



MedicAlert Foundation Canada  
ANNUAL REPORT 2018

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## Thanks to your continued support, MedicAlert expanded its programs and services in 2018

### Message from the Chair of the Board of Directors, and the CEO

Since 1961, MedicAlert Foundation Canada has protected over one million Canadians. We proudly embrace our mission to put every Canadian in a position to benefit from high-quality health information at time of need and, in our over 55 years, we have not turned anyone away from our lifesaving service. Your support of MedicAlert contributes to enhancing and expanding our lifesaving programs and partnerships and provides a lifeline to those in need. Here are just a few of the highlights from 2018; all of which were made possible because of our generous donors and subscribers.

#### **MedicAlert Charitable Programs**

##### *Membership Assistance Program*

This program provides partial or full financial assistance for MedicAlert IDs and service plans for Canadians who may not be able to afford MedicAlert protection.

##### *MedicAlert No Child Without*

This program offers children aged 4 to 14 with medical conditions or allergies access to free MedicAlert protection. Funded by a federal government grant in 2006, it is also supported by donors. It covers more than 6,000 schools across Canada.

##### *First Nations & Inuit*

In collaboration with Health Canada, this program provides partially or fully subsidized MedicAlert services to eligible First Nations and Inuit families and communities under Health Canada's Non-Insured Health Benefits (NIHB) program.

##### *Canadian Military & Veterans*

In collaboration with Blue Cross, this program provides eligible Canadian military and veterans with partially or fully subsidized MedicAlert protection.

## Partnerships

### *Brain Injury Canada*

MedicAlert is proud to partner with *Brain Injury Canada*, a leading advocate for individuals and families living with brain injury, to help keep survivors safe in an emergency situation. Due to the invisible nature of this condition, symptoms can be misinterpreted as defiance but with MedicAlert protection, there's an effective way to more easily identify these survivors and ensure that they receive an appropriate response and support. The partnership will support Brain Injury Canada's mission to enhance the quality of life of individuals and families/caregivers living with this condition, and raise awareness about brain injury throughout police services, emergency response and the criminal justice system.

### *MedicAlert Connect Protect*

*MedicAlert Connect Protect* gives authorized police first responders direct 24/7 access to MedicAlert's subscribers electronic emergency profiles. In 2018, the service expanded to 18 more police services across the country bringing the total number of partnerships in the Connect Protect program to 28. With every Connect Protect launch, MedicAlert ensures that police first responders receive training to enable them to recognize the official MedicAlert emblem and learn about the benefits of having MedicAlert protection.

**“Having a vulnerable family member or friend go missing, even for a short time, is every caregiver’s nightmare. We are pleased to work in partnership with MedicAlert in this voluntary program to help vulnerable individuals live in safety.”** Chief Marlo Pritchard, Chief of the Weyburn Police Service and President of the Saskatchewan Association of Chiefs of Police.

### *MedicAlert Safely Home*

This nation-wide program was created in partnership with the Alzheimer Society of Canada. It offers people living with Alzheimer's disease or other types of dementia a unique MedicAlert blue bracelet with their service plan. If they wander, it helps to ensure that they can be quickly reunited with their families.

**“My first concern is Earl’s safety and quality of life. [MedicAlert] allows him to do something on his own and he is always protected.”** says Jori, wife of Earl who lives with early-onset dementia

### *MedicAlert Autism Program*

The *MedicAlert Autism Program* was created in partnership with Autism Canada, a leading advocate for those with autism and their families, to help keep individuals with Autism safe in an emergency situation. Autism isn't always recognizable to those who don't know the signs. With MedicAlert protection, there's an effective way to identify the subscriber, understand how to de-escalate a potentially volatile situation or reunite a lost subscriber with family or caregivers.

**"We need a simple mechanism, like this program, that we can make widely available that alerts others in an emergency to the needs of somebody who, under stress, has difficulties communicating their needs."** Dr. Yona Lunsky, Senior Scientist at the Centre for Addiction and Mental Health (CAMH), whose research has focused on crises and emergencies in the Autism community.

### *Other Partnerships*

MedicAlert is proud of its strong relationships with some of Canada's most respected healthcare providers and medical associations. Thank you to the Paramedic Chiefs of Canada, Food Allergy Canada, and McMaster Optimal Aging Portal at McMaster University (to name a few) for helping us expand our reach in the community.

## Paramedics and Emergency Responders

MedicAlert also works closely with the police and paramedic communities to recognize outstanding emergency responders who follow the Look-Read-Call procedure.

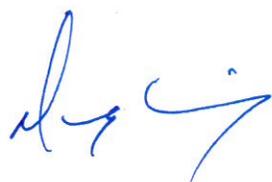
### *Legends of the Call – Paramedics*

Paramedic Adam Forseth of Vancouver was honoured for following the Look-Read-Call procedure to assist in reuniting an Albertan with dementia, who had been missing for 4 days, and was found wandering in the busy streets of downtown Vancouver.

