In our 15th year
MESSAGE FROM THE CHAIR AND CEO

It’s hard to believe that almost 15 years have passed since the closing of the Doctors Hospital and the transition the Kensington Foundation. Since inception, the principle mission of the Foundation has been to provide financial support for the Kensington Health entities. With the Kensington Health Campus now comprising 5 charitable not-for-profit organizations with 3 operating entities: the Kensington Health Centre, including Kensington Gardens and the Kensington Hospice, the Kensington Eye Institute and the Kensington Screening Clinic as well as 2 Foundations: the Kensington Foundation and the Kensington Research Institute, we can reflect on what it has taken to get here.

It all begins with people. Our many donors and supporters, who gave us their trust as well as their generous donations, have allowed us to grow and flourish in our mission of Enhancing Quality of Life. We are a financially stable organization with person-centred care as our operating philosophy. We believe we are fulfilling this mission when we receive comments from a Kensington Gardens resident’s family saying, “Thank you for your kindness and dedication. Our family member is healthier and happier because of all the wonderful work you do.” Or from a Hospice resident, “The care is unbelievable. It’s very personal. I feel as if I am with a family and they are looking after me.”

The leadership of all of the operating entities share the philosophy of person-centred care and fiscal responsibility. Bill O’Neill, Executive Director of the Kensington Health Centre, Donna Punch, Clinical Director of the Kensington Eye Institute and Wendy Beckles, Chief Operating Officer of the Kensington Screening Clinic as well as Chief Financial Officer of all the entities, are consistent in their search for new ways of delivering care that enhances the experience for our residents and patients. We offer our thanks to them and their teams of caregivers for their dedication.

Over the years, we have had numerous devoted supporters, including many members of the Board of Directors who continue to volunteer today. It is through their shared vision, innovative thinking, devotion and managed risk-taking that we’ve been able to accomplish so much. We can’t thank our Board members enough for what they do, year after year.

We’d also like to thank Russ McKay, Chair and the members of the Investment Committee for their stewardship in establishing our Statement of Investment Policy and oversight of our investment portfolio, Carmen Di Paola, Chair and the members of the Grants & Donations Committee for their dedication in allocation of funding for our Grants Program, Marie Rounding, Chair and the members of the Audit Committee for ensuring accuracy, accountability and transparency in our financial reporting and to Warren Seyffert, Chair and the members of the Strategic Planning Committee for their vision and insight for future opportunities for Kensington Health.

It is a pleasure to be part of this dynamic organization.

John Lind
Chair & President

Brian McFarlane
Chief Executive Officer
HOSPICE CAPITAL CAMPAIGN DONORS

$1+ Million
The Carlo Fidani Foundation

$100,000+
The Ralph M. Barford Foundation
Canada Life
Jaimie Grossman
The Robert Kerr Foundation
Lind Family Foundation
Warren and Joy Seyffert
Paul Stevenson
Howard and Carole Tanenbaum
Family Charitable Foundation

$50,000+
Labtecian
Brian and Fran McFarlane

$25,000+
CIBC
Carmen and Raffaela Di Paola
The Les and Minda Feldman Charitable Foundation
Craig and Shelley Lynk
Thomas P. McQuillan of the McQuillan Group Inc.
RBC Foundation
Mark and An Richardson
Natasha and David Sharpe
Josephine and Nick Torchetti
Glenn Watchorn
Robert and Joan Wright

$5,000+
Douglas Anderson
Wendy and Mark Beckles
Dr. Murray and Dr. Roslyn Herst
Hike for Hospice 2012
Russ and Barbara McKay
Edward McQuillan
Jim and Louise Nelles
Bill and Sue O’Neill
Marie C. Rounding

$1,000+
Natalie Dzudovich
Peter and Debbie Emmerson
Victor Sousa

IN HONOUR OF:
Jeffrey Baker
Catherine Birt
Rosa Braga-Mele
Calvin Breslin
Hall Chew
Lawrence Cohen
Teresa Dias
William Dixon
Lulu D’Sousa
Piedad (Pia) Escobar
Manuella Esprit
Fernanda Ferreira
Shirley Gardner
Shirley Gardner
John A. Gorfinkle
John Hagen Medicine Profession
Al Corporation
Athanasios Harmantas
Heathbridge Client
Graham Hill
Gabe Kandel
Gabe Kandel
The staff of Kensington Eye Institute
The staff of Kensington Screening Clinic

