



Financial Statements

Alzheimer Society of B.C.

March 31, 2014

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Independent Auditor's Report

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To the Members of
Alzheimer Society of B.C.

We have audited the accompanying financial statements of Alzheimer Society of B.C. (the "Society"), which comprise the statement of financial position as at March 31, 2014, the statements of revenues and expenses, changes in net assets 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 Society'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 Society'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 qualified audit opinion.

Basis for qualified opinion

In common with many not-for-profit organizations, the Society derives revenue from the public in the form of general donations, the completeness of which is not always susceptible to satisfactory audit verification. Our verification of Walk for Memories revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to these revenues.

Qualified opinion

In our opinion, except for possible effects of the matter described in the *Basis for qualified opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of Alzheimer Society of B.C. 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.

Vancouver, Canada
June 24, 2014

Grant Thornton LLP

Chartered Accountants

Alzheimer Society of B.C.

Statement of Revenues and Expenses

Year ended March 31, 2014

	2014			2013		
	Operating	Research	Total	Operating	Research	Total
Revenues						
Corporate / pharmaceutical	\$ 65,514	\$ -	\$ 65,514	\$ 58,780	\$ -	\$ 58,780
Individual giving	391,451	7,300	398,751	374,672	2,663	377,335
Employee / organizations	152,235	4,713	156,948	169,820	11,341	181,161
Gaming - direct access	250,000	-	250,000	250,000	-	250,000
Grants and foundations	1,563,117	65,350	1,628,467	1,441,229	51,366	1,492,595
Bequests	1,952,190	27,000	1,979,190	1,042,153	118,538	1,160,691
Major gifts	333,033	79,000	412,033	260,351	185,508	445,859
Special events (Note 10)	2,207,342	335,110	2,542,452	1,788,281	324,121	2,112,402
Investment income	99,712	-	99,712	107,775	-	107,775
National revenue (Note 12)	510,654	16,741	527,395	475,317	137,765	613,082
Miscellaneous	31,150	-	31,150	23,221	-	23,221
	7,556,398	535,214	8,091,612	5,991,599	831,302	6,822,901
Expenses						
Advocacy	267,975	-	267,975	308,934	-	308,934
Communication	406,490	-	406,490	396,851	-	396,851
Fund development (Note 9)	886,100	-	886,100	796,097	-	796,097
Improving B.C. Dementia Care	1,286,165	-	1,286,165	1,128,882	-	1,128,882
National operation assessment (Note 12)	283,460	-	283,460	268,165	-	268,165
Provincial operations	755,037	-	755,037	700,430	-	700,430
Research	-	515,472	515,472	-	515,569	515,569
Special events (Note 10)	608,899	-	608,899	258,493	-	258,493
Support, education and regional services	2,294,697	-	2,294,697	2,260,647	-	2,260,647
	6,788,823	515,472	7,304,295	6,118,499	515,569	6,634,068
Excess (deficiency) of revenues over expenses before amortization	767,575	19,742	787,317	(126,900)	315,733	188,833
Amortization of deferred capital contributions	37,892	-	37,892	36,466	-	36,466
Amortization of property and equipment	(114,205)	-	(114,205)	(120,357)	-	(120,357)
Excess (deficiency) of revenues over expenses	\$ 691,262	\$ 19,742	\$ 711,004	\$ (210,791)	\$ 315,733	\$ 104,942

See accompanying notes to the financial statements.

Alzheimer Society of B.C.

Statement of Financial Position

March 31

2014

2013

Assets

Current

Cash	\$ 941,871	\$ 3,355,912
Investments (Note 3)	6,416,454	3,399,582
Receivables (Note 4)	4,618,685	622,818
Prepaid expenditures	84,176	41,709

12,061,186 7,420,021

Property and equipment (Note 5)

222,738 303,703

\$ 12,283,924 **\$ 7,723,724**

Liabilities

Current

Payables and accruals	\$ 293,532	\$ 285,370
Deferred lease charges	7,560	4,867
Deferred revenue (Note 6)	6,781,853	2,952,611

7,082,945 3,242,848

Deferred capital contributions (Note 7)

65,569 103,461

Deferred lease charges

14,296 12,000

7,162,810 3,358,309

Net assets

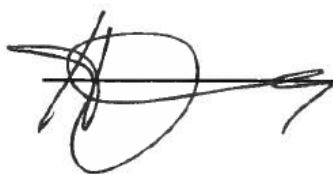
Unrestricted	3,029,040	2,294,705
Invested in property and equipment	157,169	200,242
Research	1,123,134	1,103,392
Endowment funds (Note 8)	811,771	767,076

5,121,114 4,365,415

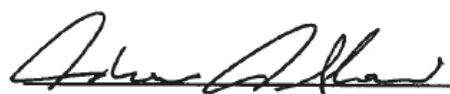
\$ 12,283,924 **\$ 7,723,724**

Commitments (Note 13)

On behalf of the Board



Director



Director

Alzheimer Society of B.C.