## A renewed focus in expanding MedicAlert protection across Canada

In the past two years, MedicAlert has been working on a strategic plan to focus efforts and further invest in resources to provide lifesaving protection to Canadians across the country. With collaboration through all levels of the organization, MedicAlert has identified key strengths and learnings that will allow it to protect more Canadians and increase its charitable impact in a sustainable fashion.

Your continued support of MedicAlert contributes to our ability to enhance and expand our lifesaving programs and partnerships, which provide a lifeline to those in need. None of our critical work would be possible without you.



Doug Craig  
Chair, Board of Directors



Françoise Faverjon-Fortin  
Chief Executive Officer

**Board of Directors** *(as of December 31, 2018)*

MedicAlert Foundation Canada is governed by a volunteer Board of Directors with representation from across Canada.

Douglas Craig, Chair, Alberta

Salimah Walji-Shivji, Vice Chair, Alberta

Dr. Blair Bigham, Board Member, Ontario

Dr. Catherine Boivie, Board Member, British Columbia

Alex MacBeath, Board Member, PEI

Dr. Linda Maxwell, Board Member, Ontario

Isabelle Oliva, Board Member, Quebec

Leslie Quinton, Board Member, Quebec

Ruth Ramsden-Wood, Board Member, Alberta

Sara Jane Snook, Board Member, Nova Scotia

**Senior Management Team** *(as of December 31, 2018)*

Françoise Faverjon-Fortin, Chief Executive Officer

Robert Ridge, President

Davina Chan, Director of Marketing and Communications

Michael Shreve, Director, Health Information Systems

Catherine Horlock, Director, Subscriber Experience and Strategic Alliances

Neetu Garcha, Acting Director, Finance

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Financial statements of  
Canadian MedicAlert  
Foundation Incorporated

December 31, 2018

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## Independent Auditor's Report

To the Members of  
Canadian MedicAlert Foundation Incorporated

### Opinion

We have audited the financial statements of Canadian MedicAlert Foundation Incorporated (the "Foundation"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2018, 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.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards ("Canadian GAAS"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian GAAS will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian GAAS, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

Chartered Professional Accountants  
Licensed Public Accountants  
April 12, 2019

# Canadian MedicAlert Foundation Incorporated

## Statement of financial position

As at December 31, 2018

	Notes	2018 \$	2017 \$
<b>Assets</b>			
Current			
Cash		<b>683,616</b>	713,960
Short-term investments	3	<b>6,773,996</b>	7,157,469
Accounts receivable	5	<b>117,575</b>	101,501
Inventory		<b>150,363</b>	148,861
Prepaid expenses		<b>175,662</b>	206,093
		<b>7,901,212</b>	8,327,884
Capital assets	4	<b>363,841</b>	503,348
		<b>8,265,053</b>	8,831,232
<b>Liabilities</b>			
Current			
Accounts payable and accrued liabilities	5	<b>898,887</b>	1,056,145
Member prepayments		<b>83,953</b>	78,077
Deferred revenue-future services	6	<b>3,270,931</b>	3,409,371
Deferred revenue "No Child Without" grants	7	<b>251,447</b>	355,081
		<b>4,505,218</b>	4,898,674
Deferred revenue - Long-term future services	6	<b>1,604,170</b>	1,676,214
		<b>6,109,388</b>	6,574,888
<b>Net assets</b>			
Invested in capital assets		<b>363,841</b>	503,348
Operating fund		<b>1,791,824</b>	1,752,996
		<b>2,155,665</b>	2,256,344
		<b>8,265,053</b>	8,831,232

The accompanying notes to the financial statements are an integral part of this financial statement.

Approved by the Board

 Director

 Director

**Canadian MedicAlert Foundation Incorporated**  
**Statement of operations and changes in net assets**  
Year ended December 31, 2018

	Notes	<b>2018</b>	2017
		<b>\$</b>	<b>\$</b>
<b>Revenue</b>			
Membership fees	6	<b>5,952,939</b>	5,918,175
Product sales		<b>2,512,743</b>	2,783,050
Grant revenue "No Child Without"	7	<b>105,690</b>	132,428
Donations		<b>896,107</b>	983,884
Other revenue		<b>45,997</b>	44,515
		<b>9,513,476</b>	9,862,052
<b>Expenses</b>			
Membership services and education	8	<b>3,281,202</b>	3,618,296
Marketing and communications		<b>1,921,913</b>	2,407,975
Governance and administration		<b>1,764,203</b>	1,532,864
Cost of product sales		<b>1,893,378</b>	1,946,553
"No Child Without" program	7, 8	<b>105,690</b>	132,428
Fundraising		<b>269,101</b>	262,175
License fees	9	<b>249,821</b>	266,474
		<b>9,485,308</b>	10,166,765
Excess (deficiency) of revenue over expenses before the undernoted items		<b>28,168</b>	(304,713)
<b>Other income</b>			
Realized gain (loss) on sale of investments		<b>118,948</b>	(2,027)
Unrealized (depreciation) appreciation in the fair value of investments		<b>(454,918)</b>	164,551
Investment income		<b>207,123</b>	202,680
		<b>(128,847)</b>	365,204
(Deficiency) excess of revenue over expenses for the year		<b>(100,679)</b>	60,491
Net assets, beginning of year		<b>2,256,344</b>	2,195,853
<b>Net assets, end of year</b>		<b>2,155,665</b>	2,256,344

The accompanying notes to the financial statements are an integral part of this financial statement.

