

# **University of Ottawa Heart Institute Foundation**

Financial Statements  
**March 31, 2015**



June 11, 2015

## **Independent Auditor's Report**

**To the Directors of  
University of Ottawa Heart Institute Foundation**

We have audited the accompanying financial statements of University of Ottawa Heart Institute Foundation ("the Foundation"), which comprise the statement of financial position as at March 31, 2015 and the statements of operations and changes in fund balances and cash flows for the year then ended, and the related notes, which comprise 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.

### **Auditor's 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 the auditor's 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, the auditor considers 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.

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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2015 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.

*PricewaterhouseCoopers LLP*

**Chartered Professional Accountants, Licensed Public Accountants**

**University of Ottawa Heart Institute Foundation**  
**Financial Statements**

**Statement of Financial Position**  
**As at March 31**

	General Fund	Restricted Fund	Endowment Fund	Total	
				2015	2014
<b>Assets</b>					
<b>Current assets</b>					
Cash on hand	\$ 1,275,403	\$ 1,763,765	\$ -	\$ 3,039,168	\$ 2,308,971
HST recoverable	181,829	-	-	181,829	202,745
Other receivables	19,849	-	5,423	25,272	176,880
Investments (Note 5)	-	5,642,684	-	5,642,684	6,793,401
Prepaid expenses	7,543	-	-	7,543	1,620
	<u>1,484,624</u>	<u>7,406,449</u>	<u>5,423</u>	<u>8,896,496</u>	<u>9,483,617</u>
<b>Investments (Note 5)</b>	1,106	7,908,331	59,858,618	67,768,055	60,752,245
<b>Gift agreements (Note 8)</b>	-	1,622,615	171,347	1,793,962	1,683,620
<b>Research trainee fund (Note 10)</b>	-	-	1,500,000	1,500,000	1,500,000
	<u>\$ 1,485,730</u>	<u>\$ 16,937,395</u>	<u>\$ 61,535,388</u>	<u>\$ 79,958,513</u>	<u>\$ 73,419,482</u>
<b>Liabilities and Fund balances</b>					
<b>Current liabilities</b>					
Accounts payable (Note 7)	375,794	58,525	8,987	443,306	435,493
Accrued liabilities	16,526	-	-	16,526	90,671
Deferred revenue	71,032	-	-	71,032	35,855
	<u>463,352</u>	<u>58,525</u>	<u>8,987</u>	<u>530,864</u>	<u>562,019</u>
<b>Fund balances</b>	1,022,378	16,878,870	61,526,401	79,427,649	72,857,463
	<u>\$ 1,485,730</u>	<u>\$ 16,937,395</u>	<u>\$ 61,535,388</u>	<u>\$ 79,958,513</u>	<u>\$ 73,419,482</u>
<b>Commitments (Note 11)</b>					

The accompanying notes are an integral part of these financial statements

The University of Ottawa Heart Institute Foundation  
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Statement of Operations and Changes in Fund Balance  
For the year ended March 31

