Financial statements of
The Portage Foundation

March 31, 2024

Deloitte LLP
La Tour Deloitte
1190 Avenue des
Canadiens-de-Montréal
Suite 500
Montréal QC H3B 0M7
Canada

Tel: 514-393-7115
Fax: 514-390-4116
www.deloitte.ca

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, 2024, 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, 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 ("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[1]

July 4, 2024

[1] CPA auditor, public accountancy permit No. A132478

The Portage Foundation

Statement of revenue and expenses

Year ended March 31, 2024

	Notes	Operating Fund	Fixed Assets Fund	Restricted Fund	2024 Total	2023 Total
		$	$	$	$	$
Revenue						
Special events	18	—	—	2,141,241	2,141,241	1,966,996
Contributions	18			1,063,981	1,063,981	763,794
Rent	17	—	—	3,022,059	3,022,059	2,876,567
Investment income		312,181	—	—	312,181	282,753
Unrealized and realized gain on investments		439,249	—	—	439,249	—
Gifts in kind	16	—	—	370,113	370,113	260,214
Amortization of deferred grants related to fixed assets	10	—	310,665	—	310,665	310,761
Amortization of deferred contributions related to fixed assets	11	—	124,797	—	124,797	115,360
Gain on sale of fixed assets		—	23,609	—	23,609	—
Miscellaneous		12,981	—	4,000	16,981	23,599
		764,411	459,071	6,601,394	7,824,876	6,600,044
Expenses						
Salaries and fringe benefits		—	—	815,090	815,090	777,421
Unrealized and realized losses on investments		—	—	—	—	418,232
Other expenses	13	465,289	—	1,478,220	1,943,509	1,323,602
Interest on long-term debt		—	111,110	—	111,110	110,724
Amortization of fixed assets		—	1,244,568	—	1,244,568	1,201,018
		465,289	1,355,678	2,293,310	4,114,277	3,830,997
Excess (deficiency) of revenue over expenses before contributions		299,122	(896,607)	4,308,084	3,710,599	2,769,047
Contributions	17	—	—	6,604,518	6,604,518	7,013,444
(Deficiency) excess of revenue over expenses		299,122	(896,607)	(2,296,434)	(2,893,919)	(4,244,397)

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, 2024

	Notes	Operating Fund	Fixed Assets Fund	Restricted Fund	2024 Total	2023 Total
		$	$	$	$	$
Balance, beginning of year		**1,092,556**	**6,282,460**	**4,806,984**	**12,182,000**	16,426,397
(Deficiency) excess of revenue over expenses		**299,122**	**(896,607)**	**(2,296,434)**	**(2,893,919)**	(4,244,397)
Interfund transfers	12	**764,971**	**(750,783)**	**(14,188)**	**—**	—
Balance, end of year		**2,156,649**	**4,635,070**	**2,496,362**	**9,288,081**	12,182,000

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, 2024

	Notes and schedule	2024	2023
		$	$
Assets			
Current assets			
Cash		**375,109**	—
Accounts receivable	3	**312,675**	1,526,030
Prepaid expenses		**32,871**	19,226
		720,655	1,545,256
Investments	4	**7,320,444**	9,539,502
Fixed assets	5 and A	**20,017,340**	16,179,985
		28,058,439	27,264,743
Liabilities			
Current liabilities			
Bank indebtedness		**—**	3,844
Bank loan	6	**6,196,368**	3,112,355
Accounts payable and accrued liabilities	7	**1,780,826**	2,142,938
Deferred revenue		**294,375**	101,600
Current portion of long-term debt	6 and 8	**552,371**	632,417
Current portion of obligation under capital lease	9	**—**	95,026
		8,823,940	6,088,180
Loan payable to Centre d'accueil le Programme de Portage Inc.		**202,887**	202,887
Long-term debt	6 and 8	**2,607,142**	2,693,137
Deferred grants related to fixed assets	10	**2,192,863**	2,503,528
Deferred contributions related to fixed assets	11	**4,943,526**	3,595,011
		18,770,358	15,082,743
Commitments	15		
Fund balances			
Operating Fund		**2,156,649**	1,092,556
Fixed Assets Fund		**4,635,070**	6,282,460
Restricted Fund	12	**2,496,362**	4,806,984
		9,288,081	12,182,000
		28,058,439	27,264,743

