

**Almoner Foundation****Financial Statements  
For the year ended March 31, 2015  
(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, 2015 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  
September 30, 2015



Chartered Professional Accountants

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

<b>March 31</b>	<b>2015</b>	<b>2014</b>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 159,692	\$ 827,842
Term deposits	1,000,000	1,333,340
Accounts receivable (Note 1)	45,935	70,241
Prepaid expenses	6,717	6,346
Current portion of mortgage receivable (Note 2)	463,033	443,499
	<u>1,675,377</u>	<u>2,681,268</u>
Mortgage receivable (Note 2)	11,377,367	11,840,400
Investments (Note 3)	3,488,573	4,285,716
Property and equipment (Note 4)	19,928,306	20,338,674
	<u>\$ 36,469,623</u>	<u>\$ 39,146,058</u>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 106,714	\$ 96,637
Current portion of long-term debt (Note 5)	463,033	443,499
	<u>569,747</u>	<u>540,136</u>
Long-term debt (Note 5)	11,377,367	11,840,400
	<u>11,947,114</u>	<u>12,380,536</u>
Net assets		
Unrestricted	24,522,509	26,765,522
	<u>\$ 36,469,623</u>	<u>\$ 39,146,058</u>
Treasury facility (Note 6)		

On behalf of the Board:

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>2015</b>	<b>2014</b>
<b>Revenues</b>		
Rent	\$ 1,361,100	\$ 1,361,100
Gain (loss) on disposal of investments	31,984	(100,200)
Interest and other income	4,167	16,749
Loss on fair value adjustment of investments	<u>(309,127)</u>	<u>(71,571)</u>
	<u>1,088,124</u>	<u>1,206,078</u>
<b>Expenditures</b>		
Donations	<u>2,700,000</u>	<u>7,504,934</u>
Property		
Amortization	410,368	427,467
Insurance	41,226	37,990
Property tax	<u>142,795</u>	<u>144,161</u>
	<u>594,389</u>	<u>609,618</u>
General and administrative		
Administrative fees	20,250	10,250
Interest and bank charges	935	344
Professional fees	<u>15,563</u>	<u>16,014</u>
	<u>36,748</u>	<u>26,608</u>
	<u>3,331,137</u>	<u>8,141,160</u>
<b>Loss from operations</b>	<u>\$ (2,243,013)</u>	<u>\$ (6,935,082)</u>

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

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

**For the year ended March 31, 2015**

<b>Net assets, March 31, 2013</b>	<b>\$ 33,700,604</b>
Loss from operations	<u>(6,935,082)</u>
<b>Net assets, March 31, 2014</b>	<b>\$ 26,765,522</b>
Loss from operations	<u>(2,243,013)</u>
<b>Net assets, March 31, 2015</b>	<b>\$ 24,522,509</b>

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

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

<b>For the year ended March 31</b>	<b>2015</b>	<b>2014</b>
<b>Cash flows from operating activities</b>		
Cash received from rent	\$ 1,361,100	\$ 1,361,100
Cash received from other items	28,473	105,242
Cash used for donations	(2,700,000)	(7,500,000)
Cash used for general and administrative expenditures	(36,748)	(26,608)
Cash used for property expenditures	(174,315)	(213,025)
	<u>(1,521,490)</u>	<u>(6,273,291)</u>
<b>Investing activities</b>		
Proceeds on sale of investments	520,000	6,000,000
Redemption (purchase) of term deposits	333,340	(508,659)
	<u>853,340</u>	<u>5,491,341</u>
<b>Financing activities</b>		
Repayment of long-term debt	(443,499)	(507,767)
Receipt from mortgage receivable	443,499	507,767
	<u>-</u>	<u>-</u>
<b>Decrease in cash during the year</b>	<b>(668,150)</b>	<b>(781,950)</b>
Cash, beginning of year	<u>827,842</u>	<u>1,609,792</u>
<b>Cash, end of year</b>	<b>\$ 159,692</b>	<b>\$ 827,842</b>

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


**Almoner Foundation**
**Summary of Significant Accounting Policies**

(Unaudited)

**March 31, 2015**


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**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 is continued under the Canada Not-for-profit Corporations Act as at July 31, 2014. The Foundation is 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 or 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"; and
2. to conduct any and all activities and exercise any and all such powers as are necessary for the achievement and furtherance of the purposes 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, 2015**

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**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 deposits, 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, 2015**

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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, 2015**

**1. Accounts Receivable**

	2015	2014
Accounts receivable	\$ 45,270	\$ 61,950
Government remittances receivable	665	8,291
	\$ 45,935	\$ 70,241

**2. Mortgage Receivable**

	2015	2014
Fortius Foundation:		
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	\$ 11,840,400	\$ 12,283,899
Less: current portion	(463,033)	(443,499)
	\$ 11,377,367	\$ 11,840,400

The mortgage interest revenue of \$521,932 (2014 - \$503,362) received from Fortius Foundation is reported net of the mortgage interest expense of \$521,932 (2014 - \$503,223) paid to [REDACTED] (Note 5).

**3. Investments**

Investments consist of 3,171,430 common shares (2014 - 3,571,430 common shares) in the capital stock of [REDACTED] and are stated at fair market value.

	2015	
	Fair Market Value	Adjusted Cost Base
Equities	\$ 3,488,573	\$ 3,869,271
	2014	
	Fair Market Value	Adjusted Cost Base
Equities	\$ 4,285,716	\$ 4,357,287

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

**March 31, 2015**

**4. Property and Equipment**

	Cost	Accumulated Amortization	Net 2015
Land	\$ 10,079,474	\$ -	\$ 10,079,474
Building	11,832,424	1,983,592	9,848,832
	<b>\$ 21,911,898</b>	<b>\$ 1,983,592</b>	<b>\$ 19,928,306</b>

  

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

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

**March 31, 2015**

**5. Long-Term Debt**

	<b>2015</b>	<b>2014</b>
██████████:		
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	\$ 11,840,400	\$ 12,283,899
Less: current portion	(463,033)	(443,499)
	<b>\$ 11,377,367</b>	<b>\$ 11,840,400</b>

The mortgage interest expense of \$521,932 (2014 - \$503,223) paid to ██████████ is reported net of the mortgage interest revenue of \$521,932 (2014 - \$503,362) received from Fortius Foundation (Note 2).

The Foundation entered into an interest rate swap agreement in the 2014 fiscal year.

a) The Foundation makes variable payments on the loan to the ██████████ which is a floating monthly payment based on one-month ██████████ 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 three fiscal years:

2016		\$ 463,033
2017		483,446
2018		10,893,921
		<b>\$ 11,840,400</b>

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

**March 31, 2015**

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**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, 2015, the treasury facility was not in use and the Foundation was in compliance with its financial covenants.

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**7. Comparative Figures**

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