

Financial Statements

**London Health Sciences Foundation**

March 31, 2014



Building a better  
working world

# INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
**London Health Sciences Foundation**

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **London Health Sciences Foundation**, which comprise the statement of financial position as at March 31, 2014 and the statements of operations and changes in fund balances and cash flows for the year then ended, and 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 the auditors' 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 auditors 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 audit opinion.

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of **London Health Sciences Foundation** as at March 31, 2014 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.

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

As required by the Corporations Act (Ontario), we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

London, Canada,  
May 29, 2014.

*Ernst & Young LLP*

Chartered Accountants  
Licensed Public Accountants



## London Health Sciences Foundation

Incorporated without share capital under the laws of Ontario

### STATEMENT OF FINANCIAL POSITION

[in thousands]

As at

	2014	2013
	\$	\$
<b>ASSETS</b>		
Cash <i>[note 3]</i>	11,847	8,907
Investments <i>[note 4]</i>	45,852	41,899
Investment in lottery joint venture <i>[note 7]</i>	839	839
Accounts receivable	377	451
Capital assets, net <i>[note 5]</i>	88	58
Other assets <i>[note 6]</i>	477	512
	<b>59,480</b>	<b>52,666</b>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Liabilities</b>		
Accounts payable and accrued charges <i>[note 11]</i>	3,967	1,088
Deferred revenue	226	258
	<b>4,193</b>	<b>1,346</b>
Commitments <i>[notes 3, 12 and 13]</i>		
<b>Fund balances <i>[note 2[a)]</i></b>		
General Fund	1,835	624
Restricted Fund <i>[note 9]</i>	41,742	39,027
Endowment Fund	11,710	11,669
	<b>55,287</b>	<b>51,320</b>
	<b>59,480</b>	<b>52,666</b>

See accompanying notes

On behalf of the Board:



Director



Director



London Health Sciences Foundation

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES

[in thousands]

Year ended March 31

	General Fund		Restricted Fund		Endowment Fund		Total	
	2014	2013	2014	2013	2014	2013	2014	2013
	\$	\$	\$	\$	\$	\$	\$	\$
	<i>[note 9]</i>							
Donations	2,927	2,969	10,777	11,710	31	36	13,735	14,715
Lotteries <i>[note 8]</i>	—	2,168	—	—	—	—	—	2,168
Equity earnings from lottery joint venture <i>[note 7]</i>	653	277	—	—	—	—	653	277
Special events <i>[note 8]</i>	1,672	1,455	—	—	—	—	1,672	1,455
Community events	—	2	1,839	1,786	10	9	1,849	1,797
Investment income								
Realized income	2,056	843	419	418	—	—	2,475	1,261
Unrealized income	—	—	1,086	1,197	—	—	1,086	1,197
<b>Fundraising and event revenue</b>	<b>7,308</b>	<b>7,714</b>	<b>14,121</b>	<b>15,111</b>	<b>41</b>	<b>45</b>	<b>21,470</b>	<b>22,870</b>
Fundraising	1,377	1,268	2,869	2,779	—	—	4,246	4,047
Lotteries <i>[note 8]</i>	—	1,180	—	—	—	—	—	1,180
Special events <i>[note 8]</i>	982	786	—	—	—	—	982	786
Community events	—	—	321	441	—	—	321	441
<b>Fundraising and event expenses</b>	<b>2,359</b>	<b>3,234</b>	<b>3,190</b>	<b>3,220</b>	<b>—</b>	<b>—</b>	<b>5,549</b>	<b>6,454</b>
<b>Excess of revenue over expenses before the following</b>	<b>4,949</b>	<b>4,480</b>	<b>10,931</b>	<b>11,891</b>	<b>41</b>	<b>45</b>	<b>15,921</b>	<b>16,416</b>
Administration	305	264	636	577	—	—	941	841
Investment fees	30	27	168	155	—	—	198	182
Amortization	3	3	23	24	—	—	26	27
<b>Excess of revenue over expenses before disbursements for charitable activity</b>	<b>338</b>	<b>294</b>	<b>827</b>	<b>756</b>	<b>—</b>	<b>—</b>	<b>1,165</b>	<b>1,050</b>
<b>Disbursements for capital</b>	<b>4,611</b>	<b>4,186</b>	<b>10,104</b>	<b>11,135</b>	<b>41</b>	<b>45</b>	<b>14,756</b>	<b>15,366</b>
Disbursements for capital	—	5	2,190	5,890	—	—	2,190	5,895
Disbursements for research and education	4	100	7,357	5,342	—	366	7,361	5,808
Disbursements for patient care areas	18	28	1,327	1,092	—	—	1,345	1,120
Disbursements for highest priority needs	2,780	2,140	—	—	—	—	2,780	2,140
<b>Disbursements for charitable activity</b>	<b>2,802</b>	<b>2,273</b>	<b>10,874</b>	<b>12,324</b>	<b>—</b>	<b>366</b>	<b>13,676</b>	<b>14,963</b>
<b>Excess (deficiency) of revenue over expenses before the following</b>	<b>1,809</b>	<b>1,913</b>	<b>(770)</b>	<b>(1,189)</b>	<b>41</b>	<b>(321)</b>	<b>1,080</b>	<b>403</b>
Revenue from parking operations <i>[note 12]</i>	12,603	12,038	—	—	—	—	12,603	12,038
Less: Parking operations expenditures <i>[note 12]</i>	(9,716)	(9,716)	—	—	—	—	(9,716)	(9,716)
	2,887	2,322	—	—	—	—	2,887	2,322
<b>Excess (deficiency) of revenue over expenses for the year</b>	<b>4,696</b>	<b>4,235</b>	<b>(770)</b>	<b>(1,189)</b>	<b>41</b>	<b>(321)</b>	<b>3,967</b>	<b>2,725</b>
Fund balances, beginning of year	624	(270)	39,027	35,880	11,669	12,985	51,320	48,595
Interfund transfers, net <i>[note 9]</i>	(3,485)	(3,341)	3,485	4,336	—	(995)	—	—
<b>Fund balances, end of year</b>	<b>1,835</b>	<b>624</b>	<b>41,742</b>	<b>39,027</b>	<b>11,710</b>	<b>11,669</b>	<b>55,287</b>	<b>51,320</b>

