

**Alzheimer Society of Ontario**  
**Financial Statements**  
For the year ended March 31, 2017

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## Independent Auditor's Report

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### To the Members of Alzheimer Society of Ontario

We have audited the statement of financial position of Alzheimer Society of Ontario as at March 31, 2017 and the statements of revenue and expenses, 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.

### 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.

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 Alzheimer Society of Ontario as at March 31, 2017 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants  
Mississauga, Ontario  
June 14, 2017

## Alzheimer Society of Ontario Statement of Revenue and Expenses

For the year ended March 31	2017	2016
<b>Revenue</b>		
Support from the public		
Individual giving and direct marketing	\$ 5,803,040	\$ 4,326,743
Bequests	1,829,817	3,121,575
Corporate giving	187,615	167,574
	7,820,472	7,615,892
Total support from the public		
Government		
Government health programs	803,555	915,708
Partner charities	158,779	101,466
Literature and seminars	662,088	421,415
Investment and other income	140,843	306,357
	9,585,737	9,360,838
<b>Total revenue</b>		
<b>Expenses</b>		
Programs		
Services	1,440,678	1,566,470
Research	1,872,227	2,700,471
Partner charities (Note 11b)	2,829,962	2,644,726
Government health programs	803,555	915,708
	6,946,422	7,827,375
Total program expenses		
Support		
Fundraising	1,109,621	888,434
Administration	1,841,122	1,046,107
	2,950,743	1,934,541
Total support expenses		
<b>Total expenses</b>	9,897,165	9,761,916
<b>Deficiency of revenue over expenses before unrealized gains (losses) on investments</b>	(311,428)	(401,078)
Unrealized gains (losses) on investments	234,377	(171,003)
	\$ (77,051)	\$ (572,081)
<b>Deficiency of revenue over expenses</b>		

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

## Alzheimer Society of Ontario Statement of Financial Position

**March 31** **2017** **2016**

### Assets

#### Current

Cash and cash equivalents	\$ 1,580,014	\$ 1,172,928
Short-term investments (Note 3a)	400,000	1,000,000
Accounts receivable (Note 2)	1,574,902	848,740
Prepaid expenses	49,102	31,693

**3,604,018** **3,053,361**

**Long-term investments** (Note 3b)

**3,072,146** **2,793,702**

**Property and equipment** (Note 4)

**76,669** **64,667**

**Intangible asset** (Note 5)

**570,754** **-**

**\$ 7,323,587** **\$ 5,911,730**

### Liabilities and Fund Balances

#### Current

Accounts payable and accrued liabilities (Note 7)	\$ 1,082,521	\$ 431,742
Deferred revenue (Note 8)	755,955	1,065,800
Amounts held in trust (Note 9)	5,647	7,673

**1,844,123** **1,505,215**

**Long-term debt** (Note 10)

**1,150,000** **-**

**2,994,123** **1,505,215**

#### Fund balances

Internally restricted funds	2,036,697	2,225,047
Invested in property and equipment fund	76,669	64,667
Unrestricted fund	2,216,098	2,116,801

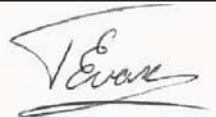
**4,329,464** **4,406,515**

**\$ 7,323,587** **\$ 5,911,730**

On behalf of the Board:



\_\_\_\_\_  
Director



\_\_\_\_\_  
Director

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

**Alzheimer Society of Ontario**  
**Statement of Changes in Fund Balances**

**For the year ended March 31**

	Internally Restricted Funds				Invested In Property and Equipment Fund	Unrestricted Fund	2017	2016
	Fiscal Strength Fund	Research Contributions Fund	Strategic Investment Fund	Technology Fund				
<b>Fund balance</b> , beginning of year	\$ 1,400,000	\$ 258,798	\$ 26,402	\$ 539,847	\$ 64,667	\$ 2,116,801	\$ 4,406,515	\$ 4,978,596
Excess (deficiency) of revenue over expenses for the year	-	-	(41,912)	(309,495)	(27,290)	301,646	(77,051)	(572,081)
Purchase of property and equipment	-	-	-	-	39,292	(39,292)	-	-
Transfer to Strategic Investment Fund (Note 1)	-	-	163,057	-	-	(163,057)	-	-
<b>Fund balance</b> , end of year	\$ 1,400,000	\$ 258,798	\$ 147,547	\$ 230,352	\$ 76,669	\$ 2,216,098	\$ 4,329,464	\$ 4,406,515

