

Financial Statements of

THE CANADIAN PAEDIATRIC SOCIETY

December 31, 2010

Independent Auditor's Report

To the Members of
The Canadian Paediatric Society.

We have audited the accompanying financial statements of the Canadian Paediatric Society, which comprise the statement of financial position as at December 31, 2010, and the statements of revenue 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 generally accepted accounting principles, 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.

Independent Auditor's Report (Continued)

Auditor's Responsibility (Continued)

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 the Canadian Paediatric Society as at December 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

A handwritten signature in black ink that reads "Deloitte LLP". The signature is written in a cursive, flowing style.

Chartered Accountants
Licensed Public Accountants

April 24, 2013

THE CANADIAN PAEDIATRIC SOCIETY
Financial Statements
December 31, 2010

	<u>PAGE</u>
Statement of Financial Position	1
Statement of Operations	2
Statement of Changes in Net Assets	3 - 4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 16

CANADIAN PAEDIATRIC SOCIETY

Statement of Financial Position

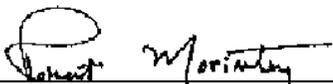
as at December 31, 2010

	<u>2010</u>	<u>2009</u> (Restated) (Note 3)
CURRENT ASSETS		
Cash	\$ -	\$ 25,151
Accounts receivable	690,579	855,033
Inventory	135,917	238,419
Prepaid expenses	88,325	171,459
	914,821	1,290,062
INVESTMENTS (Note 4)	2,077,053	1,995,853
CAPITAL ASSETS (Note 5)	250,035	300,326
	\$ 3,241,909	\$ 3,586,241
CURRENT LIABILITIES		
Bank indebtedness	\$ 122,338	\$ -
Accounts payable and accrued liabilities	841,003	810,601
Deferred revenue (Note 6)	530,297	907,570
Due to Healthy Generations (Note 7)	128,342	151,418
	1,621,980	1,869,589
COMMITMENT (Note 8)		
NET ASSETS		
IMPACT Fund	70,831	70,831
Paediatrics & Child Health Fund	73,139	71,905
Neonatal Resuscitation Program Fund	104,001	121,639
Sections Funds (Note 9)	122,596	111,498
Development Fund	80,000	80,000
Special Projects Fund	122,901	122,901
Invested in capital assets	250,035	300,326
Operating Fund	796,426	837,552
	1,619,929	1,716,652
	\$ 3,241,909	\$ 3,586,241

ON BEHALF OF THE BOARD



Director



Director

CANADIAN PAEDIATRIC SOCIETY

Statement of Operations

year ended December 31, 2010

	<u>2010</u>	<u>2009</u> (Restated) (Note 3)
Revenue		
Grants and programs funding	\$ 2,341,789	\$ 2,487,035
Sponsorships	1,644,786	1,215,215
Meeting registrations	699,243	530,506
Membership dues	691,578	666,129
Publication sales	301,288	469,880
Investment income	91,639	123,733
Miscellaneous	-	91,031
	<hr/> 5,770,323	<hr/> 5,583,529
Expenses		
Salaries and benefits	1,883,097	1,636,426
Projects	1,307,046	1,481,816
Professional education	1,306,486	1,257,042
Administrative services	564,525	510,004
Advocacy	196,653	199,200
Communications and public education	179,821	127,915
Publication sales	134,181	104,344
Board governance	93,783	77,329
Sections	77,133	41,916
Amortization of capital assets	62,343	73,926
Membership services	61,978	51,618
	<hr/> 5,867,046	<hr/> 5,561,536
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<hr/> \$ (96,723)	<hr/> \$ 21,993

CANADIAN PAEDIATRIC SOCIETY
Statement of Changes in Net Assets
year ended December 31, 2010

	<u>2010</u>	<u>2009</u> (Restated) (Note 3)
IMPACT FUND		
BALANCE, BEGINNING OF YEAR, as previously stated	\$ 70,831	\$ -
Restatement (Note 3)	-	70,831
BALANCE, BEGINNING OF YEAR, restated	70,831	70,831
BALANCE, END OF YEAR	\$ 70,831	\$ 70,831
PAEDIATRICS & CHILD HEALTH FUND		
BALANCE, BEGINNING OF YEAR	\$ 71,905	\$ 67,382
Transfer from operating fund	1,234	4,523
BALANCE, END OF YEAR	\$ 73,139	\$ 71,905
NEONATAL RESUSCITATION PROGRAM FUND		
BALANCE, BEGINNING OF YEAR, as previously stated	\$ 121,639	\$ -
Restatement (Note 3)	-	121,639
BALANCE, BEGINNING OF YEAR, restated	121,639	121,639
Transfer to operating fund	(17,638)	-
BALANCE, END OF YEAR	\$ 104,001	\$ 121,639
SECTIONS FUNDS (Note 9)		
BALANCE, BEGINNING OF YEAR	\$ 111,498	\$ 98,137
Transfer from operating fund	11,098	13,361
BALANCE, END OF YEAR	\$ 122,596	\$ 111,498