See accompanying notes



## London Health Sciences Foundation

### STATEMENT OF CASH FLOWS

[in thousands]

Year ended March 31

	2014	2013
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	3,967	2,725
Add (deduct) items not affecting cash		
Amortization	26	27
Unrealized gain on investments	(1,086)	(1,197)
Equity earnings from lottery joint venture <i>[note 7]</i>	(653)	(277)
	<u>2,254</u>	<u>1,278</u>
Changes in non-cash working capital balances related to operations		
Decrease (increase) in accounts receivable	74	(28)
Decrease (increase) in other assets	35	(90)
Decrease (increase) in interest receivable on investments <i>[note 4]</i>	(12)	4
Increase (decrease) in accounts payable and accrued charges	2,879	(831)
Decrease in deferred revenue	(32)	(843)
Distribution from joint venture <i>[note 7]</i>	653	277
<b>Cash provided by (used in) operating activities</b>	<u>5,851</u>	<u>(233)</u>
<b>INVESTING ACTIVITIES</b>		
Investment funds reinvested	(2,855)	(947)
Investment in joint venture	—	(839)
Purchase of capital assets	(56)	—
<b>Cash used in investing activities</b>	<u>(2,911)</u>	<u>(1,786)</u>
<b>Net increase (decrease) in cash during the year</b>	<b>2,940</b>	<b>(2,019)</b>
Cash, beginning of year	<u>8,907</u>	<u>10,926</u>
<b>Cash, end of year</b>	<u>11,847</u>	<u>8,907</u>

*See accompanying notes*



## London Health Sciences Foundation

# NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

## 1. NATURE OF THE FOUNDATION

London Health Sciences Foundation [the "Foundation"] is a public foundation incorporated without share capital under the laws of Ontario, registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. The Foundation raises money, stewards donations and builds relationships with the community, primarily in support of the patient care, teaching, research missions and other high priority needs as identified by the London Health Sciences Centre ["LHSC"].

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Part III of the Chartered Professional Accountants of Canada ["CPA Canada"] Handbook - Accounting Standards for Not-For-Profit Organizations, which sets out generally accepted accounting principles for not-for-profit organizations in Canada ["GAAP"] and includes the significant accounting policies summarized below.

