Sinai Health System Foundation

Consolidated Financial Statements
March 31, 2022

Independent auditor's report

To the Board of Directors of Sinai Health System Foundation

Our opinion

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Sinai Health System Foundation and its subsidiary (together, 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.

What we have audited
The Foundation's consolidated financial statements comprise:

- the consolidated statement of financial position as at March 31, 2022;
- the consolidated statement of operations for the year then ended;
- the consolidated statement of changes in fund balances for the year then ended;
- the consolidated statement of cash flows for the year then ended; and
- the notes to the consolidated financial statements, which include significant accounting policies and other explanatory information.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

Independence
We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for

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such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 consolidated financial statements

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

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

- Identify and assess the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Foundation to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 16, 2022

Sinai Health System Foundation

Consolidated Statement of Financial Position

As at March 31, 2022

	2022 $	2021 $
Assets		
Current assets		
Cash	74,360,161	46,234,525
Accounts receivable	517,235	551,724
Prepaid expenses	155,128	512,434
Investments (note 3)	40,161,647	40,225,823
	115,194,171	87,524,506
Investments (note 3)	137,576,589	129,628,267
Capital assets (note 4)	423,121	492,352
	253,193,881	217,645,125
Liabilities		
Current liabilities		
Bank indebtedness (note 5)	4,500,000	4,750,000
Accounts payable and accrued liabilities	1,480,163	1,165,894
Due to Sinai Health System (note 6)	4,951,081	2,716,667
Deferred revenue	254,746	351,111
	11,185,990	8,983,672
Due to Sinai Health System (note 6)	5,196,407	5,221,407
Employee future benefits (note 7)	144,500	116,900
	16,526,897	14,321,979
Fund Balances		
General Fund (note 8)	(10,602,885)	(11,859,336)
Restricted Fund	97,222,411	85,177,946
Endowment Fund (note 9)	150,047,458	130,004,536
	236,666,984	203,323,146
	253,193,881	217,645,125

Commitments (note 16)

Approved by the Board of Directors

M. Granovsky Gluskin Director Richard Pilosof Director

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

Sinai Health System Foundation

Consolidated Statement of Operations

For the year ended March 31, 2022

	General Fund $	Restricted Fund $	Endowment Fund $	2022 Total $	2021 Total $
Revenue					
Donations, bequests and contributions	14,577,482	31,813,097	22,094,826	68,485,405	65,177,483
Events revenue	885,343	3,718,096	-	4,603,439	1,899,202
Other revenue	241,267	-	-	241,267	312,292
Interest	700,524	256	64,312	765,092	819,241
	16,404,616	35,531,449	22,159,138	74,095,203	68,208,218
Investment income (loss) (note 10)	(180,157)	-	4,119,000	3,938,843	16,692,847
	16,224,459	35,531,449	26,278,138	78,034,046	84,901,065
Expenses					
Events	790,138	785,990	-	1,576,128	995,184
Fundraising and administrative	15,382,252	186,612	-	15,568,864	11,748,648
	16,172,390	972,602	-	17,144,992	12,743,832
Surplus before the undernoted	52,069	34,558,847	26,278,138	60,889,054	72,157,233
Grants (note 11)	(12,864)	(27,524,752)	-	(27,537,616)	(19,545,284)
Surplus for the year	39,205	7,034,095	26,278,138	33,351,438	52,611,949

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

Sinai Health System Foundation

Consolidated Statement of Changes in Fund Balances

For the year ended March 31, 2022

	General Fund $ (note 8)	Restricted Fund $	Endowment Fund $ (note 9)	2022 Total $	2021 Total $
Fund balances – Beginning of year	(11,859,336)	85,177,946	130,004,536	203,323,146	150,718,797
Surplus for the year	39,205	7,034,095	26,278,138	33,351,438	52,611,949
Employee future benefits remeasurement	(7,600)	-	-	(7,600)	(7,600)
Interfund transfers (note 13)	1,224,846	5,010,370	(6,235,216)	-	-
Fund balances – End of year	(10,602,885)	97,222,411	150,047,458	236,666,984	203,323,146

