaid expenses		(6,481)	1,570
Accounts payable and accrued liabilities ⁽¹⁾		(168,358)	(53,704)
Deferred revenue		404,797	(34,485)
		612,256	967,651
Investing activities			
Acquisition of investments		(9,332,787)	(12,227,266)
Proceeds on sale of investments		9,765,837	12,146,962
Acquisition of fixed assets ⁽¹⁾		(3,532,040)	(596,387)
Reimbursement from Les habitations communautaires Portage II		—	75,000
		(3,098,990)	(601,691)
Financing activities			
Bank indebtedness		(305,000)	305,000
Reimbursement of long-term debt		(404,032)	(353,284)
Long-term debt		2,900,000	—
Reimbursement of obligation under capital lease		(183,437)	(91,276)
Loan payable to Centre d'accueil le Programme de Portage Inc.		776	1,163
Contributions received related to fixed assets		800,000	26,250
		2,808,307	(112,147)
Net increase in cash		321,573	253,813
Cash, beginning of year		472,931	219,118
Cash, end of year		794,504	472,931

⁽¹⁾ The total acquisition of fixed assets is \$3,556,316 (\$1,153,312 in 2021). This amount includes \$28,319 in accounts payable and accrued liabilities as at March 31, 2022 (\$4,043 in 2021).

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

1. Description of the Foundation

The Portage Foundation (the "Foundation"), incorporated under the *Canada Not-for-profit Corporations Act*, was designated as a charitable foundation pursuant to the *Income Tax Act*.

The objective of the Foundation is to provide financial support to The Portage Program for Drug Dependencies Inc. and to related entities via public fundraising.

The Foundation, Centre d'accueil le Programme de Portage Inc. ("Centre d'accueil") and The Portage Program for Drug Dependencies Inc. ("Portage Program") are managed, for the most part, by the same members of the Board of Directors and are therefore related entities.

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 Handbook Section 3856, "Financial Instruments" ("Section 3856") related to the recognition of financial instruments originated or exchanged in a related party transaction (referred to herein as the "related party financial instruments amendments").

These amendments to Section 3856 establish guidance for determining the measurement of a related party financial instrument. These modifications require that such a financial instrument is initially measured at cost, which is determined depending on whether the instrument has repayment terms.

The adoption of the amendments has no material impact on the disclosures, nor the amounts recognized in the Foundation's financial statements in the current period.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions. Deferred contributions are recognized as contributions in the year in which the related expenses are incurred. Therefore, the deferred grants and contributions related to fixed assets are amortized according to the useful life of the fixed assets they are related to. Unrestricted contributions are recognized as contributions when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Fund accounting

The Foundation follows the fund accounting method for the presentation of its financial statements.

(a) Operating Fund

The Operating Fund includes operating revenue and expenses.

(b) Fixed Assets Fund

The Fixed Assets Fund includes the fixed assets, the long-term debt and the grants related to fixed assets.

(c) Restricted Fund

The Restricted Fund includes the amounts received from donors for specific projects and other amounts as decided by the Board of Directors for special projects.

Revenue and expenses are recognized in the appropriate fund in the statement of revenue and expenses.

2. Accounting policies (continued)

Fixed assets

Fixed assets are recorded at cost. Amortization is based on the following methods:

Buildings	Declining balance	5% and 12 1/2%
	Straight-line	4% and 5%
Furniture and equipment	Declining balance	12 1/2%
	Straight-line	10% to 33 1/3%
Automotive equipment	Straight-line	10% and 40%
Trailers – lease financing	Straight-line	10%

Impairment of fixed assets

When conditions indicate that a fixed asset is impaired, the net carrying amount of the fixed asset shall be written down to the asset's fair value or replacement cost. The write-downs of fixed assets shall be accounted for as expenses in the statement of revenue and expenses. A write-down shall not be reversed.

Financial instruments

Initial measurement

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

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

Subsequent measurement

All financial instruments are subsequently measured at amortized cost except for investments, which are measured at fair value at the statement of financial position date. Fair value fluctuations, dividends and interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in unrealized and realized gain on investments.

Transaction costs

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 revenue and expenses as interest income or expense.

Impairment

With respect to financial assets measured at cost or amortized cost, the Foundation recognizes in the statement of revenue and expenses 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 revenue and expenses in the period the reversal occurs.

The Portage Foundation
Notes to the financial statements

Year ended March 31, 2022

2. Accounting policies (continued)

Currency exchange

The investments in foreign currencies are translated at the exchange rate prevailing at the end of the year. The investment income and gains and losses on disposal of investments are translated at the exchange rate prevailing on the date of the transaction. Gains and losses are included in investment income in the statement of revenue and 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 disclosures 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 these estimates.