CANADIAN PAEDIATRIC SOCIETY
Statement of Changes in Net Assets
year ended December 31, 2010

	<u>2010</u>	<u>2009</u> (Restated) (Note 3)
DEVELOPMENT FUND		
BALANCE, BEGINNING OF YEAR	\$ 80,000	\$ 80,000
BALANCE, END OF YEAR	\$ 80,000	\$ 80,000
SPECIAL PROJECTS FUND		
BALANCE, BEGINNING OF YEAR	\$ 122,901	\$ 122,901
BALANCE, END OF YEAR	\$ 122,901	\$ 122,901
NET ASSETS INVESTED IN CAPITAL ASSETS		
BALANCE, BEGINNING OF YEAR	\$ 300,326	\$ 365,826
Transfer to operating fund	(50,291)	(65,500)
BALANCE, END OF YEAR	\$ 250,035	\$ 300,326
OPERATING FUND		
BALANCE, BEGINNING OF YEAR	\$ 837,552	\$ 767,943
Excess (deficiency) of revenue over expenses	(96,723)	21,993
Transfer to <i>Paediatrics & Child Health</i> Fund	(1,234)	(4,523)
Transfer from Neonatal Resuscitation Program Fund	17,638	-
Transfer to Sections Funds (Note 10)	(11,098)	(13,361)
Transfer from Net assets invested in capital assets	50,291	65,500
BALANCE, END OF YEAR	\$ 796,426	\$ 837,552

CANADIAN PAEDIATRIC SOCIETY

Statement of Cash Flows

year ended December 31, 2010

	<u>2010</u>	<u>2009</u> (Restated) (Note 3)
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES:		
OPERATING		
Excess (deficiency) of revenue over expenses	\$ (96,723)	\$ 21,993
Item not affecting cash:		
Amortization of capital assets	62,343	73,926
Loss (gain) on sale of investments	(54,154)	57,516
Change in unrealized gains	(37,485)	(181,249)
Change in deferred revenue	(377,273)	42,361
	(503,292)	14,547
Changes in non-cash operating working capital items:		
Accounts receivable	164,454	(293,951)
Inventory	102,502	49,746
Prepaid expenses	83,134	28,453
Accounts payable and accrued liabilities	30,402	180,472
	(122,800)	(20,733)
INVESTING		
Acquisition of capital assets	(12,052)	(8,426)
Purchase of investments	(801,674)	(1,402,683)
Proceeds on sale of investments	812,113	1,422,635
	(1,613)	11,526
FINANCING		
Advances to Healthy Generations	(23,076)	(14,113)
NET CASH OUTFLOW	(147,489)	(23,320)
CASH, BEGINNING OF YEAR	25,151	48,471
CASH (BANK INDEBTEDNESS), END OF YEAR	\$ (122,338)	\$ 25,151

THE CANADIAN PAEDIATRIC SOCIETY

Notes to the Financial Statements

year ended December 31, 2010

1. PURPOSE OF THE ORGANIZATION

The Canadian Paediatric Society (the "Society") is a federally incorporated not-for-profit professional organization as defined in the Income Tax Act and as such is exempt from income taxes. Its mission is to serve its members and Canadian children. The Society's goals are to serve an advocacy role on issues relating to child health and welfare, to provide continuing education for its members, to establish Canadian standards and guidelines for paediatric care and practice, and to promote the interests of paediatricians.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared in accordance with the Canadian Institute of Chartered Accountants (CICA) Handbook - Part V - *Pre-Changeover Accounting Standards* (Canadian GAAP) and include the following significant accounting policies:

Future accounting changes

In 2010, the CICA issued a new accounting framework applicable to Canadian not-for-profit organizations. Effective for fiscal years beginning on or after January 1, 2012, not-for-profit organizations may adopt the CICA Handbook Part I - *International Financial reporting Standards* or Part III - *Accounting Standards for Not-for-Profit Organizations*. The Society currently plans to adopt Part III - *Accounting Standards for Not-for-Profit Organizations* effective January 1, 2012. The impact of this transition has not yet been determined.

