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# Almoner Foundation

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## Financial Statements For the year ended March 31, 2013 (Unaudited)

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## Review Engagement Report

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**To the Members of  
Almoner Foundation:**

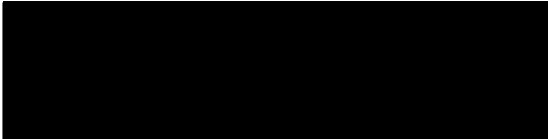
We have reviewed the statement of financial position of Almoner Foundation as at March 31, 2013 and the statements of operations, changes in net assets and cash flows for the year then ended. Our review was made in accordance with Canadian generally accepted standards for review engagements and accordingly consisted primarily of enquiry, analytical procedures and discussion related to information supplied to us by the Foundation.

A review does not constitute an audit and consequently we do not express an audit opinion on these financial statements.

Based on our review, nothing has come to our attention that causes us to believe that these financial statements are not, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

We draw attention to summary of significant accounting policies - basis of presentation to the financial statements, which describes that Almoner Foundation adopted the Canadian ASNFPO on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2012 and April 1, 2011, and the statements of operations, change in net assets and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information and, as such, it is neither audited nor reviewed.

The prior year's comparative figures were prepared by another firm.



Vancouver, British Columbia  
November 18, 2013

Chartered Accountants

**Almoner Foundation**  
**Statement of Financial Position**  
(Unaudited)

	March 31 2013	March 31 2012	April 1 2011
<b>Assets</b>			
<b>Current</b>			
Cash	\$ 1,609,792	\$ 2,663,769	\$ 5,314,481
Term deposits	824,681	821,152	812,333
Accounts receivable (Note 1)	163,807	35,560	15,578
Prepaid expenses	6,260	-	90,749
Loan receivable	-	-	3,033,968
Current portion of mortgage receivable (Note 2)	541,667	-	-
	3,146,207	3,520,481	9,267,109
<b>Mortgage receivable (Note 2)</b>	<b>12,291,666</b>	<b>-</b>	<b>-</b>
<b>Investments</b>	<b>10,457,487</b>	<b>10,222,973</b>	<b>9,973,030</b>
<b>Property and equipment (Note 3)</b>	<b>20,766,141</b>	<b>21,211,419</b>	<b>21,675,250</b>
	<b>\$ 46,661,501</b>	<b>\$ 34,954,873</b>	<b>\$ 40,915,389</b>

<b>Liabilities and Net Assets</b>			
<b>Current</b>			
Accounts payable and accrued liabilities	\$ 127,564	\$ 34,275	\$ 51,008
Current portion of long-term debt (Note 4)	541,667	-	98,868
	669,231	34,275	149,876
<b>Long-term debt (Note 4)</b>	<b>12,291,666</b>	<b>-</b>	<b>14,132,085</b>
	<b>12,960,897</b>	<b>34,275</b>	<b>14,281,961</b>
<b>Net Assets</b>			
Unrestricted	33,700,604	34,920,598	26,633,428
	<b>\$ 46,661,501</b>	<b>\$ 34,954,873</b>	<b>\$ 40,915,389</b>

Treasury facility (Note 5)

Commitments (Note 6)

On behalf of the Board:

Director \_\_\_\_\_ Director

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

**Almoner Foundation**  
**Statement of Operations**  
(Unaudited)

<b>For the year ended March 31</b>	<b>2013</b>	<b>2012</b>
<b>Revenues</b>		
Gross lease revenue	\$ 1,361,100	\$ 1,361,100
Mortgage interest income	175,323	-
Interest and other income	259,308	333,097
Donations	-	13,951,023
	<b>1,795,731</b>	<b>15,645,220</b>
<b>Expenditures</b>		
Donations	<b>2,100,000</b>	6,380,000
General and administrative		
Amortization	445,278	463,831
Interest and bank charges	132	233
Professional fees	111,705	12,852
	<b>557,115</b>	<b>476,916</b>
Property		
Insurance	31,301	37,061
Mortgage fees	13,000	115,333
Mortgage interest	175,304	236,261
Property tax	139,005	112,479
	<b>358,610</b>	<b>501,134</b>
	<b>3,015,725</b>	<b>7,358,050</b>
<b>(Loss) income from operations</b>	<b>\$ (1,219,994)</b>	<b>\$ 8,287,170</b>

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

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**Almoner Foundation**  
**Statement of Changes in Net Assets**  
(Unaudited)

