

University of Ottawa Heart Institute Foundation

Financial Statements
March 31, 2016



June 9, 2016

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, 2016 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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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, 2016 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

The University of Ottawa Heart Institute Foundation
Financial Statements

Statement of Financial Position
As at March 31

				Total	
	General Fund	Restricted Fund	Endowment Fund	2016	2015
Assets					
Current assets					
<i>Cash on hand</i>	\$ 1,123,188	\$ 2,808,699	\$ -	\$ 3,931,887	\$ 3,039,168
<i>HST recoverable</i>	183,022	-	-	183,022	181,829
<i>Other receivables</i>	15,000	94,185	-	109,185	25,272
<i>Investments (Note 5)</i>	-	11,348,848	-	11,348,848	5,642,684
<i>Prepaid expenses</i>	4,175	-	-	4,175	7,543
	1,325,385	14,251,732	-	15,577,117	8,896,496
Investments (Note 5)	646	14,462,518	51,559,485	66,022,649	67,768,055
Gift agreements (Note 8)	-	1,661,414	174,740	1,836,154	1,793,962
Research trainee fund (Note 10)	-	-	1,500,000	1,500,000	1,500,000
	\$ 1,326,031	\$ 30,375,664	\$ 53,234,225	\$ 84,935,920	\$ 79,958,513
Liabilities and Fund Balances					
Current liabilities					
<i>Accounts payable</i>	\$ 212,407	\$ 6,365	\$ -	\$ 218,772	\$ 443,306
<i>Accrued liabilities</i>	56,713	-	-	56,713	16,526
<i>Deferred revenue</i>	55,685	-	-	55,685	71,032
	324,805	6,365	-	331,170	530,864
Fund balances	1,001,226	30,369,299	53,234,225	84,604,750	79,427,649
	\$ 1,326,031	\$ 30,375,664	\$ 53,234,225	\$ 84,935,920	\$ 79,958,513
Commitments (Note 11)					

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

Statement of Operations and Changes in Fund Balances

For the year ended March 31

	General Fund		Restricted Fund		Endowment Fund	
	2016	2015	2016	2015	2016	2015
REVENUE						
Leadership gifts program	\$ 2,394,203	\$ 3,149,110	\$ 4,546,485	\$ 5,121,856	\$ -	\$ -
Restricted, endowed & other gifts program	289,872	336,944	2,348,845	1,143,603	3,108,809	653,038
Supplier rebate program	-	-	-	300,000	-	55,257
Corporate gifts & events program	928,350	919,507	119,000	194,193	-	-
Direct mailout program	1,189,148	866,333	86,625	277,375	-	-
Tributes program	231,100	392,399	-	-	-	-
	5,032,673	5,664,293	7,100,955	7,037,027	3,108,809	708,295
Bank interest	35,009	30,335	-	-	-	-
Dividend & interest	1,371,361	772,776	79,184	90,942	-	-
Realized gains (losses) on investments	4,081,945	1,141,069	-	-	-	-
Change in unrealized gains (losses) on investments	-	-	38,799	101,524	(6,237,520)	3,924,704
	\$ 10,520,988	\$ 7,608,473	\$ 7,218,938	\$ 7,229,493	\$ (3,128,711)	\$ 4,632,999
EXPENSE						
Administration						
Salaries & benefits	\$ 434,616	\$ 399,994	\$ -	\$ -	\$ -	\$ -
Professional fees	29,467	32,929	-	-	-	-
Office	62,228	53,151	-	-	-	-
Rent	47,828	46,331	-	-	-	-
Memberships	6,033	5,930	-	-	-	-
Computer	77,522	79,723	-	-	-	-
Staff development	5,118	13,985	-	-	-	-
Fees from restricted/endowed revenue	(450,676)	(307,701)	205,392	248,458	245,284	59,243
Other	11,717	23,046	-	-	-	-
	223,853	347,388	205,392	248,458	245,284	59,243
Fundraising activities						
Capital & planned gifts program	\$ 347,405	\$ 312,256	\$ -	\$ -	\$ -	\$ -
Restricted, endowed & other gifts program	743,768	679,707	-	-	-	-
Corporate gifts & events program	361,722	421,687	1,098	25,249	-	-
Direct mailout program	561,255	513,657	-	-	-	-
Communications and marketing	250,964	-	-	-	-	-
Tributes program	50,518	47,773	-	-	-	-
Benefactor relations & stewardship program	45,159	36,565	-	-	-	-
	2,360,791	2,011,645	1,098	25,249	-	-
	\$ 2,584,644	\$ 2,359,033	\$ 206,490	\$ 273,707	\$ 245,284	\$ 59,243
Available for allocation	\$ 7,936,344	\$ 5,249,440	\$ 7,012,448	\$ 6,955,786	\$ (3,373,995)	\$ 4,573,756
Allocations						
Capital programs	\$ -	\$ -	\$ -	\$ 2,290,167	\$ -	\$ -
Clinical programs	-	-	(3,175)	1,169,568	3,275	2,975
Education programs	-	-	267,495	213,175	45,830	37,675
Equipment purchases	-	-	699,979	1,223,629	18,450	16,200
Research programs	1,200,000	1,200,000	1,898,234	2,252,448	2,089,763	1,564,550
French programs	-	-	105,178	86,175	-	-
Other programs	4,936	-	66,481	150,984	1,250	1,250
	1,204,936	1,200,000	3,034,192	7,386,146	2,158,568	1,622,650
Net revenue (expense) for the year	\$ 6,731,408	4,049,440	\$ 3,978,256	(430,360)	(5,532,563)	2,951,106
Fund balances						
Beginning of year	1,022,378	2,260,314	16,878,870	13,411,299	61,526,401	57,185,850
Transfers between funds	(6,752,560)	(5,287,376)	9,512,173	3,897,931	(2,759,613)	1,389,445
End of year	\$ 1,001,226	\$ 1,022,378	\$ 30,369,299	\$ 16,878,870	\$ 53,234,225	\$ 61,526,401

