

**LANGS FARM VILLAGE ASSOCIATION**

**FINANCIAL STATEMENTS  
YEAR ENDED MARCH 31, 2014**



**MARCH 31, 2014**  
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## INDEPENDENT AUDITORS' REPORT

To the Members of  
**Langs Farm Village Association**

We have audited the accompanying non-consolidated financial statements of **Langs Farm Village Association**, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, 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 non-consolidated 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 non-consolidated 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 our 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, we 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 qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many non-profit organizations, the Organization derived revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization and we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenue over expenditure and fund balances.

### **Qualified Opinion**

In our opinion, except for the 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 **Langs Farm Village Association** 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.

### **Emphasis of Matter**

We draw attention to note 15 of the financial statements which describes the adjustments that have been made to the prior year figures to restate items identified during our audit of the current year figures. Our opinion is not qualified in respect of this matter.

**Other Matters**

The financial statements of **Langs Farm Village Association** for the year ended March 31, 2013 were audited by another auditor who expressed a qualified opinion related to completeness of revenues on those statements on May 27, 2013.

As part of our audit of the 2014 financial statements, we also audited the adjustments described in note 15 that were applied to amend the 2013 financial statements. In our opinion, such adjustments are appropriate and have been properly applied. We were not engaged to audit, review, or apply any procedures to the 2013 financial statements of the Organization other than with respect to the adjustments and, accordingly, we do not express an opinion or any other form of assurance on the 2013 financial statements taken as a whole.



Cambridge, Ontario  
June 10, 2014

CHARTERED ACCOUNTANTS, authorized to practise public  
accounting by the Chartered Professional Accountants of Ontario



**NON-CONSOLIDATED STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2014**

	Operating	Capital	Operating Reserve	Program Expansion	Capital Reserve	2014	2013
	\$	\$	\$	\$	\$	\$	(Restated note 15) \$
<b>Revenue</b>							
MOHLTC funding	7,206,715	221,200				7,427,915	7,026,575
Other government funding	417,068					417,068	355,139
Grants and donations	500,119	335,834				835,953	577,344
Rental income	312,181					312,181	320,419
Fundraising	15,330					15,330	4,686
Program fees	31,580				89,843	31,580	24,236
Administration fees and recoveries						89,843	192,263
Interest	8,015					8,015	7,567
	<b>8,491,008</b>	<b>557,034</b>			<b>89,843</b>	<b>9,137,885</b>	<b>8,508,229</b>
<b>Expenditures</b>							
Amortization						660,806	598,696
Building - related party expense		660,806					211,301
Honorarium	560					560	940
Medical supplies	37,615					37,615	30,080
Non-recurring costs	5,068					5,068	3,581
Office and administration	473,611					473,611	325,178
Professional fees	75,574					75,574	51,477
Program expenses	491,400					491,400	544,406
Rent and utilities (note 13)	708,998					708,998	749,686
Repairs and maintenance	69,727					69,727	61,626
Salaries and benefits	6,282,594					6,282,594	5,985,395
Special events	4,805					4,805	7,390
Staff training and travel	76,718					76,718	69,255
Interest on long-term debt		177,066				177,066	184,731
	<b>8,226,670</b>	<b>837,872</b>				<b>9,064,542</b>	<b>8,823,742</b>
Excess (deficiency) of revenue over expenditures before Midwifery TPA	264,338	(280,838)			89,843	73,343	(315,513)
Midwifery transfer payment agency							
Revenue	2,838,505					2,838,505	2,671,360
Expenditures	(2,278,972)					(2,278,972)	(1,975,317)
Amount refundable to the Ministry of Health and Long-Term Care	(559,533)					(559,533)	(696,043)
Excess (deficiency) of revenue over expenditures	264,338	(280,838)			89,843	73,343	(315,513)

The explanatory financial notes form an integral part of these financial statements.



**NON-CONSOLIDATED STATEMENT OF CHANGES IN FUND BALANCES  
YEAR ENDED MARCH 31, 2014**

	Operating	Capital	Operating Reserve	Program Expansion	Capital Reserve	2014	2013 (Restated note 15)
	\$	\$	\$	\$	\$	\$	\$
Balance, beginning of year as restated (note 15)	96,094	8,562,188	89,030	44,858	1,323,434	10,115,604	10,431,117
Excess (deficiency) of revenue over expenditures for year	264,338	( 280,838)			89,843	73,343	( 315,513)
Inter-fund transfer	( 264,338)		200,000		64,338		
<b>Balance, end of year (note 14)</b>	<b>96,094</b>	<b>8,281,350</b>	<b>289,030</b>	<b>44,858</b>	<b>1,477,615</b>	<b>10,188,947</b>	<b>10,115,604</b>

The explanatory financial notes form an integral part of these financial statements.



