

Financial Statements of

**UNIVERSITY HOSPITALS
KINGSTON FOUNDATION**

Year ended March 31, 2015

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Financial Statements

Year ended March 31, 2015

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of University Hospitals Kingston Foundation

We have audited the accompanying financial statements of University Hospitals Kingston Foundation, which comprise the statement of financial position as at March 31, 2015, the statements of operations and changes in fund balances and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



Basis for Qualified Opinion

In common with many charitable organizations, University Hospitals Kingston Foundation derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the entity and we were not able to determine whether, as at and for the years ended March 31, 2015 and March 31, 2014, any adjustments that might be necessary to donations revenue, excess of revenue over expenses, current assets and fund balances.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of University Hospitals Kingston Foundation as at March 31, 2015, and its results of operations, changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants, Licensed Public Accountants

September 9, 2015

Kingston, Canada

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Statement of Financial Position

March 31, 2015, with comparative information for 2014

	Unrestricted and Operating	Restricted - General Designated	Restricted - Specific Designated	Endowments	2015	2014
Assets						
Current assets						
Cash	\$ 243,897	\$ 701,821	\$ 6,085,676	\$ -	\$ 7,031,394	\$ 4,809,024
Accrued interest and other receivable	86,502	39,698	72	-	126,272	139,891
Prepaid expenses	33,993	9,949	5,059	-	49,001	106,038
	364,392	751,468	6,090,807	-	7,206,667	5,054,953
Investments (note 3)	-	14,469,924	21,722,669	19,010,505	55,203,098	50,703,916
Advance receivable (note 4)	-	-	762,724	-	762,724	762,724
Capital assets (note 5)	19,795	2,258,290	-	-	2,278,085	2,351,393
Cash surrender value of life insurance	1,009	206,873	-	-	207,882	190,541
	\$ 385,196	\$ 17,686,555	\$ 28,576,200	\$ 19,010,505	\$ 65,658,456	\$ 59,063,527
Liabilities and Fund Balances						
Current liabilities:						
Accounts payable and accrued liabilities (note 8(a))	\$ 364,392	\$ 96,783	\$ 209,863	\$ -	\$ 671,038	\$ 691,283
Loan payable (note 6)	-	662,009	-	-	662,009	838,487
Deferred capital contributions (note 7)	19,795	-	-	-	19,795	27,705
	384,187	758,792	209,863	-	1,352,842	1,557,475
Fund balances (note 11)	1,009	16,927,763	28,366,337	19,010,505	64,305,614	57,506,052
Commitments (note 10)						
Contingent liabilities (note 13)						
Subsequent event (note 14)						
	\$ 385,196	\$ 17,686,555	\$ 28,576,200	\$ 19,010,505	\$ 65,658,456	\$ 59,063,527

See accompanying notes to financial statements.

On behalf of the Board:

_____ Member

_____ Member

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Statement of Operations and Changes in Fund Balances

Year ended March 31, 2015, with comparative information for 2014

	Unrestricted and Operating	Restricted - General Designated	Restricted - Specific Designated	Endowments	2015	2014
Revenue:						
Donations	\$ 1,834,112	\$ 359,452	\$ 7,274,091	\$ 750,650	\$ 10,218,305	\$ 9,459,473
Investment income	58,848	2,063,464	6,040	—	2,128,352	1,513,166
Other revenue (note 12)	32,408	203,095	—	—	235,503	274,864
Gain on investments:						
Realized	—	546,003	—	—	546,003	3,318,057
Unrealized	—	2,124,631	32,327	—	2,156,958	—
	1,925,368	5,296,645	7,312,458	750,650	15,285,121	14,565,560
Expenses:						
Salaries and benefits	2,238,841	—	—	—	2,238,841	2,508,119
Other operating expenses	860,901	500,013	105,511	—	1,466,425	1,114,200
Grants to qualified donees (hospitals) (note 8(b))	—	975,883	4,537,465	25,844	5,539,192	6,336,685
	3,099,742	1,475,896	4,642,976	25,844	9,244,458	9,959,004
Excess (deficiency) of revenue over expenses before undernoted items	(1,174,374)	3,820,749	2,669,482	724,806	6,040,663	4,606,556
Transfers between funds	1,175,383	(2,741,905)	1,559,521	7,001	—	—
Gain on donation of property to qualified donee (note 8(b))	—	758,899	—	—	758,899	—
Excess of revenue over expenses	1,009	1,837,743	4,229,003	731,807	6,799,562	4,606,556
Fund balances, beginning of year	—	15,090,020	24,137,334	18,278,698	57,506,052	51,940,268
Fund balances, end of year	\$ 1,009	\$ 16,927,763	\$ 28,366,337	\$ 19,010,505	\$ 64,305,614	\$ 56,546,824