Statement of Changes in Net Assets

Year ended March 31, 2014

					2014	2013
	Unrestricted	Invested in Property and Equipment	Research	Endowment Funds (Note 8)	Total	Total
Balance, beginning of year	\$ 2,294,705	\$ 200,242	\$ 1,103,392	\$ 767,076	\$ 4,365,415	\$ 4,209,804
Excess (deficiency) of revenues over expenses	767,575	(76,313)	19,742	-	711,004	104,942
Transfer	(33,240)	33,240	-	-	-	-
Change in fair value of investments held in endowment funds	-	-	-	56,491	56,491	66,622
Investment income on endowment funds	-	-	-	13,460	13,460	8,358
Endowment distributions	-	-	-	(25,256)	(25,256)	(24,311)
Balance, end of year	\$ 3,029,040	\$ 157,169	\$ 1,123,134	\$ 811,771	\$ 5,121,114	\$ 4,365,415

See accompanying notes to the financial statements.

Alzheimer Society of B.C.

Statement of Cash Flows

Year ended March 31

2014

2013

Cash flows provided by (used in)

Operating

Excess of revenues over expenses	\$ 711,004	\$ 104,942
Adjustments to determine cash flows		
Amortization of deferred capital contributions	(37,892)	(36,466)
Amortization of property and equipment	114,205	120,357
Amortization of deferred lease charges	(829)	(760)

786,488 188,073

Change in non-cash operating working capital

Receivables	4,133	(328,445)
Prepaid expenditures	(42,467)	17,195
Payables and accruals	8,162	99,703
Deferred revenue	(170,758)	1,938,705

585,558 1,915,231

Financing

Endowment distributions	(25,256)	(24,311)
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Investing

Purchase of property and equipment	(33,240)	(70,156)
Increase in deferred lease charges	5,818	2,142
(Increase) decrease in investments	(2,946,921)	70,327

(2,974,343) 2,313

(Decrease) increase in cash (2,414,041) 1,893,233

Cash, beginning of year 3,355,912 1,462,679

Cash, end of year \$ 941,871 \$ 3,355,912

Supplemental information

Non-cash item

Grant included in receivables and deferred revenue	\$ 4,000,000	\$ -
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Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

1. Purpose of the Society

The Alzheimer Society of B.C. (the "Society") exists to alleviate the personal and social consequences of Alzheimer's disease and related dementias, promote public awareness, and search for the causes and cures. The Society depends on public contributions as well as support for its special events to raise annually the funds necessary to continue its activities.

The Society is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation

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

Fund accounting and revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions are recorded as revenue when received or receivable except when the donor has specified that they are intended for a specific use or a future period, in which case they are deferred and recognized in the period the related expenditures are incurred. Deferred capital contributions are amortized to revenue on a basis consistent with the amortization of the capital assets acquired. Contributions are recognized when receivable if the amount can be reasonably estimated and collection is reasonably assured. Endowment contributions and endowment interest are recognized as direct increases in net assets.

The Society maintains its accounts in accordance with the restrictions on the use of resources as designated by donors or the board of directors.

(a) Operating fund

Revenues and expenses relating to program delivery, administration and special projects are reported in the operating fund.

The Society is the named beneficiary in life insurance policies and charitable remainder trusts. Proceeds will be recorded as revenue when the amounts are received.

(b) Research fund

Revenues and expenses relating to research activities are reported in the research fund. Research expenditures approved by the board of directors on an annual basis for the following year are not to exceed the funds available at the end of the current year.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

2. Summary of significant accounting policies (continued)

Contributed services

Volunteers contribute their time each year to assist the Society in carrying out its program activities. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Non-cash donations

As part of its fund development, the Society receives non-cash donations consisting mainly of items for auctions. The fair value of these donations totals approximately \$5,258 (2013: \$17,338). The donations have not been recognized in the statement of revenues and expenses.

Cash and cash equivalents

Cash and cash equivalents consists of unrestricted cash on hand and balances held with banks.

Property and equipment

Property and equipment are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer and office equipment	5 years
Leasehold improvements	5 - 10 years

Deferred lease charges

Deferred lease charges are amortized on a straight-line basis over the lease term of 5 years.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all of its financial assets and financial liabilities at amortized cost, with the exception of investments which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and receivables.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include payables and accruals.