**NON-CONSOLIDATED FINANCIAL POSITION  
MARCH 31, 2014**

	Operating		Capital		Operating Reserve		Program Expansion		Capital Reserve		Total
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	2013 (Restated note 15)
<b>ASSETS</b>											
Cash	1,232,850	1,137,944									1,950,231
Short-term investments (note 3)		220,701									327,772
Accounts receivable (note 4)	283,994	35,015									220,701
Prepaid expenses	48,431										35,015
Recoverable deposit			200,000	200,000							200,000
<b>Current assets</b>	<b>1,565,275</b>	<b>1,393,660</b>	<b>200,000</b>	<b>200,000</b>	<b>89,030</b>	<b>89,030</b>	<b>44,858</b>	<b>44,858</b>	<b>1,171,913</b>	<b>812,287</b>	<b>2,404,763</b>
Due from Langs Community Development Corporation (note 5)		248,521									484,821
Due from MOHLTC - North Dumfries Capital											208,032
Property and equipment (note 7)											14,097,616
Assets held for sale (note 7)											13,962,922
											782,359
	<b>1,565,275</b>	<b>1,642,181</b>	<b>14,990,469</b>	<b>15,153,313</b>	<b>89,030</b>	<b>89,030</b>	<b>44,858</b>	<b>44,858</b>	<b>1,413,277</b>	<b>1,006,171</b>	<b>18,102,909</b>
											17,935,553

The explanatory financial notes form an integral part of these financial statements.



**NON-CONSOLIDATED FINANCIAL POSITION  
MARCH 31, 2014**

	Operating		Capital		Operating Reserve		Program Expansion		Capital Reserve		Total
	2014	2013	2014	2013	2014	2013	2014	2013	2014	2013	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
				(Restated note 15)						(Restated note 15)	
<b>LIABILITIES AND FUND BALANCES</b>											
Accounts payable and accrued liabilities (note 6)	1,492,153	1,066,795									1,066,795
Due to MOHLTC (note 8)	298,803	706,267									706,267
Due to MOHLTC, Ontario Midwifery Program	559,533	696,038									696,038
Deferred revenue (note 9)	896,756	484,182									484,182
Long-term debt (note 11)	(1,778,114)	(1,407,195)	200,000	200,000	(200,000)	(200,000)	(64,338)	(317,263)	(64,338)	(317,263)	200,000
Inter-fund balance (note 10)	1,469,131	1,546,087	2,042,452	1,724,458	(200,000)	(200,000)	(64,338)	(317,263)	(64,338)	(317,263)	3,447,295
<b>Current liabilities</b>											
Long-term debt (note 11)	1,469,131	1,546,087	4,466,667	4,666,667	(200,000)	(200,000)	(64,338)	(317,263)	(64,338)	(317,263)	4,466,667
<b>Fund balances</b>											
Internally restricted	96,094	96,094	8,281,350	8,562,188	289,030	289,030	44,858	44,858	1,477,615	1,323,434	10,092,853
Unrestricted	96,094	96,094	8,281,350	8,562,188	289,030	289,030	44,858	44,858	1,477,615	1,323,434	96,094
	1,565,275	1,642,181	14,990,469	15,153,313	89,030	89,030	44,858	44,858	1,413,277	1,006,171	18,102,909
											17,935,553

APPROVED BY THE BOARD:

 Director  
 Director

The explanatory financial notes form an integral part of these financial statements.





**STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2014**

	2014	2013 (Restated note 15)
	\$	\$
<b>Cash flows from operating activities:</b>		
Excess (deficiency) of revenue over expenditure for year	73,343	( 315,513)
Item not involving cash:		
Amortization	660,806	598,696
	<b>734,149</b>	<b>283,183</b>
Net change in non-cash working capital balances relating to operations:		
Accounts receivable	( 63,293)	540,235
Prepaid expenses	( 13,416)	( 7,763)
Accounts payable and accrued liabilities	425,408	71,456
Due to MOHLTC	( 543,969)	250,299
Deferred revenue	412,574	204,956
Recoverable deposit		5,000
	<b>951,453</b>	<b>1,347,366</b>
<b>Cash flows from investment activities:</b>		
Purchase of property and equipment - net	( 13,141)	( 357,645)
Proceeds on sale of short-term investments		324,526
Increase in short-term investments	( 47,480)	( 327,772)
	<b>( 60,621)</b>	<b>( 360,891)</b>
<b>Cash flows from financing activities:</b>		
Advance to Langs Community Development Corporation	( 236,300)	
Repayment of long term debt	( 200,000)	( 133,333)
	<b>( 436,300)</b>	<b>( 133,333)</b>
<b>Net increase in cash</b>	<b>454,532</b>	<b>853,142</b>
Cash, beginning of year	<b>1,950,231</b>	<b>1,097,089</b>
<b>Cash, end of year</b>	<b>2,404,763</b>	<b>1,950,231</b>

The explanatory financial notes form an integral part of these financial statements.