IN MEMORY OF:
Robert Anderson
Miriam Angus
Janet Belray
Joao Benevides
Albert Alvin Bierworth
Billy Bryans
Olivia Cardoso
King Hong Chan
Hoa Quoc Chieu
Dorothy Chong
Elizabeth Cox
John Cromwell
Maria Dias

enhancing quality of life
As we move into our 15th year, it seems an appropriate time to reflect on what the Kensington Foundation has accomplished with a vision of being a strategic partner for enhancing quality of life by provision of financial support to the Kensington Health entities.

The Kensington Foundation grew out of the closing of the Doctors Hospital in 1998. A new idea for health care delivery emerged through the shared vision, determination and tenacity of the Board of Directors.

“A shared vision is not an idea. It is rather a force in people’s hearts, a force of impressive power. It may be inspired by an idea but once it goes further -- if it is compelling enough to acquire the support of more than one person -- then it is no longer an abstraction. It is palpable. People begin to see it as if it exists. Few, if any forces in human affairs, are as powerful as a shared vision.”  
Peter Senge, The Fifth Discipline

The Kensington Foundation was the result of shared vision. The Board recognized there were many unmet health care needs in the community, particularly around senior’s health issues, and resolved to put their efforts into meeting some of those needs with quality health care delivery and medical education. The Foundation’s principles were simple: having patients/residents treated in the right place commensurate with their needs in a cost-effective way.

The Kensington Foundation Board’s first undertaking was the creation of the Kensington Health Centre (KHC), funding the construction of Kensington Gardens, a charitable, not-for-profit long-term care home for 350 residents. The building at 25 Brunswick Avenue opened in 2002 with 200 beds with the second building at 45 Brunswick Avenue opening in 2004 with 150 beds – with innovative thinking in how they were planned and built.

The environment with single dwelling rooms, beautiful, clean surroundings, “neighbourhoods” within the building, a main floor town centre where residents can go outside of their own space, overnight accommodations for family members and a customer service emphasis – all of these things were ahead of their time in the long-term care landscape of 2002.

Since 2002, Kensington Gardens has been home to 1133 residents.

The second mission of the Foundation was to fund the creation of the Kensington Eye Institute in order to help to reduce the excessive wait time for those in need of cataract surgery. Recognized by the Ministry of Health and Long-Term Care with an Independent Health Facility license, the Kensington Eye Institute (KEI), purpose-built and designed, opened its doors in 2006 as a charitable, not-for-profit ‘Academic Centre of Excellence’ for cataract surgery. With an Affiliation Agreement with the University of Toronto Department of Ophthalmology and Vision Sciences, KEI has undertaken the training of ophthalmic medical residents – the future of eye care in Ontario and Canada. There have been 34 medical residents graduated from U of T having had their resident training at KEI and 7 of those graduates are now practicing at KEI.
Plan presented in January 2012, the Drummond Commission Report of February 2012 and the Provincial Government Budget in March 2012 as a “community-based clinic that provides Ontarians with high-quality cataract procedures, which are covered under OHIP but performed outside a hospital setting. The Institute is able to focus on providing specialized procedures and, therefore, can serve more patients with excellent outcomes at a lower cost.” Because of this excellence, the Kensington Eye Institute will be expanding their services to include glaucoma surgery, cornea transplants and vitreoretinal surgery in the Fall of 2012.

In 2009, the Kensington Screening Clinic (KSC), a state-of-the-art endoscopy suite, came into existence as a charitable not-for-profit organization through the on-going search for unmet health care needs in the community and funded through the Kensington Foundation. Wait times for life-saving endoscopy screening through hospitals was unacceptably high. Colorectal cancer is one of the only potential cancers that can be routinely discovered and the growth removed before it turns into cancer. With early screening and detection, colorectal cancer can be cured 90 per cent of the time, and is one of the only cancers in the world with this kind of success rate.

The Kensington Screening Clinic has performed over 18,000 procedures with excellent outcomes and a 90% patient satisfaction rating. KSC has an Affiliation Agreement with the University of Toronto for the teaching and training of Surgical Fellows and Anesthesia Medical Residents to ensure the future for this critical screening procedure.