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

Sinai Health System Foundation

Consolidated Statement of Cash Flows

For the year ended March 31, 2022

	2022 $	2021 $
Cash provided by (used in)		
Operating activities		
Surplus for the year	33,351,438	52,611,949
Items not involving cash		
Amortization of capital assets	123,208	98,634
Employee future benefit expense	20,000	16,800
Reinvested investment income	(2,231,614)	(2,496,231)
Change in fair value of short-term investments	(308,454)	(565,549)
Change in fair value of investments	(1,716,708)	(14,757,958)
	29,237,870	34,907,645
Net changes in non-cash working capital items		
Accounts receivable	34,489	99,496
Prepaid expenses	357,306	74,678
Due to Sinai Health System	2,209,414	(10,997,740)
Accounts payable and accrued liabilities	314,269	(253,639)
Deferred revenue	(96,365)	(213,889)
	32,056,983	23,616,551
Financing activities		
Repayment of bank indebtedness	(250,000)	-
Investing activities		
Purchase of capital assets	(53,977)	(110,777)
Purchase of short-term investments	(40,000,000)	(80,198,356)
Proceeds from sale of short-term investments	40,372,630	80,601,644
Purchase of investments	(4,000,000)	(2,009,657)
Proceeds from sale of investments	-	626,167
	(3,681,347)	(1,090,979)
Change in cash during the year	28,125,636	22,525,572
Cash – Beginning of year	46,234,525	23,708,953
Cash – End of year	74,360,161	46,234,525
Supplementary information		
Interest paid	107,325	115,650

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

1 Purpose of the organization

Sinai Health System Foundation (the Foundation) is incorporated under the laws of Ontario as a corporation without share capital. The Foundation receives, accumulates and distributes funds and/or the income therefrom for the advancement of medical research, education and improvement of patient care at Sinai Health System, formerly Mount Sinai Hospital (the Hospital).

The Foundation is a public foundation registered under the Income Tax Act (Canada) and as such is exempt from income taxes and able to issue donation receipts for income tax purposes under registration number 11904 8106 RR0001.

2 Summary of significant accounting policies

Basis of presentation and consolidation

These consolidated financial statements include the assets, liabilities, revenue and expenses of the Foundation and its subsidiary, the Benjamin Herbert Birstein Trust #2, in which the Foundation has effective control.

Management has prepared these consolidated financial statements in accordance with accounting standards for not-for-profit organizations (ASNPO).

The following summary of significant accounting policies is set forth to facilitate the understanding of these consolidated financial statements.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

For financial reporting purposes, the accounts have been classified into the following funds:

a) General Fund

The General Fund accounts for the Foundation’s general fundraising, granting and administrative activities. The General Fund reports unrestricted resources available for immediate use.

b) Restricted Fund

The Restricted Fund includes those funds where resources are to be used for an identified purpose as specified by the donor, as stipulated by the fundraising appeal or as determined by the Board of Directors. Restricted donations, other than endowments, include a 10% allocation to the General Fund to fund critical needs support for the Hospital.

c) Endowment Fund

The Endowment Fund includes those funds where either donor or Board of Directors restrictions require the principal to be maintained by the Foundation for a specified period of time.

Investments

Publicly traded securities are valued based on the closing prices and pooled funds are valued based on reported unit values. Fixed income securities not publicly traded include State of Israel bonds and debentures, which are valued based on cost plus accrued income. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Foreign currency translation

Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the transaction date. Investments and other monetary items denominated in foreign currencies are translated at the year-end rate. Translation gains and losses are included in the consolidated statement of operations.

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions, which include bequests and other donations. Bequests and other donations are recognized when received. Unrestricted contributions are recognized as revenue of the General Fund in the year received. Donor restricted contributions for specific purposes are recognized as revenue with 90% recorded in the Restricted Fund and 10% in the General Fund to support highest priority needs. Donor restricted contributions requiring the capital to be maintained permanently are recognized as revenue of the Endowment Fund.

Investment income (loss) consists of interest, dividends and changes in fair value of investments, net of safekeeping and investment counsel and other investment expenses. Investment income earned on the Endowment Fund or Restricted Fund resources that must be spent on donor-designated activities is recognized as revenue of the Restricted Fund. Investment income subject to donor restrictions stipulating that it be added to the endowment is recognized as revenue of the Endowment Fund. Unrestricted investment income earned on Endowment Fund, Restricted Fund and General Fund resources is recognized as revenue of the General Fund. Investment losses are allocated in a manner consistent with investment income.

The Foundation recognizes revenue from special events in the year in which the event occurs.

Government grants

Grants from the government are recognized when there is reasonable assurance that the grant will be received and the Foundation has complied with all attached conditions. The Foundation has elected to present wages and salary expenses in the consolidated statement of operations net of government assistance received under the Canada Emergency Wage Subsidy program.