### [a] Fund accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Foundation, the accounts of the Foundation are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance with the objectives specified by donors or in accordance with directives issued by the Board of Directors. Transfers between the funds are made when it is considered appropriate and authorized by the Board of Directors.

For financial reporting purposes, the accounts have been classified into the following funds:

#### [i] General Fund

The General Fund accounts for the Foundation's general fundraising and administrative activities. The General Fund reports unrestricted resources available for immediate purposes.

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

[ii] Restricted Fund

The Restricted Fund reports revenues that have a specific purpose as specified by the donor and the expenses incurred to raise these funds. It also reports the disbursements expended for these specific purposes. Amounts transferred into the Restricted Fund due to restrictions imposed by the Board of Directors are recognized as interfund transfers.

[iii] Endowment Fund

The Endowment Fund reports resources that are required to be maintained by the Foundation on a permanent basis.

#### **[b] Investments and investment income**

Investment income, which consists of interest, dividends, income distributions from pooled funds and realized and unrealized gains and losses, is recorded in the statement of operations and changes in fund balances.

#### **[c] Revenue recognition**

All donations and bequests are recorded in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Life insurance policies that have named the Foundation as owner/beneficiary are recorded at the cash surrender value of the policy. The increase in cash surrender value from year to year is recorded as revenue in the appropriate fund.

#### **[d] Contributed materials and services**

Volunteers contribute many hours per year to assist the Foundation in carrying out its activities. Because of the difficulty in determining fair value, contributed services are not recognized in the financial statements. Contributed materials are also not recognized in the financial statements.

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

#### [e] Capital assets

Capital assets are recorded at acquisition cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of the contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives as follows:

Office equipment	5 years
Computer equipment	3 years
Donor walls	10 years
Leasehold improvements	Terms of lease

#### [f] Joint venture

The Foundation has an interest in lottery fundraisers where there is joint control of lottery operations by the participating foundations. The Foundation follows the equity method of accounting for this joint venture. The investment in the lottery joint venture is initially recorded at cost and the carrying value is adjusted thereafter to include the Foundation's share of earnings. Distributions of earnings from the joint venture reduce the carrying value of the investment.

#### [g] Financial instruments

The Foundation has elected to record all investments at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses from market fluctuations are included in investment income.

Other financial instruments including accounts receivable, long-term annuity, cash surrender value of life insurance policies, accounts payable and accrued charges and obligations under capital lease are measured at amortized cost using the effective interest rate method, net of any provisions for impairment.



## London Health Sciences Foundation

# NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

### **Determination of fair value**

The fair value of a financial instrument is the amount of consideration that would be agreed upon in an arm's-length transaction between knowledgeable, willing parties who are under no compulsion to act. The fair value of a financial instrument on initial recognition is the transaction price, which is the fair value of the consideration given or received. Subsequent to initial recognition, the fair values of financial instruments that are quoted in active markets are based on the latest closing price. When independent prices are not available, fair values are determined by using valuation techniques which refer to observable market data.

### **[h] Administrative charge**

An administrative charge is levied on restricted and endowed donations to sustain the operations of the Foundation *[note 9]*.

### **[i] Use of estimates**

Preparation of the Foundation's financial statements in accordance with GAAP requires management to make certain estimates based on management's judgments. These estimates affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results may differ from those estimates.

### **[j] Allocation of expenses**

The costs of each function include the costs of personnel and other expenses that are directly related to the function. General support and other similar costs are not allocated and are included in administration expenses on the statement of operations and changes in fund balances.

### **[k] Employee future benefits**

Defined contribution plan accounting is applied to the multi-employer defined benefit plan, whereby contributions are expensed on an accrual basis, as the Foundation has insufficient information to apply defined benefit accounting.

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

#### 3. LETTER OF CREDIT

During the year, the Foundation issued a letter of credit for \$2,050 to the Minister of Finance that relates to the fiscal 2014 Spring Dream Lottery. This letter of credit expires on August 11, 2014. The Foundation is indemnified by the other two participating foundations on the same percentage basis as their net proceeds entitlement for fiscal 2014 [note 7]. The lottery joint venture has pledged its cash balance as collateral against this letter of credit.