Program costs

The Society engages in support and education, advocacy, research and fund development programs. The costs of each program include costs of personnel, rent and utilities, and other expenses that are directly related to providing these programs. The Society also incurs a number of general support expenses in its provincial office that are common to the administration of the organization and each of its programs.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

2. Summary of significant accounting policies (continued)

Program costs (continued)

The Society allocates certain of its general support expenditures by identifying the appropriate basis of allocating each component expense and applies that basis consistently each year. Corporate governance costs are not allocated. General support expenses such as provincial office rent and utilities, postage and courier and information technology support are allocated proportionately on the basis of number of personnel in each program area. Executive management costs are allocated proportionally on the basis of estimated time spent supporting each program.

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 could 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 revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of fair market value of non-cash donations and the determination of useful lives of property and equipment for calculating amortization. Actual results could differ from those estimates.

Comparative figures

Certain figures in the prior year's financial statements have been reclassified to conform with the current year preparation.

3. Investments	2014	2013
Fixed income investments	\$ 5,669,748	\$ 2,670,683
Money market funds/other	17,364	70,707
Equity funds	549,660	478,946
Preferred shares	179,682	179,246
	<u>\$ 6,416,454</u>	<u>\$ 3,399,582</u>

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

4. Receivables	<u>2014</u>	<u>2013</u>
Credit card transactions	\$ 16,020	\$ 4,227
Ministry of Health	4,499,998	175,171
Breakfast to Remember	68,800	96,571
Walk for Memories	20,499	59,050
Forget Me Not Golf Tournament	-	4,000
Alzheimer Society of Canada	-	254,571
GST receivable	13,368	29,228
	<u>\$ 4,618,685</u>	<u>\$ 622,818</u>

5. Property and equipment			<u>2014</u>	<u>2013</u>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Computer equipment	\$ 451,707	\$ 292,279	\$ 159,428	\$ 217,550
Office equipment	117,456	66,764	50,692	63,047
Leasehold improvements	55,292	42,674	12,618	23,106
	<u>\$ 624,455</u>	<u>\$ 401,717</u>	<u>\$ 222,738</u>	<u>\$ 303,703</u>

6. Deferred revenue	<u>2014</u>	<u>2013</u>
Forget Me Not Golf Tournament	\$ 245,315	\$ 253,368
Projects funded by Direct Access grant	250,000	250,000
Ascent for Alzheimer's	30,091	150
Grant for First Link - Ministry of Health	6,000,000	2,000,000
Grant for First Link - Other	234,347	449,093
Dementia & Personhood Project	16,925	-
Scotia Hockey	5,175	-
	<u>\$ 6,781,853</u>	<u>\$ 2,952,611</u>

For the year ending March 31, 2014, the deferred grant for First Link - Ministry of Health is \$6,000,000. This amount is comprised of the following:

On March 25, 2013, the Ministry of Health through the Provincial Health Services Authority provided the Society a \$2,000,000 grant for the advancement of the First Link program in B.C. This grant is a one-time grant and can be used over a period of years as resources are required to advance First Link in the province. At March 31, 2013 and 2014, this grant has been deferred and proceeds will be matched to expenses as incurred. The \$2,000,000 was included in cash and cash equivalents at March 31, 2013. During the year ended March 31, 2014, the funds were invested in short-term investments.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

6. Deferred revenue (continued)

On March 28, 2014, the Ministry of Health provided the Society a further \$4,000,000 grant for the advancement of the First Link program in B.C. This grant is a one-time grant and must be used in full by August 31, 2018, as resources are required to advance First Link in the province. At March 31, 2014, this grant has been deferred and proceeds will be matched to expenses as incurred. The \$4,000,000 is included in accounts receivable at March 31, 2014. Subsequent to year end, the funds were received and invested in short-term investments.

7. Deferred capital contributions	2014	2013
Balance, beginning of year	\$ 103,461	\$ 139,927
Amortization	(37,892)	(36,466)
Balance, end of year	\$ 65,569	\$ 103,461

8. Endowment funds

Endowments consist of donations made to the Society where the principal gift is required to be maintained intact in perpetuity. The investment income generated from the endowments must be used in accordance with purposes established by the donors. Distributions are made from investment income. The purposes of these endowments include:

- providing scholarships for training in Alzheimer and related dementia care (David Macaree Memorial)
- supporting the development of materials and resources to carry out early stage support across B.C. (H. Clark Bentall)
- supporting research focusing on research of early onset Alzheimer disease (Nell Brown)
- supporting advocacy and support and education services (Grace Bowden)
- supporting the Society's general support and education services (Steve & Eva Floris)
- supporting the Society in providing programs and services for caregivers (Theodore & Helen Bourque)