See accompanying notes to financial statements.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Statement of Cash Flows

Year ended March 31, 2015

	2015
Cash provided by (used in):	
Operating activities:	
Excess of revenue over expenses	\$ 6,799,562
Items not involving cash:	
Amortization of capital assets	32,207
Amortization of deferred capital contributions	(7,910)
Net effect of donation of property to Hotel Dieu Hospital	41,101
Unrealized gains on investments	(2,156,958)
Change in non-cash operating working capital:	
Accounts receivable	13,619
Prepaid expenses	57,037
Accounts payable and accrued liabilities	(20,245)
	<u>4,758,413</u>
Investing activities:	
Increase in investments	(2,342,223)
Increase in cash surrender value of life insurance	(17,341)
	<u>(2,359,564)</u>
Financing activities:	
Loan payable on JMF/HDH properties	(176,478)
	<u>2,222,371</u>
Increase in cash	2,222,371
Cash, beginning of year	4,809,024
Cash, end of year	<u>\$ 7,031,394</u>

See accompanying notes to financial statements.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements

Year ended March 31, 2015

The University Hospitals Kingston Foundation (the “Foundation”) was incorporated on October 7, 2005 without share capital under the Ontario Corporations Act. Its principal activity is to receive and maintain a fund or funds and to apply all or part of the principal and income therefrom, from time to time to charitable organizations that are also registered charities under the Income Tax Act (Canada), and in particular, to support the hospitals in the Kingston region, including Frontenac County, and their respective satellite programs and clinics located in South Eastern Ontario and Northern Ontario.

The Foundation commenced operations in November 1, 2005 and began receiving donations on behalf of its General Members on December 1, 2005.

On May 22, 2014, an application for Letters Patent of Amalgamation was filed with the office of the Public Guardian and Trustee on behalf of the Kingston General Hospital Foundation, Providence Care Foundation, Jeanne Mance Foundation and University Hospitals Kingston Foundation. The application was accepted with an effective date of July 1, 2014, whereby the parties have continued as one corporation under the corporate name of University Hospitals Kingston Foundation.

The Foundation is incorporated without share capital under the Ontario Corporations Act and is a registered charity under the Income Tax Act (Canada). The primary purpose of the Foundation is to act as a single fundraiser for Kingston General Hospital, Religious Hospitaliers of Saint Joseph of the Hotel Dieu of Kingston and Providence Care Centre (together, the “Kingston Hospitals”) in order to maximize fundraising revenues and program efficiency to raise funds by way of public appeal for the benefit of the Kingston Hospitals.

As outlined in the Operating Agreement between the Kingston Hospitals and the Foundation, dated July 1st, 2014, the board of directors of the Foundation, will determine the amount of unrestricted funds that are available for distribution to the Kingston Hospitals, and will determine in collaboration with the Chief Executive Officers of the Kingston Hospitals or their designates, how these funds will be distributed among the Kingston Hospitals.

The Foundation is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act (Canada) are met.