**For the year ended March 31, 2013**

Net assets, April 1, 2011	\$ 26,633,428
Income from operations	<u>8,287,170</u>
<b>Net assets, March 31, 2012</b>	<b><u>\$ 34,920,598</u></b>
Loss from operations	<u>(1,219,994)</u>
<b>Net assets, March 31, 2013</b>	<b><u>\$ 33,700,604</u></b>

**Almoner Foundation**  
**Statement of Cash Flows**  
(Unaudited)

<b>For the year ended March 31</b>	<b>2013</b>	<b>2012</b>
<b>Cash flows from operating activities</b>		
Cash received from gross lease revenue	\$ 1,361,100	\$ 1,361,100
Cash received from mortgage interest and other items	306,384	313,115
Cash received from donations	-	13,951,023
Cash used for donations	(2,100,000)	(6,380,000)
Cash used for general and administrative expenditures	(111,837)	(13,085)
Cash used for property expenditures	(271,581)	(427,118)
	(815,934)	8,805,035
<b>Investing activities</b>		
Purchase of investments	(238,043)	(258,762)
<b>Financing activities</b>		
Repayment of long-term debt	-	(11,196,985)
<b>Decrease in cash during the year</b>	<b>(1,053,977)</b>	<b>(2,650,712)</b>
<b>Cash, beginning of year</b>	<b>2,663,769</b>	<b>5,314,481</b>
<b>Cash, end of year</b>	<b>\$ 1,609,792</b>	<b>\$ 2,663,769</b>

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

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**Almoner Foundation**  
**Summary of Significant Accounting Policies**  
(Unaudited)

**March 31, 2013**

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**Nature and Purposes of the Foundation**

The Almoner Foundation (the "Foundation") is incorporated under the laws of British Columbia Society Act as a not-for-profit organization. The Foundation is a registered charity under the Federal Income Tax Act, and accordingly is exempt from income taxes, provided corporate requirements of the Federal Income Tax Act are met.

**Purpose of the Foundation**

1) to receive gifts, bequests, trusts, funds and property and beneficially, or as a trustee agent, to hold, invest, develop, manage, accumulate and administer funds and property for the purposes of disbursing funds and property exclusively to registered charities and "qualified donees" under the provision of the Income Tax Act and for such other purposes and activities as are authorized for registered charities under the provision of the Income Tax Act; and

2) to conduct any and all activities and exercise any and all such powers as are necessary for the achievement of the foregoing and in furtherance of the objects of the Charity.

**Basis of Presentation**

These financial statements are the Foundation's first financial statements prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO) with a transition date of April 1, 2011. The Foundation did not elect any exemptions under the transition provisions set out in *CICA Handbook - Accounting*, Section 1501, First-time adoption by not-for-profit organizations.

The Foundation retrospectively applied ASNFPPO to the opening balances as of April 1, 2011 and financial statements for the year-ended March 31, 2012. Adopting these standards had no impact on the comparative figures, and there has been no restatement of retained earnings at the date of transition on April 1, 2011.

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**Almoner Foundation**  
**Summary of Significant Accounting Policies**  
(Unaudited)

**March 31, 2013**

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**Financial Instruments**

*Measurement of financial instrument*

The Foundation initially measures its financial instruments at fair value, except for certain non-arm's length transactions.

The Foundation subsequently measures all its financial instruments at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial instruments measured at amortized cost consist of cash, term deposit, accounts receivable, mortgage receivable, accounts payable and accrued liabilities, and long-term debt.

*Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. If an impairment exists, the amount of the write-down is recognized in the statement of operations the period impairment was determined. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of reversal is recognized in net income

*Risks*

It is management's opinion that the Foundation is not exposed to significant currency, interest or credit risk on these financial instruments. The Foundation is exposed to market risk as the fair value or future cash flows from investments will fluctuate due to changes in market prices.

**Long-Term Investments**

Long-term bonds and marketable securities are recorded at fair market value.



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**Almoner Foundation**  
**Summary of Significant Accounting Policies**  
(Unaudited)

**March 31, 2013**

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**Foreign Currency Translation** Foreign currency accounts are translated into Canadian dollars as follows:

At the transaction date, each asset, liability, revenue and expense is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the year end date, monetary assets and liabilities are translated into Canadian dollars by using the exchange rate in effect at that date. The resulting foreign exchange gains and losses are included in income in the current period except for the foreign currency gains and losses on long-term monetary items which are deferred and amortized over the remaining terms of the related items.