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
March 31, 2024

	Notes	2024	2023
		$	$
Operating activities			
Deficiency of revenue over expenses		**(2,893,919)**	(4,244,397)
Adjustments for:			
Amortization of deferred grants related to fixed assets	10	**(310,665)**	(310,761)
Amortization of deferred contributions related to fixed assets	11	**(124,797)**	(115,360)
Amortization of fixed assets		**1,244,568**	1,201,018
Unrealized change in fair value of investments		**(531,514)**	130,728
Loss on disposal of investments		**92,265**	287,504
Gain on sale of fixed assets		**(23,609)**	—
		(2,547,671)	(3,051,268)
Changes in non-cash operating working capital items			
Accounts receivable		**1,213,355**	78,402
Prepaid expenses		**(13,645)**	(6,018)
Accounts payable and accrued liabilities(1)		**(1,116,986)**	1,724,244
Deferred revenue		**192,775**	(386,940)
		(2,272,172)	(1,641,580)
Investing activities			
Acquisition of investments		**(5,172,482)**	(9,064,800)
Proceeds on sale of investments		**7,830,789**	8,738,645
Acquisition of fixed assets(1)		**(4,557,691)**	(2,124,525)
Proceeds on sale of fixed assets		**254,251**	—
		(1,645,133)	(2,450,680)
Financing activities			
Bank loan		**3,084,013**	3,112,355
Reimbursement of long-term debt		**(166,041)**	(456,950)
Reimbursement of obligation under capital lease		**(95,026)**	(187,186)
Contributions received related to fixed assets		**1,473,312**	825,693
		4,296,258	3,293,912
Net increase (decrease) in cash and cash equivalents		**378,953**	(798,348)
(Bank indebtedness) cash, beginning of year		**(3,844)**	794,504
Cash (bank indebtedness), end of year		**375,109**	(3,844)

(1) The total acquisition of fixed assets is $5,312,565 ($2,473,267 in 2023). This amount includes $1,103,616 in accounts payable and accrued liabilities as at March 31, 2024 ($348,742 in 2023).

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. ("Portage Program"), to the Centre d'accueil le Programme de Portage Inc. ("Centre d'accueil") and to related entities via public fundraising.The Portage Program and Centre d'accueil 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:

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.

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%

2. Accounting policies (continued)

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.

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.

2. Accounting policies (continued)

Use of estimates

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

3. Accounts receivable

	2024	2023
	$	$
The Portage Program for Drug Dependencies Inc.	**—**	1,230,219
Mouvement pour l'Intégration et la Rétention en Emploi ("MIRE")	**25,000**	25,000
Sales taxes and other	**287,675**	270,811
	312,675	1,526,030

4. Investments

	2024	2023
	$	$
Canadian shares	**1,404,030**	1,503,383
American and international shares	**1,537,720**	553,535
Fund units – Canadian shares	**803,501**	1,280,207
Fund units – American and international shares	**402,585**	1,400,433
Fund units – Bonds	**989,825**	2,121,588
Bonds and debentures, nominal value of $150,000 ($365,200 in 2023), 5.020% (1.587% to 5.301% in 2023), maturing in January 2032 (September 2026 to January 2032 in 2023)	**143,262**	332,736
Guaranteed investment certificates and term notes, nominal value of $1,635,487 ($1,562,000 in 2023), 2.810% to 6.500% (2.810% to 5.350% in 2023), maturing from April 2024 to June 2031 (July 2023 to December 2027 in 2023)	**1,693,509**	1,585,212
Other investments	**346,012**	762,408
	7,320,444	9,539,502

5. Fixed assets

			2024	2023
	Cost	**Accumulated amortization**	**Net book value**	Net book value
	$	**$**	**$**	$
Land	**2,405,607**	**—**	**2,405,607**	2,405,607
Buildings	**35,277,267**	**17,962,902**	**17,314,365**	13,260,152
Furniture and equipment	**1,045,627**	**903,031**	**142,596**	91,890
Automotive equipment	**39,392**	**39,392**	**—**	—
Trailers under capital lease	**339,433**	**184,661**	**154,772**	422,336
	39,107,326	**19,089,986**	**20,017,340**	16,179,985

6. Credit facility

The Foundation has a revolving credit facility of $6,500,000 ($5,800,000 as at March 31, 2023), 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 7.20% as at March 31, 2024 (6.95% as at March 31, 2023). The balance of the credit facility as at March 31, 2024, is $6,196,368 ($3,112,355 as at March 31, 2023), of which $5,086,368 is related to fixed assets.

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 $4,500,000 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 $1,428,440;

(c) A first mortgage of $3,100,000 on securities held in the investment account;

(d) A first mortgage of $1,500,000 on securities held in the investment account; and

(e) A first mortgage of $3,100,000 on the building located at 1762-1764, Chemin du Lac Écho, Prévost (Québec), with a net book value of $1,382,469.