1. Significant accounting policies:

(a) Basis of presentation:

The financial statements of the Foundation have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook – Accounting.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

1. Significant accounting policies (continued):

(b) 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. The financial statements separately disclose the activities of the following funds maintained by the Foundation:

- Unrestricted and Operating Fund reflects the general fundraising and administrative activities and represents unrestricted resources available for immediate use. The Unrestricted and Operating Fund also receives a transfer from the Restricted - General Designated Fund to recover the Foundation's operating expenses according to the Operating Agreement. Any remaining funds are transferred back to the Restricted - General Designated Fund. The Unrestricted and Operating Fund receives a transfer from the Restricted - Specific Designated Fund which is an administration fee intended to recover operating costs from restricted purpose gifts made on or after April 1, 2005, in accordance with the prescribed rates of the Foundation's Board of Directors' policy. The fee for the 2014/15 year was set at 10% and applied to giving from October 1, 2014. The cost recovery administrative fee structure ensures that donors of both Unrestricted and Restricted Funds contribute to the operations of the Foundation.
- Restricted - General Designated Fund reflects those resources arising from fundraising, investing, granting and administrative activities, the purpose for which has been restricted to grants to the Kingston Hospitals for the highest priority needs of that Hospital.
- Restricted - Specific Designated Fund reflects those resources arising from fundraising and granting, the purpose for which has been restricted to a specific program at any of the Kingston Hospitals. The externally restricted resources include the undistributed balance of the expendable portion of Endowment Fund balances.
- Endowment Funds are internally and externally restricted resources that may include an internal or external requirement that the principal be maintained. Once determined, the annual distributable amount of the Endowment Fund is transferred to the Restricted Fund, where it remains until actual distribution is made.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

1. Significant accounting policies (continued):

(c) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Foundation has elected to subsequently carry all of its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal period if there are indicators of impairment. If there is an indicator of impairment, the Foundation determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Foundation expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(d) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Foundation's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized on a straight-line basis using the following annual rates:

Asset	Rate
Furniture	20.0%
Leasehold improvements	20.0%
Telecommunications equipment	20.0%
Property held for resale	2.5%

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

1. Significant accounting policies (continued):

(e) Revenue recognition:

Unrestricted contributions are recognized as revenue in the Unrestricted and Operating Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donor-restricted contributions for specific purposes are recognized as revenue in the Restricted - General or Specific Designated Fund unless the principal is to be maintained permanently, in which case the contributions are recognized as revenue in the Endowment Fund.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds, and realized and unrealized gains and losses net of safekeeping and investment management and other investment expenses, is recorded in the statement of operations and changes in fund balances. Investment income on Endowment Fund resources that must be spent on donor restricted activities is recognized in the Restricted - General Designated Fund. Investment income (loss) subject to donor restrictions stipulating that it be added to (deducted from) the principle amount of the endowment is recognized in the Endowment Fund. Unrestricted investment income (loss) is recognized in the Restricted General Designated Fund.

Pledges are recorded as revenue on a cash basis and, accordingly, not set up as assets in the financial statements

(f) Grant recognition:

Grants are recognized when approved for payment and the grantee has complied with all the terms and conditions.

(g) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(h) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

2. Pledges:

The total amount of pledges outstanding is approximately \$10.0 million at March 31, 2015 (2014 - \$12.2 million). The majority of pledges outstanding are due by March 31, 2017.

3. Investments:

Investments consist of the following:

	2015	2014
Money market	\$ 3,466,947	\$ 3,313,082
Fixed income bonds	23,149,855	20,562,878
Equities	28,586,296	26,827,956
	<u>\$ 55,203,098</u>	<u>\$ 50,703,916</u>

Investment fees of \$214,651 (2014 - \$190,136) are included in other operating expenses.

4. Advance receivable:

An amount of \$762,724 will be repaid to the Foundation from Hotel Dieu Hospital upon receipt of the final Ministry of Health redevelopment project holdback funds.

5. Capital assets:

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Furniture	\$ 32,571	\$ 29,087	\$ 3,484	\$ 5,091
Leasehold improvements	22,055	12,465	9,590	14,017
Telecommunications equipment	9,378	2,657	6,721	8,597
	<u>64,004</u>	<u>44,209</u>	<u>19,795</u>	<u>27,705</u>
Property	1,274,623	-	1,274,623	1,274,623
Property held for sale	1,292,762	309,095	983,667	1,049,065
	<u>2,567,385</u>	<u>309,095</u>	<u>2,258,290</u>	<u>2,323,688</u>
	<u>\$ 2,631,389</u>	<u>\$ 353,304</u>	<u>\$ 2,278,085</u>	<u>\$ 2,351,393</u>

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

6. Loans payable:

The Foundation has two unsecured non-revolving demand loans at prime + 0.00%.