**Use of Estimates**

The preparation of these 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, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenses during the year. Actual results may differ from these estimates. Estimates and assumptions are reviewed periodically based on historical experience and other relevant considerations. Revisions to estimates and assumptions are accounted for prospectively.

**Almoner Foundation**  
**Notes to Financial Statements**  
(Unaudited)

**March 31, 2013**

**1. Accounts Receivable**

	<b>March 31 2013</b>	March 31 2012	April 1 2011
Accounts receivable	\$ 156,151	\$ 33,968	\$ 11,907
Government remittances receivable	7,656	1,592	3,672
	<b>\$ 163,807</b>	<b>\$ 35,560</b>	<b>\$ 15,579</b>

**2. Mortgage Receivable**

	<b>March 31 2013</b>	March 31 2012	April 1 2011
<div style="background-color: black; width: 50px; height: 15px; display: inline-block;"></div> Mortgage: Mortgage receivable at fixed monthly principal of \$41,667 and interest at prime + 1% per annum, due October 2017, secured by a mortgage on land	\$ 12,833,333	\$ -	\$ -
Less: current portion	(541,667)	-	-
	<b>\$ 12,291,666</b>	<b>\$ -</b>	<b>\$ -</b>

**Almoner Foundation**  
**Notes to Financial Statements**  
(Unaudited)

**March 31, 2013**

**3. Property and Equipment**

	Cost	Accumulated Amortization	March 31 2013
Land	\$ 10,079,474	\$ -	\$ 10,079,474
Building	11,832,424	1,145,757	10,686,667
	\$ 21,911,898	\$ 1,145,757	\$ 20,766,141
	Cost	Accumulated Amortization	March 31 2012
Land	\$ 10,079,474	\$ -	\$ 10,079,474
Building	11,832,424	700,479	11,131,945
	\$ 21,911,898	\$ 700,479	\$ 21,211,419
	Cost	Accumulated Amortization	April 30 2011
Land	\$ 10,079,474	\$ -	\$ 10,079,474
Building	11,832,424	236,648	11,595,776
	\$ 21,911,898	\$ 236,648	\$ 21,675,250

**Almoner Foundation**  
**Notes to Financial Statements**  
(Unaudited)

**March 31, 2013**

**4. Long-Term Debt**

	<b>March 31 2013</b>	March 31 2012	April 1 2011
██████████ Mortgage:			
Mortgage payable at fixed monthly principal of \$41,667 and interest at prime + 1% per annum, due October 2017, secured by a mortgage on land	\$ 12,833,333	\$ -	\$ -
██████████ Mortgage on ██████████	-	-	14,230,953
	<b>12,833,333</b>	-	14,230,953
Less: current portion	(541,667)	-	(98,868)
	<b>\$ 12,291,666</b>	\$ -	14,132,085

The fair value of the long-term debt approximates carrying value as the rates fluctuate with bank prime. The following are the future minimum annual debt principal repayments due over the next five fiscal years:

2014	\$ 541,667
2015	500,000
2016	500,000
2017	500,000
2018	10,791,666
	<b>\$ 12,833,333</b>

**5. Treasury Facility**

The Foundation has an authorized treasury facility of \$1,500,000 for the purpose of interest rate swaps, subject to market conditions. This facility is secured by general security agreements, assignment of insurance, all indebtedness mortgage and assignment of \$14,500,000 rents, and specific assignment of lease to Quest University.

The treasury facility requires the Foundation to maintain certain financial covenants, including:

- (a) Debt service coverage ratio to be maintained at or above 1.30 times
- (b) Liquidity to be maintained at or above \$2,000,000 per quarter

As at March 31, 2013, the treasury facility was not in use and the Foundation was not in compliance with its financial covenants.

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**Almoner Foundation**  
**Notes to Financial Statements**  
(Unaudited)

**March 31, 2013**

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**6. Commitments**

The Foundation entered into an agreement with [REDACTED] on September 8, 2006 to fund them the cash purse of USD \$10,000,000 via a Canadian Foundation incorporated under Part II of the Canada Corporations Act, on determination of a winner of the [REDACTED] [REDACTED]

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**7. Subsequent Event**

On August 22, 2013, the competition for the USD \$10,000,000 cash prize purse was cancelled.

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**8. Comparative Figures**

Certain comparative figures have been reclassified to conform with the current year's financial statements presentation.