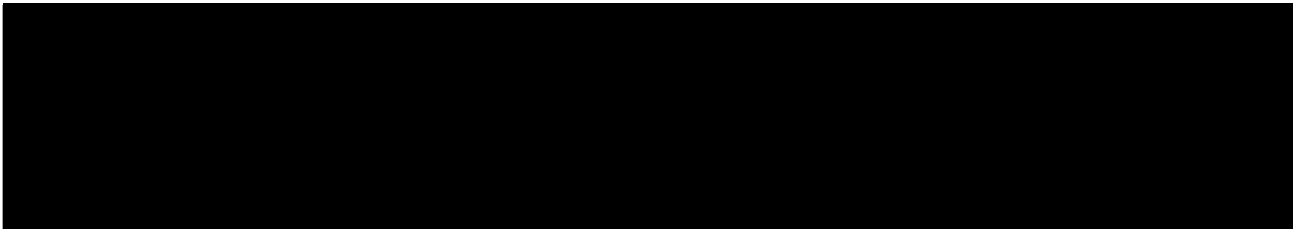

Almoner Foundation

Financial Statements For the year ended March 31, 2014 (Unaudited)

Review Engagement Report	2
Financial Statements	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Summary of Significant Accounting Policies	7 - 9
Notes to Financial Statements	10 - 13



Review Engagement Report

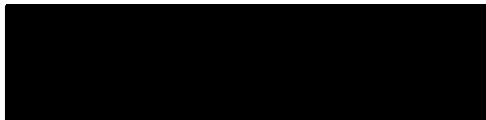
**To the Members of
Almoner Foundation:**

We have reviewed the statement of financial position of Almoner Foundation as at March 31, 2014 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 (ASNFPPO).

Vancouver, British Columbia
December 3, 2014



Chartered Accountants

Almoner Foundation
Statement of Financial Position
(Unaudited)

March 31	2014	2013
Assets		
Current		
Cash	\$ 827,842	\$ 1,609,792
Term deposits	1,333,340	824,681
Accounts receivable (Note 1)	70,241	163,807
Prepaid expenses	6,346	6,260
Current portion of mortgage receivable (Note 2)	443,499	541,667
	2,681,268	3,146,207
Mortgage receivable (Note 2)	11,840,400	12,291,666
Investments (Note 3)	4,285,716	10,457,487
Property and equipment (Note 4)	20,338,674	20,766,141
	\$ 39,146,058	\$ 46,661,501

Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 96,637	\$ 127,564
Current portion of long-term debt (Note 5)	443,499	541,667
	540,136	669,231
Long-term debt (Note 5)	11,840,400	12,291,666
	12,380,536	12,960,897
Net assets		
Unrestricted	26,765,522	33,700,604
	\$ 39,146,058	\$ 46,661,501

Treasury facility (Note 6)

On behalf of the Board:



_____ Director

_____ Director

Almoner Foundation
Statement of Operations
(Unaudited)

For the year ended March 31	2014	2013
Revenues		
Rent	\$ 1,361,100	\$ 1,361,100
Mortgage interest	503,362	175,323
Interest and other income	29,610	259,308
Loss on disposal of investments	(171,771)	-
	1,722,301	1,795,731
Expenditures		
Donations	7,504,934	2,100,000
General and administrative		
Amortization	427,467	445,278
Interest and bank charges	344	132
Professional fees	26,264	111,705
	454,075	557,115
Property		
Insurance	37,990	31,301
Mortgage fees	13,000	13,000
Mortgage interest	503,223	175,304
Property tax	144,161	139,005
	698,374	358,610
	8,657,383	3,015,725
Loss from operations	\$ (6,935,082)	\$ (1,219,994)

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

Almoner Foundation
Statement of Changes in Net Assets
(Unaudited)

For the year ended March 31, 2014

Net assets, March 31, 2012	\$ 34,920,598
Loss from operations	<u>(1,219,994)</u>
Net assets, March 31, 2013	\$ 33,700,604
Loss from operations	<u>(6,935,082)</u>
Net assets, March 31, 2014	\$ 26,765,522

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

Almoner Foundation
Statement of Cash Flows
(Unaudited)