3. Accounts receivable

	2022	2021
	\$	\$
Centre d'accueil le Programme de Portage Inc.	210,139	341,920
The Portage Program for Drug Dependencies Inc.	1,305,298	—
Sales taxes and other	88,995	198,610
	1,604,432	540,530

4. Investments

	2022	2021
	\$	\$
Canadian shares	2,303,264	3,907,152
American and international shares	664,483	747,462
Fund units – Canadian shares	1,269,505	561,888
Fund units – American and international shares	979,583	84,253
Fund units – Bonds	2,046,855	1,857,207
Bonds and debentures, nominal value of \$218,900 (\$690,900 in 2021), 1.350% to 2.584% (1.350% to 2.584% in 2021), maturing December 2023 to December 2030 (March 2022 to December 2030 in 2021)	206,993	696,944
Guaranteed investment certificates and term notes, nominal value of \$314,000 (\$666,000 in 2021), 2.450% to 3.500% (2.260% to 3.470% in 2021), maturing from May 2023 to April 2024 (April 2021 to April 2024 in 2021)	321,030	677,827
Other investments	1,839,866	1,357,446
	9,631,579	9,890,179

The Portage Foundation
Notes to the financial statements
 March 31, 2022

5. Fixed assets

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	2,405,607	—	2,405,607	823,026
Buildings	29,239,950	17,274,290	11,965,660	11,084,270
Furniture and equipment	879,692	827,493	52,199	47,789
Automotive equipment	143,729	143,277	452	3,154
Trailers under capital lease ⁽¹⁾	556,925	73,107	483,818	533,719
	33,225,903	18,318,167	14,907,736	12,491,958

⁽¹⁾ In 2021, the Foundation acquired assets under a capital lease for \$556,925.

6. Credit facility

The Foundation has a revolving credit facility of \$650,000, renewable annually, payable on demand, bearing interest at a rate equal to the prime rate of the financial institution plus 0.25%; effective rate of 2.70% as at March 31, 2022 (2.70% as at March 31, 2021). The balance of the credit facility as at March 31, 2022 is nil (\$305,000 as at March 31, 2021).

This revolving credit facility as well as the term loans described in Note 8 are with the same financial institution and are secured as follows:

- (a) A first chattel mortgage of \$1,334,948 on the current and future claims;
- (b) A first mortgage of \$4,000,000 on the building located at 2455 Lionel-Groulx Avenue, Montréal QC, with a net book value of \$1,318,944;
- (c) A first mortgage of \$830,000 on securities held in the investment account; and
- (d) A first mortgage of \$2,900,000 on the building located at 1762 and 1764, Chemin du Lac Écho, Prévost (Québec), with a net book value of \$1,505,192.

7. Accounts payable and accrued liabilities

	2022	2021
	\$	\$
Suppliers and accrued liabilities	69,952	143,659
The Portage Program for Drug Dependencies Inc.	—	70,375
	69,952	214,034

8. Long-term debt

	2022	2021
	\$	\$
Term loan of \$3,719,000, bearing interest at 3.28%, payable in monthly payments of principal and interest of \$26,654, maturing in January 2022. The term loan was renewed bearing interest at 2.06%, payable in monthly payments of principal and interest of \$26,592 maturing in January 2023 (Note 6 (b))	341,938	645,687
Term loan of \$500,000, bearing interest at 3.70%, payable in monthly payments of principal and interest of \$2,778, maturing in August 2022 (Note 6 (c))	347,222	380,555
Term loan of \$330,000, bearing interest at 3.70%, payable in monthly payments of principal and interest of \$1,833, maturing in August 2022 (Note 6 (c))	229,167	251,167
Term loan of \$2,900,000, bearing interest at 2.86% payable in monthly payments of principal and interest of \$13,547, maturing in September 2026 (Note 6 (d))	2,859,614	—
Term payment of \$22,817, non-interest bearing, payable in annual payments of \$4,563, maturing in September 2022	4,563	9,127
	3,782,504	1,286,536
Current portion	1,004,276	705,584
	2,778,228	580,952

The capital instalments required over the forthcoming fiscal years are as follows:

	\$
2023	1,004,276
2024	84,196
2025	86,636
2026	89,146
2027	91,730
Thereafter	2,426,520