	General Fund		Restricted Fund		Endowed Fund	
	2015	2014	2015	2014	2015	2014
	Year to date		Year to date		Year to date	
<b>REVENUE</b>						
Leadership gifts program	\$ 3,149,110	\$ 2,048,026	\$ 5,121,856	\$ 1,724,913	\$ -	\$ -
Restricted, endowed & other gifts program	336,944	400,173	1,143,603	1,569,460	653,038	566,311
Supplier rebate program	-	-	300,000	2,201,479	55,257	276,158
Corporate gifts & events program	919,507	911,412	194,193	605,437	-	-
Direct mailout program	866,333	711,261	277,375	267,702	-	-
Tributes program	392,399	239,688	-	-	-	-
	<b>5,664,293</b>	<b>4,308,560</b>	<b>7,037,027</b>	<b>6,368,991</b>	<b>708,295</b>	<b>842,469</b>
Bank interest	30,335	59,066	-	-	-	-
Dividend & interest	772,776	792,226	90,942	210,117	-	740,315
Realized gains on investments	1,141,069	1,669,438	-	-	-	-
Change in unrealized gains on investments	-	-	101,524	-	3,924,704	3,368,661
	<b>7,608,473</b>	<b>6,829,290</b>	<b>7,229,493</b>	<b>6,579,108</b>	<b>4,632,999</b>	<b>4,951,445</b>
<b>EXPENSE</b>						
<b>Administration</b>						
Salaries & benefits	\$ 399,994	\$ 356,486	\$ -	\$ -	\$ -	\$ -
Professional fees	32,929	88,626	-	-	-	-
Office	53,151	41,364	-	-	-	-
Rent	46,331	46,361	-	-	-	-
Memberships	5,930	5,778	-	-	-	-
Computer	79,723	83,226	-	-	-	-
Staff development	13,985	15,525	-	-	-	-
Amortization - Computer	-	7,503	-	-	-	-
Fees from restricted/endowed revenue	(307,701)	(151,092)	248,458	117,917	59,243	33,174
Other	23,046	7,793	-	-	-	-
	<b>347,386</b>	<b>501,570</b>	<b>248,458</b>	<b>117,917</b>	<b>59,243</b>	<b>33,174</b>
<b>Fundraising activities</b>						
Capital & planned gifts program	\$ 312,256	\$ 369,353	\$ -	\$ -	\$ -	\$ -
Restricted & endowed gifts program	679,707	874,012	-	-	-	-
Corporate gifts & events program	421,687	607,323	25,249	109,396	-	-
Direct mailout program	513,657	428,952	-	-	-	-
Tributes program	47,773	22,769	-	-	-	-
Benefactor relations & stewardship program	36,565	75,775	-	-	-	-
	<b>2,011,645</b>	<b>2,378,184</b>	<b>25,249</b>	<b>109,396</b>	<b>-</b>	<b>-</b>
	<b>2,359,033</b>	<b>2,879,754</b>	<b>273,707</b>	<b>227,313</b>	<b>59,243</b>	<b>33,174</b>
<b>Available for allocation</b>	<b>\$ 5,249,440</b>	<b>\$ 3,949,536</b>	<b>\$ 6,955,786</b>	<b>\$ 6,351,795</b>	<b>\$ 4,573,756</b>	<b>\$ 4,918,271</b>
<b>Allocations</b>						
Capital programs	\$ -	\$ -	\$ 2,290,167	\$ (1,400)	\$ -	\$ 1,400
Clinical programs	-	-	1,169,568	1,475,717	2,975	-
Education programs	-	-	213,175	440,473	37,675	37,875
Equipment purchases	-	22,000	1,223,629	1,893,358	16,200	4,050
Research programs	1,200,000	-	2,252,448	759,622	1,564,550	1,703,254
French programs	-	-	86,175	79,817	-	-
Other programs	-	-	150,984	146,459	1,250	27,165
	<b>1,200,000</b>	<b>22,000</b>	<b>7,386,146</b>	<b>4,794,046</b>	<b>1,622,650</b>	<b>1,773,744</b>
<b>Net revenue (expense) for the year</b>	<b>\$ 4,049,440</b>	<b>\$ 3,927,536</b>	<b>\$ (430,360)</b>	<b>\$ 1,557,749</b>	<b>\$ 2,951,106</b>	<b>\$ 3,144,527</b>
<b>Fund balances</b>						
Beginning of year	2,260,314	632,409	13,411,299	10,352,322	57,185,850	53,242,920
Transfers between funds	(5,287,376)	(2,299,631)	3,897,931	1,501,228	1,399,445	798,403
	<b>1,022,378</b>	<b>2,260,314</b>	<b>16,878,870</b>	<b>13,411,299</b>	<b>61,526,401</b>	<b>57,185,850</b>