Pledges

The Foundation records pledges as revenue when payment is received.

Contributed goods and services

Contributed goods and services are not recognized in the consolidated financial statements.

Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Leasehold improvements	10 years
Furniture and fixtures	10 years
Computer hardware and software	3 years

When a capital asset no longer has any long-term service potential to the Foundation, the excess of its net carrying amount over any residual value is recognized as an expense in the consolidated statement of operations. A writedown is not reversed.

Financial instruments and risk management

The Foundation initially recognizes financial instruments at fair value and subsequently measures them at each reporting date as follows:

Cash	amortized cost
Accounts receivable	amortized cost
Investments	fair value
Bank indebtedness	amortized cost
Accounts payable and accrued liabilities	amortized cost
Due to Sinai Health System	amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset shall be written down and the resulting impairment loss shall be recognized in the consolidated statement of operations for the year.

Employee future benefits

The Foundation accrues its obligations under employee future benefit plans and the related costs when the benefits are earned through current service. The cost of post-employment benefits earned by employees is actuarially determined using the projected benefit method pro-rated on service and management's best estimates of retirement ages of employees and expected health-care and dental costs. Actuarial gains and losses arise when the accrued benefit obligations change during the year. Actuarial gains and losses are recorded directly in fund balances.

Use of estimates

The preparation of consolidated financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

3 Investments

	2022 $	2021 $
Short-term		
Scotia bank notice plan	40,161,647	-
Guaranteed investment certificates	-	40,225,823
Donated securities	-	-
	40,161,647	40,225,823
Long-term		
Pooled funds	11,864,733	8,859,130
Bonds and debentures	57,694,033	56,157,526
Equities		
Canadian	8,106,469	8,470,843
US	28,040,205	27,353,417
International	18,831,145	18,812,643
Alternative strategies	12,522,676	9,189,114
Other	391,670	659,936
State of Israel bonds	125,658	125,658
	137,576,589	129,628,267

Pooled funds consist of cash and a short-term investment totalling $204,400 (2021 – $89,329), bonds of $5,321,182 (2021 – $5,619,603) and alternative strategies of $6,339,151 (2021 – $3,150,198).

The investment portfolio is managed in accordance with the Foundation's policy and/or donor agreements. Investments made using endowed funds are classified as long-term.

4 Capital assets

			2022	2021
	Cost $	Accumulated amortization $	Net $	Net $
Leasehold improvements	457,624	331,742	125,882	145,289
Furniture and fixtures	337,910	171,922	165,988	191,719
Computer hardware and software	682,041	550,790	131,251	155,344
	1,477,575	1,054,454	423,121	492,352

5 Bank indebtedness

The Foundation entered into a credit facility agreement with a Canadian chartered bank, which provides for a revolving operating line of credit of up to $10,000,000, bearing interest at prime less 0.85%. As at March 31, 2022, the Foundation utilized $4,500,000 (2021 – $4,750,000) of the operating line of credit and has outstanding letters of credit amounting to $nil (2021 – $nil).

6 Related party balances and transactions

The Hospital is an independent corporation without share capital and has an independent board of directors. The Hospital is affiliated with the Foundation as a result of there being some common board members between the two organizations. Amounts owing to the Hospital include:

	2022 $	2021 $
Payable to the Hospital		
Lunenfeld-Tanenbaum Research Institute (LTRI)	4,646,343	4,671,343
Other payables	5,501,145	3,266,731
	10,147,488	7,938,074
Less: Current portion	4,951,081	2,716,667
	5,196,407	5,221,407

In October 2007, an agreement was made with the Hospital to provide operating grants of $7,700,144 to LTRI. The agreement was amended in March 2015, for which annual payments are equal to a minimum of $25,000 plus 1% annual interest. The outstanding payable relating to this agreement is $4,646,343 (2021 – $4,671,343).

The Hospital provides certain services to the Foundation and pays certain expenses on behalf of the Foundation. The Foundation reimburses the Hospital for all direct costs associated with the services provided and expenses paid. Administrative expenses of $553,988 (2021 – $492,231) were paid to the Hospital for office space occupied by the Foundation, which is leased on a month-to-month basis, payroll processing, human resources and information technology systems support, insurance coverage and visitors' reserved parking at the Hospital.