Financial instruments

All financial assets are required to be classified as held-for-trading, held-to-maturity, loans and receivables, or available-for-sale. All financial liabilities are required to be classified as held-for trading or other liabilities.

The classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Society's designation of said instruments and is determined at the time of initial recognition. Settlement date accounting is used and transaction costs related to investments are expensed as incurred. Interest is calculated using the effective interest rate method.

Classification

Cash and bank indebtedness	Held-for-trading
Investments	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities
Due to Healthy Generations	Other liabilities

THE CANADIAN PAEDIATRIC SOCIETY

Notes to the Financial Statements

year ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Financial instruments (Continued)

Held-for-trading

These financial assets are measured at fair value at the balance sheet date. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in miscellaneous revenue.

Loans and receivables

Loans and receivables are accounted for at amortized cost using the effective interest rate method.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest rate method. Related party liabilities are recorded at the exchange amount.

Fair value

The fair value of cash and bank indebtedness, accounts receivable, accounts payable and accrued liabilities, and due to Healthy Generations approximates their carrying values due to their short-term maturity. It is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial statements.

The fair value of investments and related risks are disclosed in Note 4.

Inventory

Inventory is valued at the lower of cost and net realizable value with cost being determined on a first in, first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less any applicable variable selling costs.

Capital assets

Capital assets are recorded at cost. Amortization is provided on a declining-balance basis over the estimated life of the assets at the following annual rates:

Computer equipment	30%
Furniture and fixtures	20%
Leasehold improvements	straight-line over the term of lease

THE CANADIAN PAEDIATRIC SOCIETY

Notes to the Financial Statements

year ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants and programs funding as well as sponsorships related to expenses and events of future period are carried in the statement of operations as deferred revenue and then recognized as revenue when the related program costs are charged to expenses or events are held.

Meeting registration fees are recorded as revenue at the time of the event.

Membership dues are recorded as revenue in the period to which they relate.

Proceeds from the sales of books and other publications are recognized as revenue in the period in which the item is shipped.

All other revenue is recorded when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Reserve funds

Reserve funds are established by the Board of Directors and transfers between the Society's funds are made as approved by the Board of Directors.

The IMPACT Fund represents excess revenue over expenditures associated with the IMPACT program. These funds may be used with the approval of the IMPACT Committee in a way that furthers the mandate of the program.

The *Paediatrics & Child Health* Fund represents unused editorial revenue or editorial board revenue in excess of expenditures for the year.

The Neonatal Resuscitation Program Fund represents excess revenue over expenditures associated with the Neonatal Resuscitation program. These funds may be used with the approval of the Neonatal Resuscitation Program Committee and in a way that furthers the mandate of the program.

The Sections Funds represent excess revenue over expenditures for projects undertaken by each Section.

THE CANADIAN PAEDIATRIC SOCIETY

Notes to the Financial Statements

year ended December 31, 2010

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

The Development Fund has been established to finance costs associated with the ongoing organizational development needs of the Society.

The Special Projects Fund is to be used toward the cost of activities that specifically relate to infectious diseases and their effect on children and adolescents.

Foreign currency translation

Transactions in foreign currencies are translated at the rate of exchange in effect at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies are translated at the rates in effect at the balance sheet date. Gains and losses are recognized in the statement of revenue and expenses.

Use of estimates

The preparation of financial statements in conformity with Canadian GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant management estimates include collectibility of accounts receivable, the net realizable value of inventories, accrued liabilities and the useful life of capital assets. Actual results could differ from these estimates.

3. RESTATEMENT

Deferred revenue

The Society manages a number of projects for which there may be continuing obligations as to performance. To the extent that the Society has not yet met the obligations of the contract, these funds are recorded as deferred revenue.

During the course of the audit it was determined that two projects, previously reported as deferred revenue, no longer met this definition. The first of these projects had been correctly reported as deferred revenue in prior periods but as at December 31, 2009 there were no continuing obligations. The second project had been incorrectly reported as deferred revenue, as it was not subject to any external obligations.

THE CANADIAN PAEDIATRIC SOCIETY
Notes to the Financial Statements
year ended December 31, 2010

3. RESTATEMENT (Continued)

Deferred revenue (Continued)

The effect of this correction of errors as at December 31, 2009 is summarized below:

- Decrease of \$192,470 in deferred revenue; and
- Increase \$192,470 in net assets, beginning of year as follow:
 - Increase of \$121,639 in the Neonatal Resuscitation Program Fund
 - Increase of \$70,831 in the IMPACT Fund.