The accompanying notes are an integral part of these financial statements

**The University of Ottawa Heart Institute Foundation**  
**Financial Statements**

**Summary Statement of Operations and Changes in Fund Balances**  
**For the year ended March 31**

	2015	2014
<b>REVENUE</b>		
Leadership gifts program	\$ 8,270,966	\$ 3,770,939
Restricted, endowed & other gifts program	2,133,585	2,535,944
Supplier rebate revenue	355,257	2,477,637
Corporate gifts & events program	1,113,700	1,516,849
Direct mailout program	1,143,708	978,963
Tributes program	392,399	239,688
	<b>13,409,615</b>	<b>11,620,020</b>
Bank interest	30,335	59,066
Dividend & interest	863,718	1,742,658
Realized gains on investments	1,141,069	1,669,438
Change in unrealized gains on investments	4,026,228	3,368,661
	<b>19,470,965</b>	<b>18,359,843</b>
<b>EXPENSE</b>		
<b>Administration</b>	<b>\$ 655,089</b>	<b>\$ 652,661</b>
<b>Fundraising activities</b>		
Capital & planned gifts program	\$ 312,256	\$ 369,353
Restricted, endowed & other gifts program	679,707	874,012
Corporate gifts & events program	446,936	716,719
Direct mailout program	513,657	428,952
Tributes program	47,773	22,769
Benefactor relations & stewardship program	36,565	75,775
	<b>2,036,894</b>	<b>2,487,580</b>
	<b>2,691,983</b>	<b>3,140,241</b>
	<b>16,778,982</b>	<b>15,219,602</b>
<b>Available for allocation</b>		
<b>Allocations</b>		
Capital programs	\$ 2,290,167	\$ -
Clinical programs	1,172,543	1,475,717
Education programs	250,850	478,348
Equipment purchases	1,239,829	1,919,408
Research programs	5,016,998	2,462,876
French programs	86,175	79,817
Other programs	152,234	173,624
	<b>10,208,796</b>	<b>6,589,790</b>
	<b>6,570,186</b>	<b>8,629,812</b>
<b>Net revenue for the year</b>		
<b>Fund balances</b>		
Beginning of year	72,857,463	64,227,651
Transfers between funds	-	-
<b>End of year</b>	<b>\$ 79,427,649</b>	<b>\$ 72,857,463</b>

The accompanying notes are an integral part of these financial statements

**The University of Ottawa Heart Institute Foundation**  
**Financial Statements**

**Statement of Cash Flows**  
**For the Year Ended March 31**

	<b>2015</b>	<b>2014</b>
<b>Cash Flows from Operating Activities</b>		
<i>Cash Donations</i>	\$ 12,436,804	\$ 11,724,687
<i>Investment Income</i>	30,335	59,066
	<u>12,467,139</u>	<u>11,783,753</u>
<i>Cash Paid for</i>		
<i>Administration</i>	\$ (727,346)	\$ (481,303)
<i>Fundraising</i>	(2,036,894)	(2,483,966)
<i>Restricted Allocations</i>	(9,008,795)	(6,637,427)
<i>General Allocations</i>	<u>(1,200,000)</u>	<u>(22,000)</u>
	\$ (505,896)	\$ 2,159,057
<b>Cash Flows from Investing Activity</b>		
<i>Net purchase of investments</i>	\$ 1,236,093	\$ (4,016,729)
<b>Net change in cash during the year</b>	730,197	(1,857,672)
<b>Cash - Beginning of year</b>	\$ 2,308,971	\$ 4,166,643
<b>Cash - End of year</b>	<u>\$ 3,039,168</u>	<u>\$ 2,308,971</u>