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**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

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**1. Nature of Organization**

The Organization is a registered charity incorporated without share capital under the laws of Ontario to provide community, health and social services to the neighbourhood.

As Langs Farm Village Association is a registered charity under the Income Tax Act, its income is not taxable and it is eligible to issue official income tax receipts for charitable donations.

**2. Summary of Significant Accounting Policies**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

**(a) Amortization of property and equipment**

Property and equipment include capital assets that are stated at cost. Amortization based on the estimated useful life of the asset is calculated as follows:

Computer hardware	33%	Straight-line
Computer software	50%	Straight-line
Leasehold improvements	20%	Straight-line
Equipment	20%	Declining-balance
Vehicles	10%	Straight-line
Buildings	3%	Straight-line

**(b) Fund accounting**

To ensure observation of restrictions placed on the use of resources available to Langs Farm Village Association, the accounts are maintained in accordance with the principles of fund accounting. The resources are classified for accounting and reporting purposes into the following funds which have been established according to their nature and purpose:

The **Operating fund** accounts for the Organization's program delivery and administrative activities.

The **Capital fund** represents the assets, liabilities, revenue and expenditures related to the capital assets acquired by the Organization.

The **Operating reserve fund** represents funds that have been restricted by the Board of Directors to offset certain future costs such as pay equity and to offset unexpected operating deficits.

The **Program expansion reserve fund** represents funds that have been restricted by the Board of Directors to finance future program expansions.

The **Capital reserve fund** represents funds that have been restricted by the Board of Directors to finance future building and renovation costs.



**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

**2. Summary of Significant Accounting Policies (Continued)**

**(c) Financial instruments**

All financial assets and liabilities are recorded at amortized cost less any discovered impairment.

**(d) Revenue recognition**

Langs Farm Village Association is a multi-funded Organization with the majority of funding coming from the Ministry of Health and Long-Term Care/Local Health Integration Network. Annual reconciliation reports are submitted to the Ministry of Health and Long-Term Care/Local Health Integration Network by the Organization for final approval. Assessments of prior funding may occur based on funder decisions. The effect of these adjustments, which cannot be quantified at the time of preparing the financial statements, will be recorded in the year of assessment.

Revenue related to delivery of specific programs is recognized as revenue in the Operating fund in the year in which the program occurs. The Organization follows the restricted fund method of accounting for contributions whereby externally restricted contributions are recognized in the fund corresponding to the purpose for which they were contributed. Where there is no appropriate restricted fund, restricted contributions are recognized under the deferral method in the Operating fund. Unrestricted contributions are recognized as revenues in the Operating fund.

Investment income is recognized as it is earned in the Operating fund

**(e) Contributed services and materials**

Donations of materials and services are not reflected in these financial statements because of the impracticality of the record keeping and valuation of them.

**(f) Use of estimates**

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

**3. Short-Term Investments**

	2014	2013
	\$	\$
Guaranteed investment certificates - interest rates at 0.8%, maturing in January 2015	375,252	327,772



**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

	2014	2013 (Restated note 15)
	\$	\$
<b>4. Accounts Receivable</b>		
Trade	182,763	144,796
Accrued interest	645	640
HST recoverable	100,586	75,265
	<b>283,994</b>	<b>220,701</b>

**5. Due from Langs Community Development Corporation**

Langs Farm Village Association (the "Organization") controls Langs Community Development Corporation ("LCDC"). LCDC is a not-for-profit organization without share capital established for the purposes of acquiring land and building for a multi-purpose facility that can be leased or sold. LCDC prepares its own financial reports that are consistent with the financial policies of the Organization (e.g. fiscal year, spending limitations, signing authorities). LCDC has not been consolidated in the Organization's financial statements. A financial summary of the unaudited and unconsolidated entity at March 31, 2014 and March 31, 2013 and the years then ended are as follows:

<b>Financial Position</b>		
Total assets	765,084	716,862
Total liabilities	471,778	481,115
Total net assets	293,306	235,747
	<b>765,084</b>	<b>716,862</b>
<b>Results of Operations</b>		
Total revenue	60,000	218,220
Total expenditures	( 2,441)	( 137,864)
Excess of revenue over expenditures	57,559	80,356

**6. Accounts Payable and Accrued Liabilities**

Accounts payable and accrued liabilities	1,489,089	1,066,795
Government remittances payable	3,064	NIL
	<b>1,492,153</b>	<b>1,066,795</b>



**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

	2014 \$	2013 \$
<b>7. Property and Equipment</b>		
<b>Cost - Cambridge</b>		
Computer hardware	412,481	364,658
Computer software	177,242	110,326
Leasehold improvements	811,729	808,961
Equipment	573,788	500,681
Vehicles	62,034	62,034
Building	14,239,184	13,227,892
	<b>16,276,458</b>	<b>15,074,552</b>
<b>Accumulated amortization</b>		
Computer hardware	372,548	329,604
Computer software	127,055	109,013
Leasehold improvements	809,514	731,167
Equipment	187,407	133,684
Vehicles	41,700	35,497
Building	1,448,989	614,826
	<b>2,987,213</b>	<b>1,953,791</b>
<b>Cost - North Dumfries</b>		
Computer hardware	12,666	12,666
Equipment	82,204	80,986
Building	835,755	835,755
	<b>930,625</b>	<b>929,407</b>
<b>Accumulated amortization - North Dumfries</b>		
Computer hardware	12,666	10,385
Equipment	50,491	42,837
Building	59,097	34,024
	<b>122,254</b>	<b>87,246</b>
<b>Net Book Value</b>	<b>14,097,616</b>	<b>13,962,922</b>

Buildings held for resale at March 31, 2013 were retained for use by the Organization during the fiscal year.



**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

	2014 \$	2013 \$
<b>8. Due to Ministry of Health and Long-Term Care (MOHLTC)</b>		
Approved Community Health Centre funding	5,049,386	4,758,884
Eligible expenses - Community Health Centre	5,045,553	4,604,780
<b>Balance due to MOHLTC</b>	<b>3,833</b>	<b>154,104</b>
Approved Diabetes Education program funding	1,658,440	1,658,440
Eligible expenses - MOH Diabetes Education program	1,555,918	1,574,921
<b>Balance due to MOHLTC</b>	<b>102,522</b>	<b>83,519</b>
Approved Diabetes Self-Management program funding	286,700	279,400
Eligible expenses - MOH Diabetes Self-Management program	283,233	268,356
<b>Balance due to MOHLTC</b>	<b>3,467</b>	<b>11,044</b>
Approved Diabetes Regional Coordination program funding	563,315	685,195
Eligible expenses - MOH Diabetes Regional	516,681	578,517
<b>Balance due to MOHLTC</b>	<b>46,634</b>	<b>106,678</b>
Balance due for year	156,456	355,345
Due for 2012/2013	706,267	966,758
Recovered during year	( 563,920)	( 615,836)
	<b>298,803</b>	<b>706,267</b>

**9. Deferred Revenue**

Deferred revenue consists of unearned rental revenue and funding received from community sponsors which relates to the next fiscal year or funding for specific expenditures to be incurred in the next fiscal year.

**10. Inter-fund Balance**

The inter-fund loan is interest free, unsecured and due on demand.



**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

	2014 \$	2013 \$
<b>11. Long-Term Debt</b>		
Royal Bank term loan bearing interest at prime plus 1% per annum, repayable in equal monthly principal payments of \$16,667, maturing July 2017	4,666,667	4,866,667
Current portion due within one year	200,000	200,000
	<b>4,466,667</b>	<b>4,666,667</b>

The bank loan above is secured by a general security agreement providing a first ranking security interest on all properties of the Organization, a guarantee and postponement of claim in the amount of \$7,000,000 from LCDC.

Principal repayments for the next four years are approximately as follows:

2015	200,000
2016	200,000
2017	200,000
2018	3,866,667
	<b>4,466,667</b>

**12. Commitments**

The Organization has entered into leases for one of its premises and various equipment expiring 2015 and 2017.

The future minimum annual lease payments are as follows:

2015	134,300
2016	139,200
2017	68,800
	<b>342,300</b>

**13. Related Party Transactions**

During the fiscal year the Organization paid land lease costs to Langs Community Development Corporation in the amount of \$60,000. The land is leased on a year to year basis.