Revenue recognition on a gross versus a net basis

During the year, the Society identified a project for which the revenue and the expenses had previously been netted in the financial statements. It was determined during this fiscal year that the Society is acting as principal with respect to this project and therefore revenue and expenses should be recorded on a gross basis.

The impact of this adjustment as at December 31, 2009 is an increase of \$1,616,839 of both revenue and expenses with a net impact of \$NIL for the year then ended.

4. INVESTMENTS

The monies of the Society are invested in a fiscally responsible manner that is determined by the Board of Directors. Accordingly, the Society has the following investments:

	2010			2009		
	Fair Value	%of Fair Value	Cost	Fair Value	%of Fair Value	Cost
Bonds						
Canadian	\$ 1,327,690	64	\$1,198,841	\$ 1,175,288	59	\$ 1,054,120
Equity						
Canadian	420,420	20	344,430	\$ 420,940	21	360,129
U.S.	166,509	8	154,767	201,762	10	188,555
International	162,434	8	136,504	197,863	10	188,023
	749,363	36	635,701	820,565	41	736,707
	\$ 2,077,053	100	\$1,834,542	\$ 1,995,853	100	\$ 1,790,827

THE CANADIAN PAEDIATRIC SOCIETY

Notes to the Financial Statements

year ended December 31, 2010

4. INVESTMENTS (Continued)

Determination of fair value

Bonds are debt obligations of governments and corporations paying interest at rates appropriate to the market at their date of purchase. The fair value for bonds and equity is determined based upon published market quotations. Bonds mature at face value on a staggered basis over the next forty-three years. Stated interest rates for these bonds range from 2.4% to 5.8% (2009 - from 2.9% to 5.8%).

Investment risk

Investments in financial instruments renders the Society susceptible to a potential risk arising from the failure of a party to a financial instrument to discharge its obligation when due. The maximum investment risk to the Society is represented by the fair value of the investments.

Concentration of risk

Concentration of risk exists when a significant proportion of the portfolio is invested in securities with similar characteristics or subject to similar economic, political or other conditions. Management believes that the concentrations described above do not represent excessive risk.

Interest rate risk

The financial risk to the Society's earnings that arises from fluctuations in interest rates and the degree of volatility of these rates. The Society does not use derivative instruments to reduce its exposure to interest risk.

Foreign currency exposure arises from the Society's holdings of U.S. and international equities. The foreign content on investments totals \$328,943 (2009 - \$399,625).

THE CANADIAN PAEDIATRIC SOCIETY
Notes to the Financial Statements
year ended December 31, 2010

5. CAPITAL ASSETS

	2010			2009
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Computer equipment	\$ 414,474	\$ 375,227	\$ 39,247	\$ 41,432
Furniture and fixtures	281,953	235,288	46,665	58,331
Leasehold improvements	410,303	246,180	164,123	200,563
	\$ 1,106,730	\$ 856,695	\$ 250,035	\$ 300,326

6. DEFERRED REVENUE

Changes in the deferred revenue balance are as follows:

	2010	2009
		(Restated) (Note 3)
Balance, beginning of year	\$ 907,570	\$ 1,057,679
Amounts recognized as revenue relating to projects, events, and corporate sponsorships in the year	(692,933)	(515,411)
Amounts received relating to projects, events, and corporate sponsorships for future years	315,660	365,302
Balance, end of year	\$ 530,297	\$ 907,570

7. HEALTHY GENERATIONS

The Society controls Healthy Generations, incorporated as Canadian Paediatric Foundation under the Canada Business Corporations Act as a corporation without share capital. Healthy Generations is a registered charity under the Income Tax Act whose purpose is to promote, facilitate and contribute to scientific programs relating to infants, children and adolescents.

Healthy Generations has not been consolidated into the Society's financial statements. Unaudited financial statements of Healthy Generations are available upon request.

THE CANADIAN PAEDIATRIC SOCIETY
Notes to the Financial Statements
year ended December 31, 2010

7. HEALTHY GENERATIONS (Continued)

A financial summary of this unconsolidated entity as at December 31, 2010 and 2009 and for the years then ended are as follows:

Statement of Financial Position

	<u>2010</u> (Unaudited)	<u>2009</u>
Total assets	\$ 206,849	\$ 190,746
Total liabilities	\$ 85,131	\$ 54,997
Total net assets	121,718	135,749
	\$ 206,849	\$ 190,746

Statement of Operations

Total revenues	\$ 130,603	\$ 179,843
Total expenses	146,709	189,026
Deficiency of revenue over expenses	\$ (16,106)	\$ (9,183)

During the year, the Society received contributions of \$ 100,968 (2009 - \$101,430) from Healthy Generations to assist in the funding of particular endeavours. The contributions arose during the normal course of operations and have been carried out, using the exchange amount, on the same terms as would apply with unrelated parties.