7. Accounts payable and accrued liabilities

	2024	2023
	$	$
Centre d'accueil le Programme de Portage Inc.	**77,224**	1,721,205
Suppliers and accrued liabilities	**1,213,531**	421,733
Holdbacks payable	**490,071**	—
	1,780,826	2,142,938

8. Long-term debt

	2024	2023
	$	$
Term loan of $3,719,000, bearing interest at 3.28%, payable in monthly payments of principal and interest of $26,654, matured in January 2023. The term loan was renewed bearing interest at 6.43%, payable in monthly payments of principal and interest of $26,923 and matured in April 2023 (Note 6 (b))	**—**	26,715
Term loan of $500,000, bearing interest at 5.27%, payable in monthly payments of principal and interest of $2,778, matured in August 2023. The term loan was renewed bearing interest at 7.32%, payable in monthly payments of principal and interest of $2,778, maturing in August 2024 (Note 6 (d))	**280,555**	313,889
Term loan of $330,000, bearing interest at 5.27%, payable in monthly payments of principal and interest of $1,833, matured in August 2023. The term loan was renewed bearing interest at 7.32%, payable in monthly payments of principal and interest of $1,833, maturing in August 2024 (Note 6 (d))	**185,167**	207,167
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 (e))	**2,693,791**	2,777,783
	3,159,513	3,325,554
Current portion	**552,371**	632,417
	2,607,142	2,693,137

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

	$
2025	552,371
2026	89,159
2027	91,744
2028	94,402
2029	97,138
Thereafter	2,234,699

9. Obligation under capital lease

	2024	2023
	$	$
2024	**—**	95,589
Total minimum lease payments ($17,160 per month)	**—**	95,589
Less: amount representing interest at 2.15%	**—**	563
	—	95,026
Current portion	**—**	95,026
	—	—

10. Deferred grants related to fixed assets

	2024	2023
	$	$
Balance, beginning of year	**2,503,528**	2,814,289
Amortization of deferred grants	**(310,665)**	(310,761)
Balance, end of year	**2,192,863**	2,503,528

11. Deferred contributions related to fixed assets

			2024	2023
	Montréal and Québec region – renovations	**Atlantic – construction of a fitness centre**	**Total**	Total
	$	**$**	**$**	$
Balance, beginning of year	**2,371,510**	**1,223,501**	**3,595,011**	2,884,678
Contributions received during the year	**1,473,312**	**—**	**1,473,312**	825,693
Amortization of deferred contributions	**(46,606)**	**(78,191)**	**(124,797)**	(115,360)
Balance, end of year	**3,798,216**	**1,145,310**	**4,943,526**	3,595,011

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

	Revenue	**Expenses**	**Transfers**	**Balance in 2024**	Balance in 2023
	$	**$**	**$**	**$**	$
Montréal region					
Endowment fund	**—**	**—**	**—**	**23,440**	23,440
Adult programs and research	**916,099**	**3,595,989**	**—**	**(4,472,370)**	(1,792,480)
Adolescent program	**694,769**	**960,133**	**—**	**1,209,431**	1,474,795
MICA program	**304,118**	**652,268**	**—**	**114,248**	462,398
Alphonsine Paré-Howlett (Mother and Child program)	**199,174**	**378,618**	**—**	**326,532**	505,976
Renovations	**2,429,995**	**—**	**(110,707)**	**5,573,959**	3,254,671
Québec region	**970,066**	**1,854,349**	**—**	**722,430**	1,606,713
Atlantic					
Adolescent program	**556,431**	**981,964**	**140,612**	**28,793**	313,714
Ontario	**530,741**	**474,507**	**(44,092)**	**(1,030,101)**	(1,042,243)
	6,601,394	**8,897,828**	**(14,188)**	**2,496,362**	4,806,984

13. Other expenses

			2024	2023
	Operating Fund	Restricted Fund	Total	Total
	$	$	$	$
Interest on bank loan	323,066	—	323,066	25,785
Fundraising	—	135,738	135,738	86,028
Gifts in kind (Note 16)	—	370,113	370,113	260,214
Administration	142,223	311,854	454,077	357,100
Special events (Note 18)	—	660,515	660,515	594,475
	465,289	1,478,220	1,943,509	1,323,602

14. Pledges

The Foundation has pledges receivable in future years amounting to $572,450 ($894,775 in 2023).

15. Commitments

The Foundation is committed under long-term operating lease to pay an amount of $5,147 for the use of premises. The commitment for the next year is as follows:

	$
2025	5,147

The Foundation is also committed to supporting the activities of Centre d’accueil and Portage Program, both of which currently have a net cumulative deficit. No amount has been accrued for in respect of this commitment.