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

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

	2016	2015
REVENUE		
<i>Leadership gifts program</i>	\$ 6,940,688	\$ 8,270,966
<i>Restricted, endowed & other gifts program</i>	5,747,526	2,133,585
<i>Supplier rebate program</i>	-	355,257
<i>Corporate gifts & events program</i>	1,047,350	1,113,700
<i>Direct mailout program</i>	1,275,773	1,143,708
<i>Tributes program</i>	231,100	392,399
	15,242,437	13,409,615
<i>Bank interest</i>	35,009	30,335
<i>Dividend & interest</i>	1,450,545	863,718
<i>Realized gains (losses) on investments</i>	4,081,945	1,141,069
<i>Change in unrealized gains (losses) on investments</i>	(6,198,721)	4,026,228
	14,611,215	19,470,965
EXPENSE		
Administration	\$ 674,529	\$ 655,089
Fundraising activities		
<i>Capital & planned gifts program</i>	\$ 347,405	\$ 312,256
<i>Restricted, endowed & other gifts program</i>	743,768	679,707
<i>Corporate gifts & events program</i>	362,820	446,936
<i>Direct mailout program</i>	561,255	513,657
<i>Communications and marketing</i>	250,964	-
<i>Tributes program</i>	50,518	47,773
<i>Benefactor relations & stewardship program</i>	45,159	36,565
	2,361,889	2,036,894
	3,036,418	2,691,983
Available for allocation	\$ 11,574,797	\$ 16,778,982
Allocations		
<i>Capital programs</i>	\$ -	\$ 2,290,167
<i>Clinical programs</i>	100	1,172,543
<i>Education programs</i>	313,325	250,850
<i>Equipment purchases</i>	718,429	1,239,829
<i>Research programs</i>	5,187,997	5,016,998
<i>French programs</i>	105,178	86,175
<i>Other programs</i>	72,667	152,234
	6,397,696	10,208,796
Net revenue for the year	\$ 5,177,101	\$ 6,570,186
Fund balances		
<i>Beginning of year</i>	79,427,649	72,857,463
<i>Transfers between funds</i>	-	-
End of year	\$ 84,604,750	\$ 79,427,649