The accompanying notes are an integral part of these financial statements

Endowed Funds - Detail  
As at March 31, 2015

Endowed Chairs	Fund Balance	Endowed Research Fellowships	Fund Balance
Donald S. Beanlands Cardiac Education Chair	2,080,800	Jan & Ian Craig Research Fellowship in Prevention & Rehabilitation	1,040,400
Saul & Edna Goldfarb Cardiac Imaging Chair	2,080,800	Catheterization Research Fellowship	272,700
Cardiac Surgery Research Chair	2,080,800	Electrophysiology Research Fellowship	157,394
Cardiac Valve Surgery Research Chair	2,080,800	Ernest & Margaret Ford Research Fellowship in Cardiology	1,040,400
Strategic Research Chair	1,488,214	Strategic Research Fellowship Allan & Margaret Buchanan Endowment Fund	
Electrophysiology Leadership Chair	2,080,800	Designated Funds	130,859
Gordon F. Henderson Leadership Chair	2,080,800	General Endowed Funds	470,969
Interventional Cardiology Research Chair	2,080,800	Lawrence Soloway Research Fellowship in Cardiac Surgery	438,572
Merck Frosst Canada Atherosclerosis Research Chair	2,080,800	University of Ottawa Cardiology Research Endowment Fund for Fellowships and Graduate Students at the Heart Institute (Research Trainee Fund; Fdn portion)	1,040,400
Pfizer Hypertension Research Chair	2,080,800	Whit & Heather Tucker Research Fellowship in Cardiology	1,500,000
Michael Pitfield Cardiac Surgery Chair	2,080,800	Vered - Beanlands Research Fellowship	1,040,400
Vered Cardiology Chair	2,080,800		1,040,500
<b>Total Endowed Chairs</b>	<b>24,377,014</b>	<b>Total Research Fellowships</b>	<b>8,172,594</b>
Women's Heart Health Term Chair (Restricted)	1,130,691		
<b>Endowed Lectureships</b>		<b>Named Funds</b>	<b>6,199,896</b>
J. Earl Wymands Lectureship in Cardiac Anaesthesia	260,100	Schedule A(2)	
Cardiac Nursing Lectureship	260,100	Benefactor gifts	6,574,754
Anand & Saroj Aggarwal Endowed Lectureship for South Asian Heart Health	260,100	Board directed gifts	4,238,526
Sheila & Don Bayne Cardiovascular Genetics Lectureship	260,100	Gift Agreements	171,347
Peter & Eva Foustanelias Cardiac Surgery Lectureship	260,100	Unrealized gain (loss)	9,451,220
Wilbert J. Keon Lectureship	260,100		
Margaret & Theodore Marr Family Lectureship in Electrophysiology	260,100		
Michael Potter & Véronique Dhieux Cardiovascular Genetics Lectureship	260,250		
Servier Canada Heart Function Lectureship	260,100		
<b>Total Lectureships</b>	<b>2,341,050</b>	<b>Total Endowed Funds</b>	<b>61,526,401</b>

The Foundation will provide funding of approximately \$1.8 million through its endowed programs in 2015.