**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

	2014	2013 (Restated note 15)
	\$	\$
<b>14. Reserve Fund Balances</b>		
Included in the reserve fund balances, are sub-funds as shown below:		
Operating Fund	96,094	96,094
Capital Fund	8,281,350	8,562,188
Operating Reserves		
General Operating Reserve	45,124	45,124
30th Anniversary Book	1,982	1,982
Reserve - Facility	241,924	41,924
	289,030	89,030
Program Expansion reserve	44,858	44,858
Capital reserves		
Land and building	1,473,716	1,319,535
Community Van reserve	3,899	3,899
	1,477,615	1,323,434

Some of the current year's surplus under Operating Fund may be a subject to a recovery by the Ministry of Health and Long-Term Care.

**15. Retrospective Restatement of Prior Year**

During the 2013 fiscal year, the Organization transferred certain capital assets to Langs Community Development Corporation, a related party. It was subsequently determined that title to these assets remained with Langs Farm Village Association. As a result, the 2013 financial statements have been retrospectively restated to reflect these assets on the financial statements of Langs Farm Village Association. The changes are as follows:

For 2013, property and equipment has been increased by \$12,613,066, due from Langs Community Development Corporation has decreased by \$5,038,840, HST recoverable decreased by \$15,352, accounts payable increased by \$149,113, resulting in an increase in net assets of \$7,409,761. Amortization expense has increased by \$395,724, interest income has decreased by \$184,732 and rent expense has decreased by \$73,082 resulting in an increase to deficiency of revenue over expenditures of \$507,374. The 2013 decrease to the Capital Fund of \$7,917,135 has been removed resulting in an increase to the ending internally restricted fund balance of \$7,409,761.





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**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

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**16. Contingent Liability**

During the year, the Organization discovered it had inadvertently transferred certain capital assets with a net value of \$7,409,761 to a non-qualified donee, which contravenes the rules of the Income Tax Act. Upon discovering the transfer, the Organization, in keeping with its guiding principle of transparency, immediately and voluntarily approached Canada Revenue Agency (CRA) with a plan to remedy the situation and is proactively working with them to resolve the matter.

The CRA could, at their discretion, impose penalties, which could include a financial penalty in the amount of 105% of the net value of the property transferred, a Compliance Agreement with the Organization to rectify the situation, or other such corrective action that the CRA deems appropriate in the circumstances.

Although, it is not determinable at this time what penalty, if any, CRA may impose on the Organization, CRA has indicated that a financial penalty would not be applied under the circumstances. Accordingly, no accrual for any liability has been made in these financial statements.

**17. Registered Retirement Savings/Pension Plan**

The Organization made contributions to a registered retirement savings plan match program during the year for designated employees. The amount contributed to the plan in fiscal 2014 was \$22,305 for current service (\$33,006 in 2013). These payments are included as an expenditure in the statement of operations under salaries and benefits.

In February 2010, the Board of Directors approved a change in the Organization's pension plan to HOOPP. All new employees are required to join HOOPP and existing members had the option of changing to HOOPP or continuing with the registered retirement savings plan match program. The amount contributed to HOOPP in fiscal 2014 was \$370,644 (\$361,999 in 2013) for current service. These payments are included as an expenditure in the statement of operations under salaries and benefits.

HOOPP is a multi-employer defined benefit pension plan. The member Organizations are unable to identify their share of the underlying assets and liabilities. As a result, the benefit plan has been accounted for following the recommendations for defined contribution plans.

**18. Financial Instruments**

The entity is exposed to various risks through its financial instruments. The following analysis provides a measure of the entity's risk exposure and concentrations at the reporting date.

**Liquidity risk**

Liquidity risk is the risk that the Organization will not be able to meet its financial obligations as they come due. The Organization has taken steps to ensure that it has sufficient working capital available to meet its obligations. This risk has not changed from the prior year.



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**EXPLANATORY FINANCIAL NOTES  
YEAR ENDED MARCH 31, 2014**

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**18. Financial Instruments (Continued)**

**Credit risk**

Financial instruments which are potentially exposed to credit risk include cash, accounts receivable and due from Langs Community Development Corporation. Management considers its exposure to credit risk attributable to cash to be trivial as the Organization holds cash deposits at one major Canadian chartered bank. Accounts receivable are not concentrated and therefore bear only low to moderate risk; the carrying amount of accounts receivable represents the maximum credit risk exposure.

**Market risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk.

**Interest rate risk**

The Organization is exposed to interest rate risk arising from fluctuations in interest rates depending on prevailing rates at renewal of investments. To manage interest rate exposure, the Organization invests in various income vehicles backed by a chartered bank. This risk has not changed from the prior year.

**19. Comparative Figures**

Comparative figures have, in some instances, been restated in order to present them in a form comparable to those for the current year.