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

## Alzheimer Society of Ontario Statement of Cash Flows

For the year ended March 31	2017	2016
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Deficiency of revenue over expenses	\$ (77,051)	\$ (572,081)
Adjustments required to reconcile deficiency of revenue over expenses with net cash provided by operating activities		
Amortization of property and equipment	27,290	19,322
Unrealized losses (gains)	(234,377)	171,003
Changes in non-cash working capital balances		
Accounts receivable	(726,162)	(414,151)
Prepaid expenses	(17,409)	(15,639)
Accounts payable and accrued liabilities	650,779	(118,527)
Deferred revenue	(309,845)	(39,185)
Amounts held in trust	(2,026)	(3,010)
	<b>(688,801)</b>	<b>(972,268)</b>
<b>Investing activities</b>		
Sale (purchase) of long-term investments	(44,067)	110,017
Sale (purchase) of short-term investments	600,000	(150,000)
Purchase of property and equipment	(39,292)	(20,836)
Development of intangible asset	(570,754)	-
	<b>(54,113)</b>	<b>(60,819)</b>
<b>Financing activity</b>		
Proceeds of long-term debt	1,150,000	-
	<b>407,086</b>	<b>(1,033,087)</b>
<b>Increase (decrease) in cash and cash equivalents during the year</b>		
	<b>407,086</b>	<b>(1,033,087)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>1,172,928</b>	<b>2,206,015</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 1,580,014</b>	<b>\$ 1,172,928</b>
<b>Cash and cash equivalents consists of:</b>		
Cash	\$ 1,280,014	\$ 157,928
Cash equivalents - Cashable Guaranteed Investment Certificates	300,000	1,015,000
	<b>\$ 1,580,014</b>	<b>\$ 1,172,928</b>

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

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# Alzheimer Society of Ontario

## Notes to Financial Statements

March 31, 2017

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### 1. Summary of Significant Accounting Policies

#### **Purpose of the Organization**

The Alzheimer Society of Ontario (the "Society") is an association of individually incorporated Member Local Societies whose mission is to alleviate the personal and social consequences of Alzheimer's Disease and related disorders and to promote research. The role of the Society is to collaborate with all levels of the Alzheimer's community in order to foster excellence in services, education and research.

The Society was incorporated on January 10, 1983 without share capital, under the relevant provisions of the Ontario Corporations Act. Under the Income Tax Act, the Society is classified as a registered charity and is therefore exempt from income taxes.

#### **Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### **Financial Statement Presentation**

These financial statements reflect only the assets, liabilities, and operations under the administration of the Society. The assets, liabilities and operations of the various separately incorporated Ontario Member Local Societies of the Society are not included in these financial statements.

#### **Revenue Recognition**

Contributions, including public support, bequest and memoriams, and amounts received from corporations and foundations, are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are initially recorded as deferred revenue and are recognized as revenue in the year in which the related expenses are incurred.

Investment income includes interest, dividends and realized and unrealized gains or losses on investments, and is reported net of fees, commissions and interest expense. Interest income is recorded using the accrual method and dividends are recorded when declared.

#### **Internally Restricted Funds**

##### *Fiscal Strength Fund*

The purpose of the Fiscal Strength Fund is to manage the financial risk of the Society and its Member Local Societies and promote financial stability. The fund balance represents 50% of normalized operating and fund development expenses and is adjusted periodically to reflect changing expense levels. Additions to the fund and expenditures from the fund require Board approval.

##### *Research Contributions Fund*

The fund represents amounts received which have been internally restricted for research. Additions to the fund and expenditures from the fund require Board approval.

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# Alzheimer Society of Ontario

## Notes to Financial Statements

March 31, 2017

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### 1. Summary of Significant Accounting Policies (continued)

#### Internally Restricted Funds (continued)

##### *Strategic Investment Fund*

The purpose of the Strategic Investment Fund is to support province wide strategic initiatives where greater effectiveness, efficiency, and/or economy can be realized through coordination at the Society level. Additions to the fund and expenditures from the fund require Board approval. During the year, the Board of Directors approved a transfer of \$163,057 (2016 - \$173,878) from the Unrestricted Fund to the Strategic Investment Fund.

##### *Technology Fund*

The purpose of the Technology Fund is to support the development and implementation of enhanced technological platforms with the capability of facilitating operational excellence initiatives for the participating societies. Additions to the fund and expenditures require Board approval.