Endowed Funds - Detail  
As at March 31, 2015

Named Funds	Fund Balance	Research	Fund Balance
<b>Heart Institute Priorities</b>			
Ability Janitorial Services Ltd	25,200	Jack & Florence Akeroyd	22,234
George Faouk Abou-Jaoudé Memorial	6,044	Don & Marion Baker Family	35,145
M & S Barber Family	63,045	Howard Barnes Family Fund (EP Lab)	24,918
John Bassi Endowment	42,978	Manjit & Jagtar Basi Family	30,000
Marcel Bélanger Family	10,404	Harwig Bauer Memorial	67,060
Borden, Ladner, Gervais	25,500	C Brown & D Piragoff Fund	10,000
Nancy Bracken Watson Fund	15,350	Anthony S. Brunst Fund in CV Genetics	51,684
Ross & Corleen Bradley Fund	11,200	Marcia & Barry Cantor Family	20,333
Arden Brooks Memorial	88,005	Leonard & Georgette Carter	10,404
Beverley Ann & Daniel Cantor Family	21,106	Jacques & Ellen Ermond Fund	67,412
Huguette & Lionel Caris Family	6,551	Firestone Family Fund in CV Genetics	85,937
George & Ann Carruthers Fund	99,520	Mark & Sandy Goldstein Family Endowment	10,645
Neta Clarke Fund	10,000	Doris Hay Endowment	10,000
William & Patricia Colby	52,020	Russell & Arlene Hensel	16,527
Kevin Dee & Janice Grantham	30,000	John & Margaret Hope	132,964
George & Marion Douglas Fund	25,146	Dwayne & Bonnie May Hutt	5,202
Horace G Dunbar Family	38,188	Daniel & Marilyn Kimmel Endowment Fund	41,394
W H Eastwood Endowment Fund	95,838	Dr & Mrs Theodore H Leggett Family	91,585
Serge & Jeanne Emalyanov	12,340	Dr André & Pauline Lizotte Family	3,556
Paul Faynwachs Family Fund	117,150	Karen Meades & Mike Stashin Family	10,404
Eglantine & Femand Fortin Family	10,122	Herb Nadojny Endowment	31,545
Nora Greene Auxiliary Endowment Fund	73,725	Jim Orban & Family Endowment	27,841
Pawan & Sudha Gupta Family	11,875	Peter Parsons Endowment Fund	25,125
Jack & Doreen Gurney Memorial Fund	56,506	Primecorp Endowment	50,157
Clifford Hanson Family	10,840	Gregory Poupore-Poole (Cardiology)	52,020
Trish & Tom Hewitt Family	10,200	Christina Ruddy Memorial (CV Genetics)	12,520
Herzog Family Endowment Fund	9,500	John P & Georgina Ruddy Endowment	36,099
Donald & Lorraine Hill Fund	131,400	John J Sebisty Endowment Fund	101,180
Iny Family Fund	140,200	Oakley & Pam Sample Fund	10,000
Lazar Family Endowment Fund	49,682	Marion Southam Memorial	50,000
H T Macfarlane Memorial	36,952	Betty & Fraser Wright Memorial	271,555
Gerald & Carol Morin Family Endowment	12,336	Joseph & Inez Zeilkovitz Endowment Fund	1,002,110
Louis & Pauline Moyd	103,643		
E Peter Newcombe, QC Fund	31,085	<b>Education</b>	
George Nichols Memorial	11,094	Steven & Janet Gallant Endowment Fund	14,000
Natale & Micheline Giust Fund	20,000	Lorry & Carol Greenberg	33,361
Nicolas Pantieras Family Fund	4,190	Hyman & Sylvia (van Straten) Kaufman	458,578
Christopher Paterson Memorial	9,598	Leacross Foundation / Roslyn Bern	
Charles Polowin Fund	14,332	Fund for Bio-Medical Education	300,000
Peter & Canin Potentianakis	30,000	David & Grace Meredith Endowment	110,135
Steven Ramphos Fund	13,100	Dr Ewan Patrick Endowment	39,287
Michael Rooney Endowment	42,384	Howard & Doris Polk Endowment	31,338
Greg & Lisa Roscoe Fund	9,314	Botho von Hampeln (Prev. & Rehabilitation)	94,000
Shelley & Sidney Rothman Memorial	78,643	Donald & Audrey Williams Endowment	55,587
Sol & Laya Shabinsky	104,313		
William van Ryswyk (Cornwall) Fund	39,000		
Soloway Wright LLP	30,510		
Renata & William Watkin Family	55,600		
<b>Equipment</b>			
Anderson Endowment Fund	122,745	<b>Clinical</b>	
J Laperriere Endowment Fund	357,298	Denise Walton Endowment Fund	49,000
		G & M Mayhew Endowment	34,920
		Fabian Stern Memorial Fund	8,774
<b>Patient Support</b>			
Allen S Gertsman Memorial Fund	27,588	<b>Total Named Funds</b>	<b>6,199,896</b>

# **University of Ottawa Heart Institute Foundation**

Notes to the Financial Statements

March 31, 2015

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## **1 Incorporation and Purpose of the Organization**

The University of Ottawa Heart Institute Foundation ("the Foundation") is incorporated without share capital under the *Canada Not-for-profit Corporations Act*. The Foundation coordinates and promotes fundraising and endowment activities to support and fund research, patient care, education and other activities concerning cardiovascular health at the University of Ottawa Heart Institute and the Ottawa Heart Institute Research Corporation.