The Foundation manages Bridgepoint Foundation under a shared services agreement. Under the agreement, the Foundation provides services that are reimbursed at regular intervals throughout the year. For the year ended March 31, 2022, the Foundation recognized revenue of $119,156 (2021 – $200,000) for such services.

The Foundation also manages Arthritis Research Foundation under a shared services agreement. Under the agreement, the Foundation provides services that are reimbursed at regular intervals throughout the year. For the year ended March 31, 2022, the Foundation recognized revenue of $119,156 (2021 – $244,148) for such services.

The Foundation received $nil (2021 – $993,000) from Mount Sinai Services Inc. that was recognized as donations in the current year.

7 Employee future benefits

The Healthcare of Ontario Pension Plan (HOOPP) is a multi-employer, defined benefit pension plan (the Plan). Enrolment in HOOPP is mandatory for the Foundation's full-time staff on hire date and part-time staff employees may qualify for optional membership. Contributions made to the Plan during the year by the Foundation amounted to $638,464 (2021 – $583,673) and are included in fundraising and administrative expenses on the consolidated statement of operations. The most recent actuarial valuation of the Plan as at March 31, 2019 indicates the Plan has a 121% surplus in disclosed actuarial assets and is fully funded on a solvency basis.

Certain retired employees of the Foundation are entitled to non-pension post-employment benefits such as health-care, dental, life insurance and other benefits. The Foundation has accrued $144,500 (2021 – $116,900) for its estimated obligations based on an actuarial valuation performed in March 2022.

8 General Fund

	2022 $	2021 $
Unrestricted	(11,026,006)	(12,351,688)
Invested in capital assets	423,121	492,352
	(10,602,885)	(11,859,336)

The unrestricted deficiency has arisen as a result of a shortfall of funds directed to LTRI from operating and unrestricted funds in prior years to meet the budgetary needs of LTRI.

9 Endowment Fund

Endowments consist of externally restricted donations received by the Foundation and internal resources transferred by the Board of Directors, in the exercise of its discretion. With respect to the latter case, the Board of Directors may have the right to subsequently decide to remove the designation. The endowment principal is required to be maintained intact over time, subject to the Foundation's endowment policy.

Investment income generated from endowments must be used in accordance with the various purposes established by the donors or the Board of Directors. The Foundation ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The Foundation's endowment policy, for endowments other than the Lunenfeld Endowment Fund, has been established with the objective of protecting the value of the endowments by limiting the amount of income made available for spending to the payout amount and requiring the reinvestment of income not made available for payout, with the objective of increasing the combined value of donated funds and cumulative investment returns at the rate of inflation or greater, over time (preservation of capital). The payout amount is calculated on the opening fund balance and made available for spending restricted to the purposes set out in the donor agreement, if applicable, or as stipulated by the Board of Directors. The investment policy has established investment objectives that will preserve the real purchasing power and achieve long-term growth of its assets by seeking returns on its investments that are in excess of the payout amount and the rate of inflation. The payout amount made available for spending is reviewed and set by the Board of Directors annually. For 2022, the payout amount was set at 5.0% (2021 – 5.0%). The Lunenfeld Endowment Fund has a payout rate of actual investment income earned during the year.

In any particular year, should net investment income be insufficient to satisfy the payout amount set by the Board of Directors, or if the investment return is negative, the payout amount is funded by the accumulated reinvested income in the Endowment Fund. In general, for individual endowment funds without sufficient accumulated reinvestment income, endowment capital is used in the current year. This amount is expected to be recovered by future net investment income.

In fiscal 2022, investment income of $4,119,300 (net of fees and expenses of $593,109 (2021 – $16,490,250 (net of fees and expenses of $527,896)) was earned on endowment funds. The payout amounts recorded in the Restricted and General Funds at $5,200,344 (2021 – $4,385,611) consist of the payout amount of 4.0% (2021 – 4.0%) of non-Lunenfeld endowment funds and of 4.0% (2021 – 4.0%) of Lunenfeld endowment funds. The payout amount recorded in the General Fund was $1,163,294 (2021 – $939,496), calculated as 1.0% (2021 – 1.0%) of non-Lunenfeld endowment funds.