#### 4. INVESTMENTS AND FINANCIAL INSTRUMENTS

##### [a] Investments

Details of investments are as follows:

	2014	2013
	\$	\$
Government of Canada bonds	8,837	3,904
Corporate bonds	8,621	12,811
Canadian equities	5,322	4,850
U.S. equities	6,315	4,865
Foreign equities	1,821	680
Treasury bills	13,851	13,305
Mutual funds	1,085	1,484
	<u>45,852</u>	<u>41,899</u>

The Foundation recognized \$216 of interest income during the year [2013 - \$190]. The fair value of investments includes interest receivable of \$119 [2013 - \$107].

Bonds bear interest at varying rates between 1.25% and 7.405%. The bonds mature at varying dates between September 15, 2014 and December 31, 2108. The cost of investments as at March 31, 2014 is \$43,309 [2013 - \$39,802]. Bonds with a combined face value of \$573 at March 31, 2014 have early settlement options.

##### [b] Financial instruments

The Foundation is subject to certain financial risks through transactions in financial instruments. The following provides information in assessing the Foundation's exposure to those risks. To manage these risks, the Foundation has established a target mix of investment types and currencies intended to achieve optimal return within reasonable risk tolerances.

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

#### *Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to currency risk as certain investments held at year-end are denominated in foreign currencies. Approximately 53% of the Foundation's investment income is denominated in United States funds.

#### *Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Foundation is exposed to interest rate risk on its fixed and floating interest rate financial instruments, including its Government of Canada and corporate bonds and treasury bills.

#### *Market price risk*

Market price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices [other than those arising from interest rate risk or currency risk]. The Foundation is exposed to market risk on its investment portfolio.

## 5. CAPITAL ASSETS

Details of capital assets are as follows:

	2014		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Office equipment	213	191	22
Computer equipment	388	358	30
Leasehold improvements	54	51	3
Donor walls	90	57	33
	<b>745</b>	<b>657</b>	<b>88</b>

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

	2013		
	Cost	Accumulated amortization	Net book value
	\$	\$	\$
Office equipment	198	188	10
Computer equipment	350	341	9
Leasehold improvements	51	50	1
Donor walls	91	53	38
	<u>690</u>	<u>632</u>	<u>58</u>

The above capital assets include assets under capital lease of \$142 [2013 - \$105] at cost, with accumulated amortization of \$114 [2013 - \$101].

#### 6. OTHER ASSETS

Details of other assets are as follows:

	2014	2013
	\$	\$
Prepaid expenses	207	250
Cash surrender value of life insurance policies	270	245
Annuity, at amortized cost	—	17
	<u>477</u>	<u>512</u>

The life insurance policies were donated to the Foundation, at which time the Foundation became the owner and beneficiary of the policies. These policies have a death benefit of \$4,702 [2013 - \$4,699].

The Foundation had a 20-year, 7.2% annuity contract that matured in January 2014. The fair market value of the annuity at March 31, 2014 was nil [2013 - \$18].

#### 7. LOTTERY JOINT VENTURE ACTIVITIES

In fiscal 2013, the Foundation entered into a joint venture agreement with St. Joseph's Health Care Foundation and the Children's Health Foundation [the "Venturers"] relating to future Dream and Millionaire lotteries, whereby the Venturers have contractually shared power to determine the strategic operating, investing and financing activities of the joint venture. The Foundation has made an accounting policy choice to account for its one-third interest in the joint venture, which has a January 31 year-end, using the equity method.

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

The Foundation's one-third share of the joint venture's assets, liabilities, operations and cash flows as at and for the period ended January 31 are as follows:

	<b>2014</b>	<b>2013</b>
	\$	\$
Foundation's share of current year revenue	<b>2,997</b>	1,263
Foundation's share of current year expenses	<b>2,344</b>	986
<b>Foundation's share of excess of revenue over expenses</b>	<b>653</b>	277
	<b>2014</b>	<b>2013</b>
	\$	\$
Foundation's share of total assets	<b>1,100</b>	447
Foundation's share of total liabilities	<b>1,100</b>	447
<b>Foundation's share of net assets</b>	<b>—</b>	—

The Foundation's share of cash provided by operating activities of the joint venture was \$105 [2013 - \$216].

### 8. SPECIAL EVENTS AND LOTTERIES

Revenue for the 2013 Spring Dream Lottery is summarized below. The 2013 Fall Dream lottery activities were carried out in the joint venture and accounted for using the equity method [note 7]. In 2014, the activities associated with both the Fall and Spring Dream Lotteries were carried out in the joint venture and accounted for using the equity method [note 7].