	2015	2014
Loan # 1, monthly blended payments of \$9,657	\$ 106,195	\$ 218,024
Loan # 2, monthly blended payments of \$6,611	555,814	620,463
	\$ 662,009	\$ 838,487

7. Deferred capital contributions:

Deferred capital contributions related to capital assets represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2015	2014
Balance, beginning of the year	\$ 27,705	\$ 25,142
Add deferred contributions received	–	9,378
Less amortization of deferred capital contributions	(7,910)	(6,815)
	\$ 19,795	\$ 27,705

8. Related party transactions:

(a) During the year, the related parties (the “Kingston Hospitals”) incurred certain expenses on the Foundation’s behalf, including the funding of salaries, wages and other expenses for which the Kingston Hospitals were reimbursed. During the year, aggregate expenses of the Kingston Hospitals related to salaries, wages and benefits amounted to \$2,173,956 (2014 - \$2,084,942) while other expenses were \$226,372 (2014 - \$116,231). Included in other payables is \$191,394 (2014 - \$190,586) payable to Kingston Hospitals relating to the reimbursement of such payments.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

8. Related party transactions (continued):

(b) The Foundation made grants to the Kingston Hospitals as follows:

	2015	2014
Kingston General Hospital	\$ 2,940,092	\$ 4,070,683
Providence Care	1,015,421	198,278
Hotel Dieu Hospital	1,583,679	2,067,724
	<u>\$ 5,539,192</u>	<u>\$ 6,336,685</u>

Included in the grants to Hotel Dieu Hospital is the transfer of 240 Brock Street (formerly owned by Jeanne Mance Foundation) at its appraised value which represents Fair Market Value of \$800,000 and resulted in recording a gain of \$758,899.

(c) The Foundation incurs expenses with parties with which certain members of its Board of Directors (other than the hospital employees) are associated. During the year, there were no transactions involving the Foundation and these parties (2014 - \$250). These transactions are considered to be in the normal course of business and are recorded at the exchange amount.

(d) Unless otherwise noted, transactions between the Foundation and the Kingston Hospitals are recorded at their carrying amount.

9. Other payables:

Included in other payables are government remittances payable of \$1,739 (2014 - \$Nil), which includes amounts payable for self-assessed harmonized sales tax.

10. Commitments:

(a) At March 31, 2015, minimum annual lease payments under an operating lease expiring May 31, 2017 are \$121,372 and aggregate \$364,116 over the remaining term of the lease.

(b) Other commitments primarily relate to the purchase of professional services primarily from the Kingston Hospitals of \$94,218. Total commitments amounting to approximately \$192,090 are expected to be paid over the next fiscal year.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

11. Fund balances:

(a) Major categories of fund balances are as follows:

	Unrestricted and Operating	Restricted - General Designated	Restricted - Specific Designated	Endowments	2015	2014
Kingston General Hospital	\$ -	\$ 6,577,815	\$ 11,062,533	\$ 11,292,695	\$ 28,933,043	\$ 25,042,367
Providence Care	-	5,580,681	12,989,783	7,231,342	25,801,806	23,496,682
Hotel Dieu Hospital	-	4,769,267	4,077,872	486,468	9,333,607	8,967,003
University Hospitals Kingston Foundation	1,009	-	236,149	-	237,158	-
	\$ 1,009	\$ 16,927,763	\$ 28,366,337	\$ 19,010,505	\$ 64,305,614	\$ 57,506,052

The University Hospitals Kingston Foundation is the legal single entity. The individual site identities: Kingston General Hospital; Providence Care; and Hotel Dieu Hospital, are for financial and communication purposes only, as ownership of these funds rests solely with the Foundation.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