For the year ended March 31	2014	2013
Cash flows from operating activities		
Cash received from rent	\$ 1,361,100	\$ 1,361,100
Cash received from mortgage interest and other items	99,945	302,855
Cash used for donations	(7,500,000)	(2,100,000)
Cash used for general and administrative expenditures	(26,608)	(111,837)
Cash used for property expenditures	(716,387)	(271,581)
	<u>(6,781,950)</u>	<u>(819,463)</u>
Investing activities		
Purchase of investments	-	(234,514)
Proceeds on sale of investments	6,000,000	-
	<u>6,000,000</u>	<u>(234,514)</u>
Financing activities		
Repayment of long-term debt	(507,767)	(208,333)
Receipt from mortgage receivable	507,767	208,333
	<u>-</u>	<u>-</u>
Decrease in cash during the year	(781,950)	(1,053,977)
Cash, beginning of year	1,609,792	2,663,769
Cash, end of year	\$ 827,842	\$ 1,609,792

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

Almoner Foundation
Summary of Significant Accounting Policies
(Unaudited)

March 31, 2014

Nature of the Foundation

The Almoner Foundation (the "Foundation") is incorporated under the laws of Canada Corporations Act as a not-for-profit organization and also registered extraprovincially under the British Columbia Society Act. The Foundation is a registered public foundation 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 Foundation.

Basis of Presentation

These financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPO).

Almoner Foundation
Summary of Significant Accounting Policies
(Unaudited)

March 31, 2014

Financial Instruments

Measurement of financial instruments

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.

Financial instruments measured at fair value consists of investments in equity instruments which are quoted in an active market during the year.

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.

Almoner Foundation
Summary of Significant Accounting Policies
(Unaudited)

March 31, 2014

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, 2014

1. Accounts Receivable

	2014	2013
Accounts receivable	\$ 61,950	\$ 156,151
Government remittances receivable	8,291	7,656
	\$ 70,241	\$ 163,807

2. Mortgage Receivable

	2014	2013
<div style="background-color: black; width: 40px; height: 15px; display: inline-block; vertical-align: middle;"></div> Mortgage: Mortgage receivable at fixed monthly payment of \$80,453 with interest rate of 4.32%, due September 30, 2017, secured by a mortgage on land	\$ 12,283,899	\$ 12,833,333
Less: current portion	(443,499)	(541,667)
	\$ 11,840,400	\$ 12,291,666

3. Investments

Investments consist of 3,571,430 common shares in the capital stock of and are stated at fair market value.

	2014		2013	
	Fair Market Value	Adjusted Cost Base	Fair Market Value	Adjusted Cost Base
Equities	\$ 4,285,716	\$ 4,357,287	\$ 10,457,487	\$ 10,457,487

Almoner Foundation
Notes to Financial Statements
(Unaudited)

March 31, 2014

4. Property and Equipment

	Cost	Accumulated Amortization	Net 2014
Land	\$ 10,079,474	\$ -	\$ 10,079,474
Building	11,832,424	1,573,224	10,259,200
	\$ 21,911,898	\$ 1,573,224	\$ 20,338,674

	Cost	Accumulated Amortization	Net 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

Almoner Foundation
Notes to Financial Statements
(Unaudited)

March 31, 2014

5. Long-Term Debt

	2014	2013
<p>██████████ Mortgage:</p> <p style="padding-left: 20px;">Mortgage payable at fixed monthly payment of \$80,453 with interest rate of 4.32%, due September 30, 2017, secured by a mortgage on land</p>	\$ 12,283,899	\$ 12,833,333
Less: current portion	(443,499)	(541,667)
	\$ 11,840,400	\$ 12,291,666

The Foundation has entered into an interest rate swap agreement during 2014 fiscal year.

a) The Foundation makes variable payments on the loan to the ██████████, which is a floating monthly payment based on one-month Canadian Dealer Offered Rate + 250 basis point adjusted on a monthly basis at the end of each month.

b) The Foundation receives a variable payment of one-month ██████████ + ██████████ from the ██████████ and pays a 4.32% fixed monthly payment to the ██████████.

The net effect of the interest swap agreement results in the Foundation paying a 4.32% fixed monthly payment that is not adjusted.

The following are the future minimum annual debt principal repayments due over the next four fiscal years:

2015	\$ 443,499	
2016	463,033	
2017	483,446	
2018	10,893,921	
	\$ 12,283,899	

Almoner Foundation
Notes to Financial Statements
(Unaudited)

March 31, 2014

6. 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, 2014, the treasury facility was not in use and the Foundation was in compliance with its financial covenants.

7. Subsequent Event

On April 24, 2014, the Foundation was added as a covenantor and would provide an unconditional, secured guarantee and postponement of claim with respect to any payments to be made by [REDACTED]. The guarantee of the Foundation is limited to the amount of \$5,000,000 plus costs and interest on that amount. Recourse under the guarantee is limited to the remedies under the second ranking mortgage referred to the property described as [REDACTED].

[REDACTED]