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Statement of Cash Flows
For the Period Ended March 31

	<u>2016</u>	<u>2015</u>
Cash Flows from Operating Activities		
<i>Cash Donations</i>	\$ 14,459,145	\$ 12,436,804
<i>Investment Income</i>	35,009	30,335
	<u>14,494,154</u>	<u>12,467,139</u>
<i>Cash Paid for</i>		
<i>Administration</i>	\$ (855,508)	\$ (727,346)
<i>Fundraising</i>	(2,361,888)	(2,036,894)
<i>Restricted Allocations</i>	(5,192,760)	(9,008,795)
<i>General Allocations</i>	(1,204,937)	(1,200,000)
	<u>\$ 4,879,061</u>	<u>\$ (505,896)</u>
Cash Flows from Investing Activity		
<i>Net Purchase of Investments</i>	\$ (3,986,342)	\$ 1,236,093
Net change in cash during the year	892,719	730,197
Cash - Beginning of year	\$ <u>3,039,168</u>	\$ <u>2,308,971</u>
Cash - End of year	<u>\$ 3,931,887</u>	<u>\$ 3,039,168</u>

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

Endowed Funds - Detail

As at March 31, 2016

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	-
Cardiac Surgery Research Chair	2,080,800	Electrophysiology Research Fellowship	-
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	
Electrophysiology Leadership Chair	2,080,800	Endowment Fund	132,200
Gordon F. Henderson Leadership Chair	2,080,800	Designated Funds	469,627
Interventional Cardiology Research Chair	2,080,800	General Endowed Funds	<u>438,573</u>
Merck Frosst Canada Atherosclerosis Research Chair	2,080,800	Lawrence Soloway Research Fellowship in Cardiac Surgery	1,040,400
Pfizer Hypertension 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)	1,500,000
Michael Pitfield Cardiac Surgery Chair	2,080,800	Whit & Heather Tucker Research Fellowship in Cardiology	1,040,400
Vered Cardiology Chair	<u>2,080,800</u>	Vered - Beanlands Research Fellowship	<u>1,040,500</u>
Total Endowed Chairs	<u>24,377,014</u>	Total Research Fellowships	<u>7,742,500</u>
Endowed Lectureships			
J. Earl Wynands Lectureship in Cardiac Anaesthesia	260,100		
Cardiac Nursing Lectureship	260,100		
Anand & Saroj Aggarwal Endowed Lectureship for South Asian Heart Health	260,100	Named Funds (Schedule A(2))	<u>8,689,256</u>
Sheila & Don Bayne Cardiovascular Genetics Lectureship	260,100		
Peter & Eva Foustanelas Cardiac Surgery Lectureship	260,100		
Wilbert J. Keon Lectureship	260,100	Benefactor gifts	6,519,613
Margaret & Theodore Marr Family Lectureship in Electrophysiology	260,250	Gift Agreements	174,740
Michael Potter & Véronique Dhieux Cardiovascular Genetics Lectureship	260,100	Unrealized gain	<u>3,390,052</u>
Servier Canada Heart Function Lectureship	260,100		
Total Lectureships	<u>2,341,050</u>	Total Endowed Funds	<u>53,234,225</u>

The Foundation has provided funding of approximately \$2.2 million through its endowed programs in 2016.