Endowments are as follows:

	2014						2013	
	David Macaree Memorial	H. Clark Bentall	Nell Brown	Grace Bowden	Steve and Eva Floris	Theodore and Helen Bourque	Total	Total
Balance, beginning of year	\$ 45,465	\$ 48,768	\$ 42,577	\$ 52,011	\$ 176,619	\$ 401,636	\$ 767,076	\$ 716,407
Unrealized gains	3,348	3,592	3,136	3,830	13,007	29,578	56,491	66,622
Investment income	798	856	747	913	3,099	7,047	13,460	8,358
Distributions	-	(1,707)	(1,490)	(1,820)	(6,182)	(14,057)	(25,256)	(24,311)
Balance, end of year	\$ 49,611	\$ 51,509	\$ 44,970	\$ 54,934	\$ 186,543	\$ 424,204	\$ 811,771	\$ 767,076

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

9. Allocation of expenses

Fund development expenses reported in the statement of revenues and expenses of \$886,100 (2013: \$796,097) are reported after an allocation of \$10,407 (2013: \$10,407) to support, education and regional services representing the cost of developing specific funding proposals which serve to educate key stakeholders on Alzheimer's disease and related dementias.

Executive management, information technology and general support expenses of \$462,707 (2013: \$650,764) have been allocated as follows:

	<u>2014</u>	<u>2013</u>
Advocacy	\$ 76,718	\$ 120,753
Communication	57,650	81,128
Fund development	107,236	144,186
Provincial operations	67,509	108,689
Research	16,968	16,968
Support, education and regional services	136,626	179,040
	<u>\$ 462,707</u>	<u>\$ 650,764</u>

10. Special events

During the year, the Society received funds by hosting special fundraising events. Funds raised by the special events are as follows:

	<u>2014</u>			<u>2013</u>		
	<u>Revenues</u>	<u>Expenses</u>	<u>Total</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Total</u>
Walk for Memories	\$ 619,869	\$ 116,426	\$ 503,443	\$ 695,461	\$ 104,040	\$ 591,421
Forget Me Not Golf Tournament	602,229	57,851	544,378	598,083	63,922	534,161
Breakfast to Remember	223,870	26,700	197,170	319,361	28,432	290,929
Grouse Grind	113,110	16,013	97,097	109,359	26,475	82,884
Ascent for Alzheimer's	85,012	11,501	73,511	217,134	15,364	201,770
Coffee Break	31,115	877	30,238	34,738	657	34,081
Scotia Hockey	623,783	364,132	259,651	-	-	-
Other events	243,464	15,399	228,065	138,266	19,603	118,663
	<u>\$ 2,542,452</u>	<u>\$ 608,899</u>	<u>\$ 1,933,553</u>	<u>\$ 2,112,402</u>	<u>\$ 258,493</u>	<u>\$ 1,853,909</u>

A total of \$335,110 (2013: \$324,121) of the funds raised by special events has been designated for research purposes, including \$272,189 (2013: \$267,081) of the net proceeds of the Forget Me Not Golf Tournament.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

11. Service club gaming revenues

The Society received donations of gaming revenues from various community service clubs of \$23,030 (2013: \$26,830). These amounts are included in operating fund revenues.

12. Related party transactions

All funds received by Alzheimer Society of Canada ("ASC") are distributed to the provincial Alzheimer Society in the province and/or territory from which funds originated, including individual donations designated to research. The ASC board expense budget, including research, the capacity fund and executive leadership council expenditures, are supported through provincial Alzheimer Society assessments.

During the year, the Society received net donations of \$527,395 (2013: \$613,082) from ASC as follows:

	<u>2014</u>	<u>2013</u>
Direct mail	\$ 662,228	\$ 640,692
Memorial donations	28,700	31,441
Health partners	41,905	48,519
General donations	50,870	20,950
Bequests	88,641	63,293
Major gifts	17,500	16,000
Research	<u>16,741</u>	<u>137,765</u>
	906,585	958,660
Less direct mail expenses	<u>379,190</u>	<u>345,578</u>
	<u>\$ 527,395</u>	<u>\$ 613,082</u>

During the year, the Society incurred expenditures of \$783,460 (2013: \$768,165) to ASC, including a national operation assessment of \$283,460 (2013: \$268,165).

Receivables include \$Nil (2013: \$254,571) receivable from ASC.