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 $370,113 ($260,214 in 2023).

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.

	2024	2023
	$	$
Revenue of the Restricted Fund		
Rent		
Centre d'accueil le Programme de Portage Inc.	2,198,366	2,132,314
The Portage Program for Drug Dependencies Inc.	753,046	744,253
Interest[1]		
The Portage Program for Drug Dependencies Inc.	36,514	26,981
Expenses of the Restricted Fund		
Contributions		
Centre d'accueil le Programme de Portage Inc.	3,765,523	3,964,859
The Portage Program for Drug Dependencies Inc.	2,840,817	3,050,862
Management fees		
The Portage Program for Drug Dependencies Inc.	347,598	160,000
Interest[1]		
Centre d'accueil le Programme de Portage Inc.	28,845	8,548
Expenses of the Operating Fund		
Contributions		
The Portage Program for Drug Dependencies Inc.	—	2,576,142

[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:

					2024
	Special events				
	Revenue	Expenses	Excess	Contributions	Total
	$	$	$	$	$
Atlantic	—	—	—	299,535	299,535
Ontario	94,002	14,738	79,264	198,384	277,648
Québec	2,047,239	645,777	1,401,462	566,062	1,967,524
	2,141,241	660,515	1,480,726	1,063,981	2,544,707

18. Fundraising (continued)

					2023
	Special events				
	Revenue	Expenses	Excess	Contributions	Total
	$	$	$	$	$
Atlantic	71,834	57,576	14,258	196,038	210,296
Ontario	59,687	10,621	49,066	75,144	124,210
Québec	1,835,475	526,278	1,309,197	492,612	1,801,809
	1,966,996	594,475	1,372,521	763,794	2,136,315

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 $1,680,792 as at March 31, 2024.

(b) Interest rate risk

The bonds, the debentures, the term notes, the guaranteed investment certificates, the bank loan 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.

(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.

19. Financial instruments (continued)

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, 2024, the most significant financial liabilities are bank loan, accounts payable and accrued liabilities 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.

Fixed assets – Schedule A

	Cost				Amortization				2024	2023
	Balance March 31, 2023	**Acquisitions**	**Disposal**	**Balance March 31, 2024**	Balance March 31, 2023	**Amortization**	**Disposal**	**Balance March 31, 2024**	**Net book value**	Net book value
	$	**$**	**$**	**$**	$	**$**	**$**	**$**	**$**	$
Lands and buildings										
Lac Écho	8,433,422	**5,086,152**	**—**	**13,519,574**	1,796,043	**229,544**	**—**	**2,025,587**	**11,493,987**	6,637,379
Richmond Square	2,812,128	**9,787**	**—**	**2,821,915**	1,945,089	**31,350**	**—**	**1,976,439**	**845,476**	867,039
Pavillon central	2,821,445	**—**	**—**	**2,821,445**	2,811,162	**—**	**—**	**2,811,162**	**10,283**	10,283
Lionel-Groulx	5,387,970	**16,711**	**—**	**5,404,681**	3,706,346	**269,895**	**—**	**3,976,241**	**1,428,440**	1,681,624
Cassidy Lake	8,914,441	**72,262**	**—**	**8,986,703**	4,411,208	**442,583**	**—**	**4,853,791**	**4,132,912**	4,503,233
Elora	2,343,308	**11,574**	**—**	**2,354,882**	1,654,071	**34,796**	**—**	**1,688,867**	**666,015**	689,237
Québec City	420,465	**12,027**	**—**	**432,492**	387,707	**2,040**	**—**	**389,747**	**42,745**	32,758
Saint-Malachie	2,922,690	**1,074**	**—**	**2,923,764**	1,678,479	**145,167**	**—**	**1,823,646**	**1,100,118**	1,244,211
	34,055,869	**5,209,587**	**—**	**39,265,456**	18,390,105	**1,155,375**	**—**	**19,545,480**	**19,719,976**	15,665,764
Furniture and equipment	942,647	**102,978**	**—**	**1,045,625**	856,552	**52,273**	**—**	**908,825**	**136,800**	86,095
Automotive equipment	143,729	**—**	**—**	**143,729**	143,729	**—**	**—**	**143,729**	**—**	—
Trailers under capital lease	556,925	**—**	**321,826**	**235,099**	128,799	**36,920**	**91,184**	**74,535**	**160,564**	428,126
	35,699,170	**5,312,565**	**321,826**	**40,689,909**	19,519,185	**1,244,568**	**91,184**	**20,672,569**	**20,017,340**	16,179,985