Endowed Funds - Detail
As at March 31, 2016

Named Funds	Fund Balance		Fund Balance
Heart Institute Priorities		Research	
George Faouk Abou-Jaoudé Memorial	6,045	Jack & Florence Akeroyd	41,054
M & S Barber Family	14,845	Don & Marion Baker Family	35,145
John Bassi Endowment	42,978	Howard Barnes Family Fund (EP Lab)	24,918
Marcel Bélanger Family	10,404	Manjit & Jagtar Basi Family	30,000
Borden, Ladner, Gervais	25,500	Hartwig Bauer Memorial	67,160
Nancy Bracken Watson Fund	17,600	C Brown & D Piragoff Fund	10,000
Ross & Corleen Bradley Fund	111,200	Anthony S. Brunst Fund in CV Genetics	51,684
Arden Brooks Memorial	88,005	Marcia & Barry Cantor Family	20,333
Beverly Ann & Daniel Cantor Family	21,106	Leonard & Georgette Carter	10,404
Huguette & Lionel Caris Family	6,551	Jacques & Ellen Emond Fund	67,412
George & Ann Carruthers Fund	99,620	Firestone Family Fund in CV Genetics	85,937
Neta Clarke Fund	10,000	Mark & Sandy Goldstein Family Endowment	10,645
Kevin Dee & Janice Grantham	30,000	Doris Hay Endowment	10,000
George & Marion Douglas Fund	25,146	Russell & Arlene Hensel	17,427
Horace G Dunbar Family	39,705	John & Margaret Hope	134,204
W H Eastwood Endowment Fund	95,838	Dwayne & Bonnie May Hutt	5,202
Serge & Jeanne Emalyanov	12,340	Daniel & Marilyn Kimmel Endowment Fund	41,702
Paul Faynwachs Family Fund	117,150	Dr & Mrs Theodore H Leggett Family	91,585
Eglantine & Fernand Fortin Family	10,222	Dr André & Pauline Lizotte Family	3,656
Nora Greene Auxiliary Endowment Fund	76,435	Karen Meades & Mike Stashin Family	10,404
Pawan & Sudha Gupta Family	11,875	Herb Nadolny Endowment	31,545
Jack & Doreen Gurney Memorial Fund	56,506	Peter Parsons Endowment Fund	30,542
Clifford Hanson Family	10,840	Primecorp Endowment	50,269
Trish & Tom Hewitt Family	10,200	Gregory Poupore-Poole (Cardiology)	52,020
Herzog Family Endowment Fund	11,750	John P & Georgina Ruddy Endowment	62,249
Donald & Lorraine Hill Fund	761,400	John J Sebisty Endowment Fund	101,180
Iny Family Fund	176,200	Oakley & Pam Semple Fund	10,000
Lazar Family Endowment Fund	58,841	Marion Southam Memorial	50,000
H T Macfarlane Memorial	37,983	Betty & Fraser Wright Memorial	271,555
Gerald & Carol Morin Family Endowment	12,336	Joseph & Inez Zelikovitz Endowment Fund	1,002,110
Louis & Pauline Moyd	103,643		
E Peter Newcombe, QC Fund	31,985	Education	
George Nichols Memorial	11,094	Steven & Janet Gallant Endowment Fund	23,000
Natale & Micheline Giust Fund	20,000	Lorry & Carol Greenberg	34,569
Nicolas Pantieras Family Fund	8,190	Hyman & Sylvia (van Straten) Kaufman	2,308,578
Christopher Paterson Memorial	10,498	Leacross Foundation / Roslyn Bern	
Charles Polowin Fund	15,434	Fund for Bio-Medical Education	300,000
Peter & Canin Potentsianakis	30,000	David & Grace Meredith Endowment	110,720
Steven Ramphos Fund	13,425	Dr Evan Patrick Endowment	43,787
Michael Rooney Endowment Fund	51,450	Howard & Doris Polk Endowment	31,718
Greg & Lisa Roscoe Fund	9,314	Botho von Hampeln (Prev. & Rehabilitation)	94,000
Shelley & Sidney Rothman Memorial	78,643	Donald & Audrey Williams Endowment	55,687
Sol & Laya Shabinsky	104,775		
William van Ryswyk (Cornwall) Fund	43,500	Clinical	
Soloway Wright LLP	30,510	Denise Walton Endowment Fund	58,000
Renata & William Watkin Family	62,800	G & M Mayhew Endowment	34,920
		Fabian Stern Memorial Fund	9,543
Equipment		Malcolm & Vera Glube Family End	9,279
Anderson Endowment Fund	126,345		
J Laperriere Endowment Fund	357,298		
Patient Support		Total Named Funds	8,689,256
Allen S Gertsman Memorial Fund	27,588		

University of Ottawa Heart Institute Foundation

Notes to the Financial Statements

March 31, 2016

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.