During the year, advances were paid to and received from Healthy Generations, resulting in a balance payable of \$128,342 (2009 - \$151,418). This amount is due on demand without interest.

8. COMMITMENT

The Society rents a building under a long-term lease which expires in March 2015. The aggregate rental payable to the expiry date amounts to \$777,299. The annual future minimum lease payments, excluding operating costs and taxes for the next five years are as follows:

2011	\$ 175,992
2012	175,992
2013	186,992
2014	190,658
2015	47,665
	\$ 777,299

THE CANADIAN PAEDIATRIC SOCIETY

Notes to the Financial Statements

year ended December 31, 2010

9. SECTIONS FUNDS

The Sections Fund was established on the authority of the Board of Directors for the purpose of funding future program expenditures and program shortfalls. The Fund consist of the following Sections:

	2009	Transfer from (to) Operating Fund	2010
Adolescent Health Section	\$ 9,319	\$ 1,072	\$ 10,391
Allergy Section	1,959	548	2,507
Community Paediatrics Section	14,800	953	15,753
Child and Youth Maltreatment Section	6,134	1,096	7,230
Developmental Paediatrics Section	13,924	(724)	13,200
Emergency Paediatrics Section	14,786	3,263	18,049
Hospital Paediatrics Section	4,884	245	5,129
International Health Section	4,621	3,971	8,592
Mental Health Section	4,184	929	5,113
Neonatal - Prenatal Medicine Section	8,438	439	8,877
Oral Health Section	857	572	1,429
Paediatric Environmental Health Section	1,626	(329)	1,297
Paediatric Rheumatology Section	2,329	-	2,329
Paediatric Sports and Exercise Medicine Section	240	(1,101)	(861)
Respiratory Medicine Section	23,397	164	23,561
	\$ 111,498	\$ 11,098	\$ 122,596

THE CANADIAN PAEDIATRIC SOCIETY
Notes to the Financial Statements
year ended December 31, 2010

9. SECTIONS FUNDS (Continued)

	2008	Transfer from (to) Operating Fund	2009
Adolescent Health Section	\$ 8,274	\$ 1,045	\$ 9,319
Allergy Section	1,959	-	1,959
Community Paediatrics Section	10,624	4,176	14,800
Child and Youth Maltreatment Section	4,958	1,176	6,134
Developmental Paediatrics Section	11,073	2,851	13,924
Emergency Paediatrics Section	13,742	1,044	14,786
Hospital Paediatrics Section	3,427	1,457	4,884
International Health Section	5,240	(619)	4,621
Mental Health Section	3,208	976	4,184
Neonatal - Prenatal Medicine Section	9,932	(1,494)	8,438
Oral Health Section	333	524	857
Paediatric Environmental Health Section	(918)	2,544	1,626
Paediatric Rheumatology Section	2,329	-	2,329
Paediatric Sports and Exercise Medicine Section	469	(229)	240
Respiratory Medicine Section	23,487	(90)	23,397
	<u>\$ 98,137</u>	<u>\$ 13,361</u>	<u>\$ 111,498</u>

10. EMPLOYEE FUTURE BENEFITS

Substantially all of the employees of the Society are members of the Healthcare of Ontario Pension Plan (The "Plan"). This Plan is a multi-employer defined benefit pension plan available to all eligible employees of the healthcare community. The Plan is accounted for as a defined contribution plan. Employer contributions made during the year on behalf of the employees amount to \$127,771 (2009 - \$105,639).

Pension expense is based on the Plan's management best estimates, in consultation with its actuaries, of the amount required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions. Variances between actuarial funding estimates and actual experience may be material and any differences are generally to be funded by the participating members. The most recent triennial actuarial valuation of the Plan as at December 31, 2010 indicated the Plan is fully funded.

THE CANADIAN PAEDIATRIC SOCIETY

Notes to the Financial Statements

year ended December 31, 2010

11. CAPITAL MANAGEMENT

The Society's objective when managing capital is to safeguard its ability to continue as a not-for-profit organization in an effort to carry out its mission and goals. Capital consists of net assets.

The Society manages contributions with external restrictions that specify the conditions for using these financial resources. The Society has complied with the requirements respecting these restricted contributions.

There have been no changes to the Society's capital management strategy in the current year except the internal restrictions of net assets as noted in Notes 3 and 9 as well as presented in the statement of changes in net assets.

12. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to current year's presentation.