	<b>2014</b>	<b>2013</b>
	\$	\$
Lottery revenue		
Dream Lottery	—	2,168
Millionaire Lottery	—	—
	—	2,168
Special events revenue		
Country Classic Auction	<b>1,050</b>	1,095
Tastings	<b>364</b>	360
See The Line	<b>258</b>	—
	<b>1,672</b>	1,455
Expenses	<b>982</b>	1,966
<b>Net proceeds</b>	<b>690</b>	1,657

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

All expenses included above are direct expenses of these special events and lotteries. Net proceeds are impacted by a variety of factors, including the type of fundraiser held, which may vary annually.

#### Dream Lottery [completed lotteries]

	<b>2013</b>
	\$
Revenue	4,090
Expenses	2,947
<b>Net proceeds</b>	<b>1,143</b>
<b>Allocation of net proceeds:</b>	
London Health Sciences Foundation	605
St. Joseph's Health Care Foundation	424
Children's Health Foundation	114
	<b>1,143</b>

#### 9. RESTRICTED FUND

The Restricted Fund consists of both internally and externally restricted funds. Internally restricted funds represent donations that have been restricted for a specific purpose by the Board of Directors. Externally restricted funds represent donations and accumulated investment income whereby the donor has made a specific direction on the use of these funds.

	<b>2014</b>	<b>2013</b>
	\$	\$
Internally restricted	<b>1,389</b>	1,397
Externally restricted	<b>40,353</b>	37,630
	<b>41,742</b>	39,027

Externally restricted funds are primarily restricted for capital, research and education activities.

## London Health Sciences Foundation

# NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

During the year ended March 31, 2014, the Board of Directors approved a transfer from the General Fund to the Restricted Fund of \$3,485 [2013 - \$3,341]. This transfer is net of an administrative charge to sustain the operations of the Foundation of \$911 [2013 - \$902] charged on restricted funds [note 2[h]].

### 10. HEALTHCARE OF ONTARIO PENSION PLAN

Pension benefit costs are expensed as related contributions are made to the Healthcare of Ontario Pension Plan ["HOOPP"], which is a multi-employer, defined benefit, final average earnings, contributory pension plan. Substantially all of the employees of the Foundation are members of HOOPP. Employer contributions made to HOOPP on behalf of employees amounted to \$339 [2013 - \$334].

The most recent actuarial valuation for financial reporting purposes completed by HOOPP as of December 31, 2013 disclosed net assets available for benefits of \$51,626,000 [2012 - \$47,414,000] with pension obligations of \$41,478,000 [2012 - \$39,919,000], resulting in a surplus of \$10,148,000 [2012 - \$7,495,000]. The cost of pension benefits is determined by HOOPP at \$1.26 per every dollar of employee contributions. The plan is funded by HOOPP. As of December 31, 2013, HOOPP was 114% funded.

### 11. RELATED PARTY

LHSC provides administrative support and payroll processing to the Foundation. This in-kind support has not been recorded in the financial statements of the Foundation. The net assets and results of operations of the Foundation are not included in LHSC's financial statements.

As at March 31, 2014, the Foundation had an amount payable to LHSC of \$2,296 [2013 - \$840] and an amount receivable from the lottery joint venture of nil [2013 - \$54]. Invoices are due upon receipt and interest may be applied on past due accounts at a rate of 1.5% per month.

### 12. PARKING AGREEMENT

On July 1, 2011, the Foundation entered into an agreement to lease the parking facilities at LHSC sites through lease and sublease agreements with LHSC. The term of the lease is five years with lease payments of \$595 per month with an option to renew for a further five years on mutual agreement.

The Foundation has a management agreement with LHSC in connection with the parking facility whereby LHSC was appointed manager of the facility. Management fees and rent related to these agreements were paid to LHSC during the year.

## London Health Sciences Foundation

### NOTES TO FINANCIAL STATEMENTS

[in thousands]

March 31, 2014

#### 13. COMMITMENTS

On November 1, 2013, the Foundation entered into a rental agreement to lease administrative space. The term of the operating lease is five years. The following is the annual lease payments over the term of the lease:

	\$
2015	54
2016	55
2017	56
2018	57
2019	34
	<u>256</u>