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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.

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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 0.70% (2015-0.85%), 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 \$26,565,880 (2015-\$25,450,436) at interest rates of 1.88% to 10.50% (2015-1.30% to 10.50%), with maturity dates ranging from June 17, 2016-August 25, 2040 (2015-December 15, 2015 to August 25, 2040).

Currency risk

The Foundation is exposed to risk from changes in foreign currency rates. As of March 31, 2016, the Foundation's total investment in non-Canadian equities had a market value of \$23,456,402 (2015-\$24,947,814).

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.

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5 Investments

	2016			2015		
	Cost	Market Value		Cost	Market Value	
	\$	\$	%	\$	\$	%
Current Investments						
Cash	99,065	99,065	0.1	212,620	212,620	0.3
Hollis Cash (Bldg Fund)	11,249,783	11,249,783	14.6	5,430,064	5,430,064	7.4
Total	\$ 11,348,848	\$ 11,348,848	14.7	\$ 5,642,684	\$ 5,642,684	7.7
Long Term Investments						
Canadian Federal	202,391	202,658	0.3	-	-	-
Canadian Provincial	133,998	144,308	0.2	141,864	129,951	0.2
Canadian Corporate	6,316,182	6,345,347	8.2	5,182,254	5,987,914	8.2
Canadian Income Funds	14,079,228	14,242,186	18.4	13,355,108	12,777,379	17.4
Canadian Fixed Income	20,731,799	20,934,499	27.1	18,679,226	18,895,244	25.8
International Fixed Income	5,631,831	5,631,381	7.2	6,514,804	6,555,192	8.9
Canadian Equities	8,192,613	8,971,375	11.6	8,007,083	10,465,496	14.3
US Equities	-	-	-	85,985	121,360	0.1
International Equities	1,592,007	1,636,148	2.1	4,666,931	5,428,832	7.4
Global Equities	20,082,424	21,820,254	28.2	14,177,054	19,397,622	26.4
Equities	29,867,044	32,427,777	41.9	26,937,053	35,413,310	48.2
Alternative Investments	6,421,279	7,028,345	9.1	6,169,642	6,903,203	9.4
Other	647	647	0.0	1,106	1,106	0.0
Total	\$ 62,652,600	\$ 66,022,649	85.3	\$ 58,301,831	\$ 67,768,055	92.3

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6 Contributed materials and services

During the year, the Foundation received \$771,011 (2015-\$1,149,237) of gifts in kind for which it has issued charitable receipts. Gifts of shares make up \$640,647 (2015-\$1,070,171) of this total and are included in campaign & planned gifts & major & other gifts revenue on the statement of operations and changes in fund balances. 400 volunteers contributed approximately 10,000 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 \$24,748 (2015-\$23,624) 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 \$145,022 for a total of \$3,240,672 (2015-\$3,247,970).

The Foundation has been named beneficiary of irrevocable gift agreements which will result in future cash flows to the Foundation of \$2,180,000 (2015-\$2,180,000). The actuarial present values of these irrevocable gift agreements total \$1,836,154 (2015-\$1,793,962).

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 Plan 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, 2015, 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, 2016.

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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 8 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, 2017	\$18,155
2018	\$18,155
2019	\$18,155
2020	\$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, 2017	\$78,966
2018	\$80,546
2019	\$82,157
2020	\$83,800

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.

University of Ottawa Heart Institute Foundation

Notes to the Financial Statements

March 31, 2016

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

Capital programs	\$nil (2015-\$1,200,000)
Clinical programs	\$47,550 (2015-\$600,000)
Equipment purchases	\$499,149 (2015-\$2,166,963)

Included in accounts payable is \$nil (2015-\$27,379) 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	\$nil (2015-\$570,181)
Equipment purchases	\$11,401 (2015-\$nil)
Research programs	\$5,239,567 (2015-\$5,024,142)

Included in accounts payable is \$145,847 (2015-\$129,868) 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.