#### Financial Instruments

##### *Initial measurement*

Financial instruments are measured at fair value when issued or acquired. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

##### *Subsequent measurement*

The Society subsequently measures its financial assets and liabilities at amortized cost less impairment, except for those equities quoted in an active market, which are measured at fair value. The Society has also irrevocably elected to measure its fixed income investments at fair value. All changes in fair value of the Society's investments in equities quoted in an active market and in fixed income investments are recorded in the statement of revenue and expenses and disclosed in Note 3.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flows from the asset, it recognizes an impairment loss in the statement of revenue and expenses. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

#### Use of Estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future.



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# Alzheimer Society of Ontario

## Notes to Financial Statements

March 31, 2017

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### 1. Summary of Significant Accounting Policies (continued)

#### Cash and Cash Equivalents

Cash and cash equivalents include deposits in banks, certificates on deposit and cashable Guaranteed Investment Certificates. The cashable Guaranteed Investment Certificate matures January 2018 (2016 - August 2016 to February 2017) and earn interest at a rate of 0.95% (2016 - 1.05% to 2.17%).

#### Property and Equipment

Purchased property and equipment are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates are as follows:

Furniture and equipment	- 5 years
Computer equipment	- 3 years
Leasehold improvements	- over term of lease

When a property or equipment no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Any write-downs recognized are not reversed.

#### Intangible Assets

Intangible assets consist of a customer relationship management system (CRM), are recorded at cost and are amortized over their respective estimated useful lives. The intangible asset currently held by the Society is in the development stage and was not amortized in the current year.

#### Development Costs

All research costs relating to internal projects are charged to operations in the year of the expenditure. Development costs are only capitalized if they meet the criteria for capitalization and are amortized over the expected useful life of the intangible asset. Development costs are written off when there is no longer an expectation of future benefits.

#### Interfund Transfers and Allocations

The excess of revenue over expenses for the year is allocated in accordance with the Society's financial policy statements. Any residual excess is allocated to the Unrestricted Fund. Interfund transfers are made in accordance with policies and guidelines approved by the Board of Directors.

#### Operating and Overhead Expenses

Certain operating and overhead expenses are allocated to other expense categories based upon reasonable estimates of staff time or costs incurred.

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## Alzheimer Society of Ontario Notes to Financial Statements

**March 31, 2017**

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### 1. Summary of Significant Accounting Policies (continued)

#### Foreign Currency

The Society's results of operations denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at that date. At the transaction date, each asset is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period end date, monetary assets and investments carried at fair value are translated into Canadian dollars by using the exchange rate in effect at that date. Exchange gains and losses arising from these transactions are reflected in income or expense in the period.

#### Donated Services

The operation of the Society is dependent on services provided by volunteers. Since these services are not normally purchased by the Society and due to the difficulty of determining their fair market value, donated services are not recorded in the accounts.

#### Remuneration of the Board

Members of the Board of Directors are volunteers who serve without remuneration.

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### 2. Accounts Receivable

	<u>2017</u>	<u>2016</u>
Alzheimer Society of Canada	\$ 1,086,522	\$ 556,999
Member Local Societies	186,326	138,385
Government	141,351	79,164
Other	160,703	74,192
	<u>\$ 1,574,902</u>	<u>\$ 848,740</u>

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### 3. Investments

(a) Short-term investments consist of Guaranteed Investment Certificates with maturities in January 2018 and earn interest at 1.4% to 1.47% (2016 - maturities between August 2016 and February 2017 and earn interest at 1.4% to 2.17%).

## Alzheimer Society of Ontario Notes to Financial Statements

**March 31, 2017**

### 3. Investments (continued)

(b) The fair value of long-term investments is as follows:

	2017	2016
Cash and cash equivalents	\$ 184,740	\$ 246,273
Fixed income	959,293	903,574
Equities - Canadian	642,111	529,035
Equities - Foreign	1,286,002	1,114,820
	\$ 3,072,146	\$ 2,793,702

The cash and cash equivalents are comprised of cash in the investment account (2016 - cash in the investment account and short-term deposits due June 2016).

The fixed income investments mature from April 2017 to June 2024 and earn interest at rates of 1.11% to 9.95% (2016 - April 2016 to Sept 2023, 1.11% to 9.95%).

The equities are invested in Canadian and internationally publicly traded securities.