11. Fund balances (continued):

- (b) As stated in its Class B Members Operating Agreement, all costs associated with operating the Foundation are shared based upon a cost sharing formula to be established yearly in the Business Plan. Active Campaigning for the Together We Can (“TWC”) campaign ceased in June 2011. For the TWC campaign, the following sharing formula was used:

Kingston General Hospital (formerly Kingston General Hospital Foundation)	59.10%
Providence Care (formerly Providence Care Foundation)	28.20%
Hotel Dieu Hospital (formerly Jeanne Mance Foundation)	12.70%
Total	100.0%

In July, 2011, a new sharing formula was adopted. The following sharing formulas were also used for operating expenses (excluding expenses incurred for each Class B Member’s Signature Event, which are expensed directly):

	2015	2014
Kingston General Hospital (formerly Kingston General Hospital Foundation)	69.4%	68.68%
Providence Care (formerly Providence Care Foundation)	16.6%	18.51%
Hotel Dieu Hospital (formerly Jeanne Mance Foundation)	14.0%	12.81%
Total	100.0%	100.0%

Donations entirely directed to a specific Class B Member (“Specified”) will be allocated in their entirety to the Class B Member’s Fund balance. The undesignated revenue (“Shared”) will be allocated among the Class B Member’s Fund Balance in such a way as to achieve the overall distribution of revenue according to the specified ratios above. Payments on pledges received and payments of new cash received before June 30, 2011 were shared using the TWC sharing formula. Payments on new pledges and payments of new cash received after June 30, 2011 were shared using the new sharing formula.

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

11. Fund balances (continued):

(b) (continued):

The ratio of the final distribution may not equal the above ratio because Signature Events Revenue and Endowments are excluded when calculating the sharing formula. Endowments are excluded from the sharing formula calculations, because they cannot be spent; however, the estimated annual payment for Endowments is included.

12. Other revenue:

Other revenue consists of:

	2015	2014
Rental properties (formerly owned by Jeanne Mance Foundation)	\$ 165,948	\$ 127,401
ATM income from Kingston General Hospital	31,634	89,587
Cash surrender value of life insurance policies held	16,333	3,865
Donations to offset foundation operating costs	21,588	54,011
	<u>\$ 235,503</u>	<u>\$ 274,864</u>

In September 2014, management of ATMs at Kingston General Hospital was transferred to the hospital.

13. Contingent liabilities:

The Foundation is a member of the Healthcare Insurance Reciprocal of Canada ("HIROC"). HIROC is registered as a Reciprocal pursuant to provincial Insurance Acts which permit persons to exchange with other persons reciprocal contracts of indemnity insurance. Subscribers pay annual premiums that are actuarially determined. Subscribers are subject to assessment for losses, if any, experienced by the pool for the years in which they were a subscriber. No assessments have been made to March 31, 2015.

Since its inception in 1987, HIROC has accumulated an unappropriated surplus, which is the total of premiums paid by all subscribers plus investment income less the obligation for claims reserves and expenses and operating expenses. Each subscriber which has an excess of premium plus investment income over the obligation for their allocation of claims reserves and expenses and operating expenses may be entitled to receive distributions of their share of the unappropriated surplus at the time such distributions are declared by the Board of Directors of HIROC. Distributions received from HIROC were \$588 (2014 - \$214).

UNIVERSITY HOSPITALS KINGSTON FOUNDATION

Notes to Financial Statements (continued)

Year ended March 31, 2015

14. Subsequent event:

- (a) As part of the amalgamation on July 1, 2014, the Foundation assumed ownership of rental properties and loans payable from the former Jeanne Mance Foundation. These rental properties are recorded as property held for sale in note 5 and are located at 122-126 Sydenham Street/228-230 Brock Street. Subsequent to year end, an agreement to sell was signed and executed with a selling price of \$1.2 million and a closing date of April 30, 2015.
- (b) The property located at 10 Montreal Street is a parking lot. On June 16, 2015, the University Hospitals Kingston Foundation Board of Directors authorized the transfer of ownership of this property to the Religious Hospitaliers of St. Joseph of the Hotel Dieu Hospital of Kingston, conditional upon any additional required approvals.
- (c) On May 1, 2015, the two loans payable in note 6 were paid in full.