9. Obligation under capital lease

	2022	2021
	\$	\$
2022	—	191,175
2023	191,175	191,175
2024	95,589	95,589
Total minimum lease payments (\$17,160 per month)	286,764	477,939
Less: amount representing interest at 2.15%	4,552	12,290
	282,212	465,649
Current portion	186,623	183,437
	95,589	282,212

10. Deferred grants related to fixed assets

	2022	2021
	\$	\$
Balance, beginning of year	3,125,151	3,437,810
Amortization of deferred grants	(310,862)	(312,659)
Balance, end of year	2,814,289	3,125,151

11. Deferred contributions related to fixed assets

	2022		2021	
	Montréal and Québec region – renovations	Atlantic – construction of a fitness centre	Total	Total
	\$	\$	\$	\$
Balance, beginning of year	818,468	1,379,865	2,198,333	2,283,738
Contributions received during the year	800,000	—	800,000	26,250
Amortization of deferred contributions	(35,473)	(78,182)	(113,655)	(111,655)
Balance, end of year	1,582,995	1,301,683	2,884,678	2,198,333

12. Statement of revenue and expenses and changes in fund balances – Restricted Fund

	Balance in 2021	Revenue	Expenses	Transfers	Balance in 2022
	\$	\$	\$	\$	\$
Montréal region					
Endowment fund	23,440	—	—	—	23,440
Adult programs and research	(248,145)	571,964	695,077	—	(371,258)
Adolescent program	1,451,735	366,461	146,331	—	1,671,865
MICA program	930,349	546,089	698,988	—	777,450
Alphonsine Paré-Howlett (Mother and Child program)	1,170,178	96,361	111,377	—	1,155,162
Renovations	3,524,081	1,277,305	6,458	(978,060)	3,816,868
Québec region	1,458,584	540,976	297,082	(10,106)	1,692,372
Atlantic					
Adolescent program	406,771	593,037	477,760	(180,461)	341,587
Ontario	(1,041,632)	648,421	610,004	(89,900)	(1,093,115)
	7,675,361	4,640,614	3,043,077	(1,258,527)	8,014,371

13. Other expenses

	2022		2021	
	Operating Fund	Restricted Fund	Total	Total
	\$	\$	\$	\$
Fundraising	—	74,849	74,849	61,880
Gifts in kind (Note 16)	—	188,429	188,429	117,527
Administration	128,321	182,917	311,238	312,354
Special events (Note 18)	—	362,317	362,317	108,798
	128,321	808,512	936,833	600,559

14. Pledges

The Foundation has pledges receivable in future years amounting to \$955,500 (\$403,850 in 2021).

15. Commitments

The Foundation is committed under long-term operating leases to pay an amount of \$20,589 for the use of premises. The commitment for the next years is as follows:

	\$
2023	7,721
2024	7,721
2025	5,147

16. Gifts in kind

The Foundation receives gifts of goods and services. These goods and services are recorded at fair value. In the current fiscal year, the Foundation has recorded gifts of goods and services in the amount of \$188,429 (\$117,527 in 2021).

17. Related party transactions

The Foundation's results include the following related party transactions. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

	2022	2021
	\$	\$
Revenue of the Restricted Fund		
Rent		
Centre d'accueil le Programme de Portage Inc.	1,053,467	996,131
The Portage Program for Drug Dependencies Inc.	745,520	715,962
Interest ⁽¹⁾		
Centre d'accueil le Programme de Portage Inc.	1,952	—
The Portage Program for Drug Dependencies Inc.	12,507	—
Expenses of the Restricted Fund		
Contributions		
Centre d'accueil le Programme de Portage Inc.	773,506	1,197,453
The Portage Program for Drug Dependencies Inc.	932,784	1,145,949
Management fees		
The Portage Program for Drug Dependencies Inc.	160,000	160,000
Interest ⁽¹⁾		
Centre d'accueil le Programme de Portage Inc.	—	1,574
The Portage Program for Drug Dependencies Inc.	—	2,391

⁽¹⁾ Interest is calculated on related party balances on a quarterly basis at the rate of 1.635%.

Accounts receivable and accounts payable with related parties are presented separately in the financial statements and related notes, except for the loan payable to Centre d'accueil le Programme de Portage Inc. The loan payable was borrowed for long-term investment purposes and therefore is classified as long-term. There is no fixed interest on the loan, however, Centre d'accueil le Programme de Portage Inc. is entitled to its proportionate share of income earned on the investment.