### 4. Property and Equipment

	2017		2016	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 133,182	\$ 129,068	\$ 128,852	\$ 128,852
Computer equipment	386,241	343,568	351,279	328,074
Leasehold improvements	132,401	102,519	132,401	90,939
	\$ 651,824	\$ 575,155	\$ 612,532	\$ 547,865
Net book value		\$ 76,669		\$ 64,667

The Society moved to new premises in the 2009 fiscal year. Netted against the cost of leasehold improvements are lease inducements received totaling \$237,092 (2016 - \$237,092).

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## Alzheimer Society of Ontario Notes to Financial Statements

**March 31, 2017**

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### 5. Intangible Asset

During the year, the Society began development of a Customer Relationship Management system (CRM). This was not completed during the year, therefore the Society did not amortize it.

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### 6. Credit Facility

The Society has an unused demand operating credit facility of \$1,000,000 available which bears interest at the bank's prime rate and is due on demand. The facility is secured by a general security agreement providing a first-priority security interest in all present and future property of the Society and an assignment of fire and other perils insurance on the property and assets.

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### 7. Accounts Payable and Accrued Liabilities

	<u>2017</u>	<u>2016</u>
Alzheimer Society of Canada	\$ 290,082	\$ 32,977
Other Ontario Research Contributions Payable	298,857	48,500
Other	<u>493,582</u>	<u>350,265</u>
	<u>\$ 1,082,521</u>	<u>\$ 431,742</u>

## Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2017

### 8. Deferred Revenue

	2017 Opening Balance	Amounts Received	Program Expenses	2017 Closing Balance
brainXchange grant (a)	\$ 131,100	\$ 214,033	\$ 216,239	\$ 128,894
Minds in Motion - MTCS (b)	47,555	-	47,555	-
Minds in Motion - Ontario Trillium Foundation Grant (b)	34,186	-	34,186	-
Minds in Motion - CIHR (b)	-	10,000	1,425	8,575
Finding Your Way Program (c)	-	721,815	721,815	-
Scholarship Fund (d)	173,143	2,833	45,373	130,603
Social Media Project (e)	-	75,000	59,060	15,940
U-First Program (f)	278,663	130,572	289,570	119,665
Deferred Research Fund	250,000	-	-	250,000
Other general programs	151,153	2,971	51,846	102,278
	<b>\$1,065,800</b>	<b>\$1,157,224</b>	<b>\$1,467,069</b>	<b>\$ 755,955</b>

(a) The brainXchange program (formally known as the Alzheimer Knowledge Exchange program) is supported by income earned by brainXchange. The brainXchange program facilitates the exchange of information, innovation and expertise among caregivers, educators, research and policy makers by connecting people to knowledge and dementia expertise.

(b) Minds in Motion is a community-based social program that incorporates physical activity and mental stimulation for people with early to mid-stage signs of Alzheimer's disease or other dementias and their care partners.

(c) During fiscal 2017, the Society received \$721,815 (2016 - \$646,506) from the Ontario Seniors' Secretariat for the Finding Your Way program (previously named Wandering Prevention program) in various targeted cultural communities. The purpose of the program is to reduce the incidents of missing people with dementia and to increase the likelihood of their safe return home. The program will increase public awareness, education and resources, and strengthen relationships with local organizations.

(d) The Scholarship Fund was established in fiscal 2012 through a donation from an anonymous donor and will be disbursed for qualified expenditures.

(e) The Social Media Project enhances the Society's social media and web presence, increases its advertising capacity and assists in developing promotional materials to increase Alzheimer's awareness.

(f) U-First is a dementia education and training program in Ontario for healthcare professionals.

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## Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2017

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### 9. Amounts Held in Trust

The Society collects and holds funds on behalf of Local Societies. The Society is not entitled to the funds, and accordingly, the balance has been represented as held in trust for the Local Societies.

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### 10. Long-term Debt

The Society has a demand instalment loan available to finance the purchase and implementation of the new CRM system. The \$2,100,000 non revolving instalment loan is available to be drawn upon in multiple tranches until the earlier of (i) the date on which the implementation and installation of the CRM system is completed, and (ii) 18 months from the date of initial drawdown under the instalment loan (the "Term Out Date"). The instalment loan will then be converted to a non-revolving, amortizing loan. Any amount of the loan not utilized by the Term Out Date will be cancelled. The Society will make interest-only payments on the loan on a monthly basis until the Term Out Date. Thereafter the Society will repay the balance outstanding on the loan in regular monthly payments of principal plus interest at the option of the Society, sufficient to retire the loan based on a 10 year amortization at 2.7%. The first such regular monthly payment will occur within one month from the Term Out Date. The loan is secured by a general security agreement providing a first-priority security interest in all present and future personal property of the Society and an assignment of fire and other perils insurance on the property and assets of the Society that the lender has security over. As of year end, the Society had utilized \$1,150,000 of their available loan. No interest was paid during the year.