## **2 Income Tax Status**

The Foundation is a registered charity and, as such, is exempt from income taxes under subsection 149(1)(f) of the *Income Tax Act*.

## **3 Significant Accounting Policies**

### **Use of estimates**

The preparation of 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expense during the year. Actual results could differ from these estimates.

### **Fund accounting**

The accounts of the Foundation are maintained in accordance with the principles of fund accounting. Resources received and expended are classified for accounting and reporting purposes into funds according to objectives specified externally by donors or internally by the Board of Directors.

#### **a. General fund**

The General fund was established to coordinate all fundraising activities of the University of Ottawa Heart Institute. The fund reports unrestricted contributions which are disbursed with the approval of the Board of Directors.

#### **b. Restricted fund**

The Restricted fund reports only restricted resources that are to be used for capital, clinical, education, equipment, research, French or other programs as specified by the donor.

## ***University of Ottawa Heart Institute Foundation***

Notes to the Financial Statements

March 31, 2015

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### **c. Endowment fund**

The Endowment fund reports resources contributed for endowment. Income generated is used to support clinical, education, equipment, research or other programs as specified by the donor, or as directed by the Board of Directors.

### **Investments**

Investments are recorded at fair market value, including interest and dividend revenue receivable. Realized and unrealized gains and losses together with interest and dividend revenue are reported as revenue in the statement of operations and changes in fund balances.

### **Gift agreements**

Insurance policies and trusts are recognized as revenue when the Foundation becomes entitled to the contribution. Irrevocable charitable remainder trusts and other gift agreements are recognized when the related agreement is signed. The amounts are recorded at fair value, based upon the expected timing of cash flows and related discount rates.

### **Revenue recognition**

The Foundation follows the restricted fund method of accounting for contributions.

Unrestricted contributions are recognized as revenue of the General fund in the year received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Contributions received for future events are deferred and recognized in the period in which the event occurs.

Restricted and endowed contributions are recognized as revenue of the appropriate fund if the amount can be reasonably estimated and collection is reasonably assured.

Interest and dividend income earned on fund resources is recognized as revenue of the related fund.

### **Contributed material and services**

Contributed material and services, other than gifts of shares, are not recognized in the financial statements. Gifts of shares are recorded at fair value at the time of contribution.

## **University of Ottawa Heart Institute Foundation**

Notes to the Financial Statements  
March 31, 2015

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### **4 Financial Instruments**

#### *Interest rate risk*

The Foundation is exposed to cash flow risk on its cash on hand as cash flows are based on floating rates of interest. Floating interest rates are 0.85% (2014-1.00%), based upon the Prime rate less 2.00%. The Foundation is exposed to price risk on its investments to the extent that they bear interest at fixed rates. The Foundation's fixed rate investments amount to \$25,450,436 (2014-\$21,151,894) at interest rates of 1.30%-10.50% (2014-2.05% to 10.50%), with maturity dates ranging from December 15, 2015-August 25, 2040 (2014-April 28, 2015 to August 25, 2040).

#### *Currency risk*

The Foundation is exposed to risk from changes in foreign currency rates. As of March 31, 2015, the Foundation's total investment in non-Canadian equities had a market value of \$24,947,814 (2014-\$23,351,501).

#### *Market risk*

The Foundation holds investments in a broad range of sectors that are subject to market risk and the value of the investments will fluctuate as a result of changes in market prices.



## ***University of Ottawa Heart Institute Foundation***

Notes to the Financial Statements

March 31, 2015

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### **6 Contributed materials and services**

During the year, the Foundation received \$1,149,237 (2014-\$502,606) of gifts in kind for which it has issued charitable receipts. Gifts of shares make up \$1,070,171 (2014-\$415,828) of this total and are included in campaign & planned gifts & major & other gifts revenue on the statement of operations and changes in fund balances. 800 volunteers contributed approximately 14,000 hours during the fiscal year to assist the Foundation telethon and other activities. The value of the services has not been recorded in the financial statements.

### **7 Government remittances**

Government remittances of \$23,624 (2014-\$32,763) are included in accounts payable. Remittances are payroll withholding amounts.