Payables and accruals includes \$34,637 (2013: \$Nil) payable to ASC.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

13. Commitments

(a) Premises

The Society has lease commitments for premises, excluding operating expenses, over the next five years as follows:

2015	\$	463,139
2016		402,332
2017		352,768
2018		46,114
2019		20,794
		<hr/>
	\$	1,285,147

(b) Alzheimer Society of Canada

Pursuant to the Memorandum of Understanding with ASC, the board of directors is committed to funding research grants and expenditures of \$400,000 and a national operating assessment of \$258,002 for the year ending March 31, 2015.

(c) B.C. Dementia Service Framework – First Link™ project

Pursuant to the Memorandum of Understanding with Vancouver Island Health Authority, the Society is committed to funding \$70,000 in grants relating to the First Link™ project.

14. Alzheimer Research Foundation of B.C.

The Society controls the Alzheimer Research Foundation of B.C. (the "Foundation"). The Foundation raises funds to facilitate, promote and carry out research into the cause, treatment and cure of Alzheimer's disease. The Foundation is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act. The Society appoints the Foundation's board of directors and, according to the Foundation's bylaws, it is the intention of the Foundation to confine the Foundation's charitable activities to making gifts to "qualified donees" as defined in the Income Tax Act.

The Foundation has not been consolidated in the Society's financial statements. Financial statements of the Foundation are available on request.

During the year ended March 31, 2014, the Foundation contributed \$25,000 (2013: \$16,796) to the Society.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

15. Externally held endowment funds

Funds held by the Vancouver Foundation and Victoria Foundation are permanent externally held endowments, only the interest income of which is available for the benefit of the Society. These endowments are not included in the financial statements.

The fair market value of funds held by the Vancouver Foundation and Victoria Foundation for the benefit of the Society as of March 31, 2014 are \$790,170 (2013: \$688,100) and \$10,285 (2013: \$10,285) respectively. During the year, the Society received interest of \$26,438 (2013: \$25,918) from the Vancouver Foundation.

16. Financial instruments

Fair values

The Society's financial instruments include cash, receivables, investments and payables and accruals. Unless otherwise noted, the estimated fair value of the Society's financial instruments approximates their carrying value.

The carrying amount of financial assets measured at amortized cost is \$5,560,556 as at March 31, 2014 (2013: \$3,978,730).

The carrying amount of financial assets measured at fair value is \$6,416,454 as at March 31, 2014 (2013: \$3,399,582).

The carrying amount of financial liabilities measured at amortized cost is \$293,532 as at March 31, 2014 (2013: \$285,370).

Market risk

Market risk is the potential for financial loss to the Society from changes in the values of its financial instruments due to changes in interest rates, equity prices and other price risks. The investments of the Society are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Interest rate risk

The Society's short-term investments include fixed income investments and money market funds. Fixed income investments bear fixed interest rates which reduces the future effects on earnings should interest rates change materially while money market funds are exposed to future changes in interest rates. Interest rates are monitored to manage the risk.

Fixed income investments bear interest from 1.35% to 1.90% and mature between April 2014 and March 2015.

Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices. The Society is exposed to equity price risk on its investments in equity securities.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2014

16. Financial instruments (continued)

Market risk (continued)

Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, other than those arising from interest rates. All investments represent a risk of loss of capital. Investments held by the Society are susceptible to other price risk arising from uncertainties about future prices of the investments. The maximum risk resulting from the investments is determined by the fair value of their total investments. The Society actively manages market risk through its investment policy that outlines the objectives, constraints, and parameters related to its investment activities. The Finance Committee and management regularly review investments to ensure all activities adhere to the investment policy.

Liquidity risk

Liquidity risk is the risk that the Society cannot meet a demand for cash or fund its obligations as they come due. Maximum exposure to liquidity risk is \$293,532 (2013: \$285,370), which is due to be paid in full before March 31, 2015.

Liquidity risk is managed by investing the majority of the Society's assets in investments that are traded in an active market and can be readily liquidated. In addition, the Society retains sufficient cash positions to maintain liquidity.

Credit risk

The Society is exposed to the risk that the counterparty defaults or becomes insolvent. Financial instruments that potentially subject the Society to concentrations of credit risk are receivables. Investments in pooled funds that hold debt securities are also exposed to such risks. The Society limits the credit risk of investments in money market funds and bond funds by adhering to the investment policy in place which limits exposure to such investments. The maximum exposure to credit risk in terms of receivables is \$4,618,685 (2013: \$622,818). As indicated in Note 4, the majority of receivables are from the Ministry of Health and have been received subsequent to year end.

The Society manages credit risk on receivables by monitoring debtor balances on a month to month basis by the Finance Committee and management.