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### 11. Commitments

#### (a) Joint Lease Agreement

Pursuant to the co-tenancy agreement signed on April 1, 2008, the Alzheimer Societies of Canada, Ontario and Toronto co-located in new premises in order to benefit from efficiencies of scale. The lease was subsequently renewed until December 31, 2028. The co-tenancy agreement sets out the terms of the sharing of costs (based on the related cost drivers, which are primarily shared equally by each of the three co-tenants). Shared costs include leasehold improvements, furniture, equipment, rent, phones, and IT.

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## Alzheimer Society of Ontario Notes to Financial Statements

**March 31, 2017**

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### 11. Commitments (continued)

(a) The Society's portion of the operating lease commitment is as follows:

2018	\$ 120,207
2019	80,137
2020	102,597
2021	103,059
2022	103,983
Thereafter	<u>718,872</u>
	<u>\$ 1,228,855</u>

### (b) Federation Agreements

In April 2009, the Society entered into a Federation Agreement ("FA") with the Alzheimer Society of Canada ("ASC") which replaced the existing agreement between ASC and the provincial Member Local Societies. All funds received by ASC (except Safely Home registrations, investment income, national foundation and corporation revenue and federal government grants for centrally coordinated national programs) are distributed to the province from which it originated. Direct Mail revenue is flowed to the Society on a net basis. The Society pays ASC member assessments based on their percentage of total revenue across the federation in order to support ASC's expense budget. Partner charities on the statement of revenue and expenses includes payments made to Local Societies of \$1,085,214 (2016 - \$939,646) and to ASC of \$1,744,748 (2016 - \$1,705,080).

Subsequent to year end, on April 1, 2017, 30 Local Societies have signed a new Federation Agreement. Under the terms of the agreement, the Society will distribute to the Local Societies all revenue received according to where the donor resides (except for donations designated to be spent on research, investment income and revenue from government, foundations and corporations for province-wide initiatives).

### (c) Commitments

As approved by the Board of Directors, the Society is committed to \$25,000 to support Local Societies with their strategic initiatives.

The Society is committed to subscription fees related to the CRM system as follows:

2018	\$ 269,538
2019	295,262
2020	<u>190,812</u>
	<u>\$ 755,612</u>

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## Alzheimer Society of Ontario Notes to Financial Statements

**March 31, 2017**

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### 12. Operating, Overhead and Executive Expense Allocations

Certain operating, overhead and executive expenses are allocated to other expense categories based upon reasonable estimates of staff time or costs incurred.

	<u>2017</u>	<u>2016</u>
Summary of expenses:		
Facilities and office	\$ 386,671	\$ 370,125
Professional fees and consulting	42,550	43,465
Amortization	<u>27,290</u>	<u>19,322</u>
	<u>\$ 456,511</u>	<u>\$ 432,912</u>
Summary of allocations:		
Fundraising	\$ 114,130	\$ 139,677
Services	155,214	183,206
Administration	<u>187,167</u>	<u>110,029</u>
	<u>\$ 456,511</u>	<u>\$ 432,912</u>

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### 13. Shared Services

Effective April 1, 2016, the Society, in conjunction with Alzheimer Society of Canada and Alzheimer Society of Toronto, agreed to merge the finance operations of each organization into one shared services department. Under the terms of the shared services agreement, the Society's portion of costs is determined annually. The cost related to the shared services department for the current year was \$550,948.



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## Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2017

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### 14. Financial Instruments Risks

#### Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Society is exposed to credit risk primarily with respect to their accounts receivable. The Society manages this risk through regular monitoring of balances and continuous communication with debtors.

#### Market risk

Market risk is the risk of potential loss caused by fluctuations in fair value or future cash flows of financial instruments through changes in their underlying market value. The Society is exposed to this risk through its long-term investments. The Society manages its risk through its Statement of Investment Policies and Guidelines.

#### Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk with respect to investments with fixed interest rates, and cash flow risk with respect to investments with variable interest rates.

#### Currency risk

Currency risk is the risk that arises from fluctuations in foreign exchange rates. The Society is exposed to currency risk with respect to their long-term investments denominated in US dollars.

These risks have not changed from the prior year.

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### 15. Comparative Figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.