### **8 Gift agreements**

The Foundation has been named beneficiary of insurance policies and trusts payable for which it is not yet entitled to the contributions. The maturity value of life insurance policies is \$3,095,650 and the maturity value of trust policies is \$152,320 for a total of \$3,247,970 (2014-\$3,239,567).

The Foundation has been named beneficiary of irrevocable gift agreements which will result in future cash flows to the Foundation of \$2,180,000 (2014-\$2,180,000). The actuarial present values of these irrevocable gift agreements total \$1,793,962 (2014-\$1,683,620).

### **9 Pension**

The employees of the Foundation participate in two pension plans. In addition to a defined contribution plan (DCP) established in 2005, where the Foundation matches employee contributions to this plan to a maximum of 8.125% of the employee's salary, the Foundation joined the Hospitals of Ontario Pension Plan (HOOPP), a multi-employer defined benefit plan, in January 2009. The Foundation has adopted defined contribution plan accounting principles for the HOOPP because insufficient information is available to apply defined benefit plan accounting principles. The most recent financial results for HOOPP indicate that, as at December 31, 2014, the plan was fully funded. Variances between actuarial funding estimates and actual experience may be material and differences are generally funded by the participating members. Insufficient information is available to determine the Foundation's portion of the pension assets and liabilities as of March 31, 2015.

## **University of Ottawa Heart Institute Foundation**

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### **10 Research trainee fund**

On April 4, 2008, the Foundation entered into an agreement with the University of Ottawa (uOttawa), where the Foundation and uOttawa each contributed \$1,500,000 to an endowed 'Research trainee fund'. A benefactor has pledged \$2,000,000 over approximately eight years to this same fund, resulting in an expected \$5,000,000 endowment to be managed by uOttawa. The fund shall be used exclusively for cardiac research at the University of Ottawa Heart Institute (Heart Institute), and decisions regarding the use of the fund will be made by the Heart Institute. Should all parties agree the need for such research training be terminated; the Foundation will be entitled to receive its original capital contribution of \$1,500,000. The Foundation's portion of this fund is shown on the financial statements as 'Research trainee fund'.

### **11 Commitments**

The Foundation has entered into a lease agreement for equipment with Neopost Leasing Services Canada Limited ending September 30, 2019. Lease payments are required as follows:

Year ending March 31, 2016	\$18,155
2017	\$18,155
2018	\$18,155
2019	\$9,078

The Foundation has also signed a lease agreement for office space with the Ottawa Hospital Residence Corporation ending March 31, 2020. Payments are required as follows:

Year ending March 31, 2016	\$77,418
2017	\$78,966
2018	\$80,546
2019	\$82,157
2020	\$83,800

## **University of Ottawa Heart Institute Foundation**

Notes to the Financial Statements

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### **12 Related party transactions and balances**

The University of Ottawa Heart Institute and the Ottawa Heart Institute Research Corporation are related to the Foundation as the Foundation holds resources that are used to benefit these entities.

The following allocations to the University of Ottawa Heart Institute are included in expense:

Capital Programs	\$1,200,000 (2014-nil)
Clinical Programs	\$600,000 (2014-\$1,209,253)
Equipment Purchases	\$2,166,963 (2014-\$1,855,525)

Included in accounts payable is \$27,379 (2014-\$43,940) owing to the University of Ottawa Heart Institute. This amount is non-interest bearing and has no specified terms of repayment.

The following allocations to the Ottawa Heart Institute Research Corporation are included in expense:

Clinical Programs	\$570,181 (2014-\$300,000)
Research Programs	\$5,024,142 (2014-\$2,716,687)

Included in accounts payable is \$129,868 (2014-\$156,030) owing to the Ottawa Heart Institute Research Corporation. This amount is non-interest bearing and has no specified terms of repayment.

These allocations are considered to be in the normal course of operations, and are measured at fair value at the date of the contribution.

### **13 Comparative figures**

Certain comparative figures have been reclassified in order to conform to the current year presentation