Major categories of restrictions on fund balances are as follows:

	2022 $	2021 $
Endowments, income from which must be used for research purposes	76,343,547	75,338,028
Endowments, income from which must be used for other restricted purposes	73,562,493	54,523,092
Funds restricted for research endowed by the Board of Directors	141,418	143,416
	150,047,458	130,004,536

10 Investment income (loss)

				2022	2021
	General Fund $	Restricted Fund $	Endowment Fund $	Total $	Total $
Investment income on Endowment Fund	135,994	-	2,714,409	2,850,403	2,496,206
Change in fair value of investments	(278,791)	-	1,997,700	1,718,909	14,755,187
	(142,797)	-	4,712,109	4,569,312	17,251,393
Less: Investment and custodian fees	(37,360)	-	(593,109)	(630,469)	(558,546)
Net investment income (loss)	(180,157)	-	4,119,000	3,938,843	16,692,847

11 Grants

The grants to the Hospital were as follows:

	2022 $	2021 $
Capital, clinical and other	24,412,616	19,545,284
LTRI	3,125,000	-
	27,537,616	19,545,284

12 Advance from the Endowment Fund

In fiscal 2013, the Foundation provided a $10,000,000 advance on future grants to the Hospital to support the operations of LTRI drawn from the Endowment Fund, as permitted by the endowment agreement and granted through the General Fund. In fiscal 2020, an additional $4,000,000 advance was made to the Restricted Fund and was granted to the Hospital to support LTRI operations. These amounts will be repaid to the Endowment Fund through future donations and annual surpluses. As at March 31, 2022, the remaining balance to be repaid is $4,119,431 (2021 – $5,282,725).

13 Interfund transfers

In fiscal 2022, the Foundation transferred $6,235,216 (2021 – $5,267,397) from the Endowment Fund to the General and Restricted Funds to fund the payout amount on endowed funds and fund-restricted payments. Of this amount, $1,224,846 (2021 – $714,492) was transferred to the General Fund and $5,010,370 (2021 – $4,552,905) was transferred to the Restricted Fund.

14 Pledges receivable

At the end of the fiscal year, pledges receivable by the Foundation are as follows:

	$
2022/2023	42,196,507
2023/2024	28,750,717
2024/2025	21,542,341
2026 and thereafter	73,560,482
	166,050,047

15 Government grant income

On March 17, 2020, the Canadian government launched the Canada Emergency Wage Subsidy (the CEWS), an emergency economic relief program to lessen the financial fallout on Canadian businesses from the effects of COVID-19. The CEWS program is designed to help businesses struggling with the economic effects of the coronavirus retain and/or rehire their employees. The subsidy is intended to make it easier for eligible employers to avoid laying off or terminating employees, as well as to bring back staff that were laidoff due to

COVID-19 by significantly lessening the organization's payroll costs. The CEWS is a program that subsidizes a portion of eligible remuneration paid by an eligible employer that qualifies, to each eligible employee. The Foundation qualified for approximately $nil (2021 – $594,057) under the CEWS in 2022. The salary and wages costs in the consolidated statement of operations are presented net of this government assistance.

16 Commitments

From time to time, the Foundation may enter into arrangements whereby it is required to match amounts donated on a best efforts basis over an unspecified period. As at March 31, 2022, there was $366,796 (2021 – $366,796) of such amounts to be funded. In addition, there exists a commitment to match the annual payout for joint Sinai Health System-University of Toronto endowed chairs based on the closing market value of the investments at the beginning of each fiscal year. The match amount for the next fiscal year has been calculated at $248,012 (2021 – $267,776). Since the match is based on the market value of investments, the amount in future years will fluctuate and is expected to increase over the long term.

17 Financial instruments

The Foundation is exposed to various financial risks through its transactions in financial instruments.

Currency risk

The Foundation is exposed to foreign currency risk with respect to its investments denominated in foreign currencies, including the underlying investments of its pooled funds denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to changes in the relative value of foreign currencies against the Canadian dollar.

Credit risk

The Foundation is exposed to credit risk in connection with its cash, short-term and fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. To manage this risk, the Foundation has an investment policy, which includes a target mix of investment types and concentration limits designed to achieve the optimum return within reasonable risk tolerances, and only does business with reputable financial institutions.

Interest rate risk

The Foundation is exposed to interest rate risk with respect to its investments in fixed income investments and a pooled fund that holds fixed income securities, because the fair value will fluctuate due to changes in market interest rates.

Other price risk

The Foundation is exposed to other price risk through changes in market prices, other than changes arising from interest rate or currency risk, in connection with its investments in equity securities and pooled funds. To manage this risk, the Foundation invests in a target mix of investment types in accordance with its investment policy.