18. Fundraising

The fundraising revenue has been raised in the following provinces:

	Special events				2022
	Revenue	Expenses	Excess	Contributions	Total
	\$	\$	\$	\$	\$
Atlantic	47,300	5,195	42,105	204,935	247,040
Ontario	76,227	15,305	60,922	222,622	283,544
Québec	1,583,770	341,817	1,241,953	514,744	1,756,697
	1,707,297	362,317	1,344,980	942,301	2,287,281

	Special events				2021
	Revenue	Expenses	Excess	Contributions	Total
	\$	\$	\$	\$	\$
Atlantic	—	—	—	339,888	339,888
Ontario	29,052	1,340	27,712	221,246	248,958
Québec	1,466,803	107,458	1,359,345	1,124,146	2,483,491
	1,495,855	108,798	1,387,057	1,685,280	3,072,337

19. Financial instruments

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. 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. The Foundation mitigates this risk through the diversification of its investment portfolio.

(a) Currency risk

The 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 holds investments in U.S. dollars as disclosed in Note 4, and earns investment income in U.S. dollars. It is therefore exposed to foreign currency fluctuations. The total amount of investments expressed in Canadian dollars and denominated in U.S. dollars is \$847,106 as at March 31, 2022.

(b) Interest rate risk

The bonds, the debentures, the term notes, the guaranteed investment certificates and most of the long-term debt have fixed interest rates. Therefore, a variation in interest rates on the market would have an impact on the fair value of these financial instruments.

19. Financial instruments (continued)

Market risk (continued)

(c) 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 listed shares for which the value fluctuates with the quoted market price. The Foundation is also indirectly exposed to this risk since some of the mutual funds in which the Foundation holds interest include listed shares, for which the value fluctuates according to the market price.

Credit risk

The Foundation is exposed to credit risk related to its investment in bonds to the extent that the bond issuers may be unable to pay their obligations when due, which would have an incidence on the assets of the Foundation.

Liquidity risk

The Foundation's objective is to have sufficient liquidity to meet its liabilities when due. The Foundation monitors its cash balances and cash flows generated from operations to meet its requirements. As at March 31, 2022, the most significant financial liabilities are accounts payable and accrued liabilities, bank overdraft and long-term debt.

Investment policy

The investment portfolio is established in order to optimize long-term growth.

Within this overall objective, the portfolio seeks to earn an average rate of return in the long-term and, in the intermediate term, provides the Foundation with income generated by the fixed-income portion of the portfolio.

The Portage Foundation
Supporting schedule
Year ended March 31, 2022

Fixed assets – Schedule A

	2022										2021										
	Cost					Amortization					Cost					Amortization					
	Balance March 31, 2021	Acquisitions	Disposal	Balance March 31, 2022	Balance March 31, 2021	Amortization	Disposal	Balance March 31, 2022	Net book value	Net book value	Balance March 31, 2021	Acquisitions	Disposal	Balance March 31, 2022	Balance March 31, 2021	Amortization	Disposal	Balance March 31, 2022	Net book value	Net book value	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Lands and buildings																					
Lac Écho	3,474,130	3,355,164	—	6,829,294	1,395,057	176,164	—	1,571,221	5,258,073	2,079,073											
Richmond Square	2,559,467	54,964	—	2,614,431	1,898,969	19,423	—	1,918,392	696,039	660,498											
Pavillon central	2,821,445	—	—	2,821,445	2,811,162	—	—	2,811,162	10,283	10,283											
Lionel-Groulx	4,686,039	99,393	—	4,785,432	3,231,770	234,718	—	3,466,488	1,318,944	1,454,269											
Cassidy Lake	8,914,344	97	—	8,914,441	3,527,288	441,960	—	3,969,248	4,945,193	5,361,576											
Elora	2,340,644	—	—	2,340,644	1,581,377	36,885	—	1,618,262	722,382	784,747											
Québec City	411,866	—	—	411,866	384,951	1,360	—	386,311	25,555	26,915											
Saint-Malachie	2,917,898	10,106	—	2,928,004	1,387,963	145,243	—	1,533,206	1,394,798	1,529,935											
	28,125,833	3,519,724	—	31,645,557	16,218,537	1,055,753	—	17,274,290	14,371,267	11,907,296											
Furniture and equipment	843,100	36,592	—	879,692	795,311	32,182	—	827,493	52,199	47,789											
Automotive equipment	143,729	—	—	143,729	140,575	2,702	—	143,277	452	3,154											
Trailers under capital lease	556,925	—	—	556,925	23,206	49,901	—	73,107	483,818	533,719											
	29,669,587	3,556,316	—	33,225,903	17,177,629	1,140,538	—	18,318,167	14,907,736	12,491,958											