The Kensington Screening Clinic is another example of patients being treated in the right place commensurate with their needs, in a comfortable non-hospital setting and in a cost-effective way.

The most recent undertaking of the Kensington Foundation was the development of the former chapel of St. John the Divine into a beautiful, 10-bed residential space for compassionate end-of-life care, the Kensington Hospice, which opened in August 2011. Under the auspices of the Kensington Health Centre and in partnership with the University Health Network and the Princess Margaret Hospital, our care-giving team addresses the needs of the resident and their family and close companions during the terminal phases of illness and the bereavement period. Physicians, nurses, social workers, chaplains, bereavement counselors and other health care professionals, as well as trained Hospice volunteers, provide palliative care 24 hours a day, 7 days a week in a home-like setting.

As Ontario’s population ages, the need for quality end-of-life care escalates. The Kensington Foundation had long identified hospice palliative care as an essential community need and recognized the importance of celebrating and nurturing the wholeness of each resident and family member, with assistance that is sensitive to spiritual, cultural and religious diversity. The Kensington Hospice provides pain and symptom control and psychosocial and spiritual support for patients and their families, in a beautiful setting and at a cost well below that of a hospital bed.

The Kensington Foundation was also the impetus to create the Kensington Research Institute in 2008. This charitable foundation provides funding to all the Kensington Health entities for research into medical, surgical and health-related research and services of all kinds. All research undertaken helps to establish best practices in various disciplines, advances knowledge and contributes to enhancing quality of life. A number of research papers have been published.

So, after 15 years, the Kensington Health Campus has become a reality of the shared vision from 1998 with 3 operating entities: the Kensington Health Centre, comprising Kensington Gardens and the Kensington Hospice, the Kensington Eye Institute and the Kensington Screening Clinic as well as 2 funding foundations: the Kensington Foundation and the Kensington Research Institute.

In addition, the Foundation’s Grants Program has continued to support local community projects and services.

We are extremely proud of our accomplishments and the benefits we’ve brought to our community and look forward with excitement to where we’ll be in another 15 years.
SUMMARY STATEMENT OF OPERATIONS

REVENUE

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2012</th>
<th>June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Investment income</td>
<td>$ 826,588</td>
<td>$ 920,396</td>
</tr>
<tr>
<td>Capital gains (net)</td>
<td>-</td>
<td>1,237,033</td>
</tr>
<tr>
<td>Adjustment of investments to market value</td>
<td>284,706</td>
<td>134,893</td>
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<tr>
<td>Donations</td>
<td>1,165,268</td>
<td>718,082</td>
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<tr>
<td>Golf fundraising event</td>
<td>212,046</td>
<td>207,211</td>
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<tr>
<td>Net rental income</td>
<td>1,017,709</td>
<td>934,110</td>
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<tr>
<td></td>
<td><strong>3,506,317</strong></td>
<td><strong>4,151,725</strong></td>
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EXPENSE

<table>
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<tr>
<th>Description</th>
<th>June 30, 2012</th>
<th>June 30, 2011</th>
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</thead>
<tbody>
<tr>
<td>Administrative</td>
<td>80,686</td>
<td>76,842</td>
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<td>Golf fundraising event</td>
<td>73,469</td>
<td>63,363</td>
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<td>Fundraising office</td>
<td>291,016</td>
<td>143,509</td>
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<td>Investment management fees</td>
<td>51,809</td>
<td>62,962</td>
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<td>Professional Fees</td>
<td>10,019</td>
<td>7,610</td>
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<td><strong>506,999</strong></td>
<td><strong>354,286</strong></td>
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EXCESS OF REVENUE OVER EXPENSE BEFORE GRANTS & DONATIONS

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<tr>
<th>Description</th>
<th>June 30, 2012</th>
<th>June 30, 2011</th>
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<tbody>
<tr>
<td></td>
<td><strong>2,999,318</strong></td>
<td><strong>3,797,439</strong></td>
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DEDUCT GRANTS & DONATIONS PAID OR PAYABLE:

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<tr>
<th>Description</th>
<th>June 30, 2012</th>
<th>June 30, 2011</th>
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<tbody>
<tr>
<td>The Kensington Health Centre</td>
<td>2,805,285</td>
<td>500,000</td>
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<tr>
<td>The Kensington Cancer Screening Centre</td>
<td>314,385</td>
<td>350,000</td>
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<tr>
<td>The Kensington Eye Institute</td>
<td>1,670</td>
<td>-</td>
</tr>
<tr>
<td>Community organizations</td>
<td>120,200</td>
<td>111,200</td>
</tr>
<tr>
<td></td>
<td><strong>120,200</strong></td>
<td><strong>111,200</strong></td>
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</table>

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR

<table>
<thead>
<tr>
<th>Description</th>
<th>June 30, 2012</th>
<th>June 30, 2011</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td><strong>$ (242,222)</strong></td>
<td><strong>$ 2,836,239</strong></td>
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AUDITORS’ REPORT ON SUMMARIZED FINANCIAL STATEMENTS

To the Members of Kensington Foundation

The accompanying summary financial statement, which is comprised of the statement of income for the year ended June 30, 2012 is derived from the audited financial statements of The Kensington Foundation for the year ended June 30, 2012. We expressed an unqualified audit opinion on those financial statements in our report dated October 27, 2012. Those financial statements, and the summary financial statements, do not reflect the effects of events that occurred subsequent to the date of our report on those financial statements.

The summary financial statements do not contain all the disclosures required by Canadian generally accepted accounting principles. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of The Kensington Foundation.

Management’s Responsibility for the Summary Financial Statements

Management is responsible for the preparation of a summary of the audited financial statements in accordance with Canadian generally accepted accounting principles.

Auditor’s Responsibility

Our responsibility is to express an opinion on the summary financial statements based on our procedures, which were conducted in accordance with Canadian Auditing Standards (CAS) 810, “Engagements to Report on Summary Financial Statements.”

Opinion

In our opinion, the summary financial statements derived from the audited financial statements of The Kensington Foundation for the year ended June 30, 2012 are a fair summary of those financial statements in accordance with Canadian generally accepted accounting principles.

Licensed Public Accountants
Toronto, Ontario October 27, 2012

Tinkham & Associates LLP
CHARTERED ACCOUNTANTS

THE KENSINGTON FOUNDATION AUDIT COMMITTEE

The Audit Committee is chaired by Marie Rounding and is made up of four independent members of the board, all of whom are financially literate to enable them to discharge their responsibilities in accordance with the requirements of the Corporation. In carrying out its responsibilities, the audit committee meets with the CEO and the CFO and with the external auditor, Tinkham and Associates, LLP.
KENSINGTON FOUNDATION BOARD 2011-12

Officers
John Lind
Chair and President
Carmen Di Paola
Vice-Chair
Marie Rounding
Vice-Chair
R.J. Brian McFarlane
CEO

Directors
Douglas Anderson
Ed Crosby
Russell McKay
Abraham Saltzman
Warren Seyffert
Natasha Sharpe
Nick Torchetti
Glenn Watchorn
Louise Yearwood

COMMITTEE MEMBERS 2011-12

Audit Committee
Marie Rounding, Chair
Russell McKay
Natasha Sharpe
Nick Torchetti

Investment Committee
Russell McKay, Chair
Douglas Anderson
Ed Crosby
Glenn Watchorn
John Lind
Craig Lynk

Grants/Donations
Carmen Di Paola, Chair
Russell McKay
Marie Rounding
Abraham Saltzman
Warren Seyffert
Nick Torchetti

Strategic Planning
Warren Seyffert, Chair
Carmen Di Paola
John Lind
Natasha Sharpe
Nick Torchetti

The principal mission of The Kensington Foundation is to provide financial support for:

THE KENSINGTON HEALTH CENTRE:
KENSINGTON GARDENS
KENSINGTON HOSPICE

THE KENSINGTON EYE INSTITUTE

THE KENSINGTON SCREENING CLINIC

THE KENSINGTON RESEARCH INSTITUTE

Every effort is made to ensure proper recognition of each donor. Please contact associate@kensingtonhealth.org regarding any omissions or corrections.

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Toronto, ON M5T 3A9
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www.kensingtonhealth.org