## Canadian MedicAlert Foundation Incorporated

### Statement of cash flows

Year ended December 31, 2018

	2018	2017
	\$	\$
<b>Operating activities</b>		
(Deficiency) excess of revenue over expenses	<b>(100,679)</b>	60,491
Items not affecting cash		
Amortization	<b>171,008</b>	213,654
Realized (gain) loss on sale of investments	<b>(118,948)</b>	2,027
Unrealized depreciation (appreciation) of investments	<b>454,918</b>	(164,551)
	<b>406,299</b>	111,621
Changes in non-cash operating items		
Accounts receivable	<b>(16,074)</b>	(2,157)
Inventory	<b>(1,502)</b>	47,077
Prepaid expenses	<b>30,431</b>	(61,193)
Accounts payable and accrued liabilities	<b>(157,258)</b>	(173,871)
Member prepayments	<b>5,876</b>	17,096
Deferred revenue-future services	<b>(210,484)</b>	233,106
Deferred revenue "No Child Without" grants	<b>(103,634)</b>	(128,983)
	<b>(452,645)</b>	(68,925)
	<b>(46,346)</b>	42,696
<b>Investing activities</b>		
Net redemption (purchase) of investments	<b>47,503</b>	(218,172)
Additions to capital assets	<b>(31,501)</b>	(74,214)
	<b>16,002</b>	(292,386)
Net cash outflow	<b>(30,344)</b>	(249,690)
Cash, beginning of year	<b>713,960</b>	963,650
<b>Cash, end of year</b>	<b>683,616</b>	713,960

The accompanying notes to the financial statements are an integral part of this financial statement.

# Canadian MedicAlert Foundation Incorporated

## Notes to the financial statements

Year ended December 31, 2018

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### 1. Purpose of the Foundation

The Canadian MedicAlert Foundation (the "Foundation") was incorporated without share capital under the laws of Ontario as a not-for-profit organization to provide essential medical information to emergency health care providers. The Foundation is a registered charity exempt from income tax under the Income Tax Act.

### 2. Significant accounting policies

These financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations published by the Chartered Professional Accountants of Canada, using the deferral method of accounting for restricted contributions.

#### *Financial instruments*

Under Section 3856, financial assets and financial liabilities are initially recognized at fair value when the Foundation becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, with the exception of cash and investments which are measured at fair value. Changes in fair value are recorded in the Statement of operations and changes in net assets. Financial instruments reported on the Statement of financial position are measured as follows:

<u>Asset/liability</u>	<u>Category</u>
Cash	Fair value
Short-term investments	Fair value
Accounts receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the Statement of operations and changes in net assets.

Transaction costs are expensed as they are incurred.

Investments in Pooled and Mutual Funds are recorded at the year-end Net Asset Value which represents fair value, and common shares are recorded at the bid price as of December 31.

#### *Inventory*

Inventory is valued at the lower of cost and net realizable value.

## Canadian MedicAlert Foundation Incorporated

### Notes to the financial statements

Year ended December 31, 2018

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## 2. Significant accounting policies (continued)

### *Capital assets*

Capital assets are recorded at cost. Amortization is provided over the estimated useful lives using the following methods and annual rates:

<u>Assets</u>	<u>Method</u>	<u>Rate</u>
Computer hardware	Straight-line	4 years
Computer software	Straight-line	2 years
Office equipment	Straight-line	10 years
Leasehold improvements	Straight-line	Over the term of the lease

Capital assets acquired during the year are amortized at one-half the standard annual rate.

### *Deferred revenue-future services*

Deferred revenue-future services represents membership fees collected but not yet earned as the term of membership has not yet expired.

### *Member prepayments*

Member prepayments represent paid orders which have not yet been processed.

### *Revenue recognition*

Registration fees are recognized when a new member's file is completed and a membership number has been assigned.

Membership fees are recognized on the straight-line basis over the term of the membership.

Product sales are recognized when orders are placed with the product suppliers who deliver the products directly to the customers.

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

### *Allocation of expenses*

Certain officers and employees perform a combination of program and administrative functions; as a result, salaries and benefits are allocated based on the time dedicated to the functional activity. Telephone and certain computer systems expenses are also allocated based on transaction volumes and headcount. Such allocations are reviewed regularly by the Foundation.

## Canadian MedicAlert Foundation Incorporated

### Notes to the financial statements

Year ended December 31, 2018

## 2. Significant accounting policies (continued)

### *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. These estimates and assumptions 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 revenue and expenses during the reporting period. Actual results could differ from those estimates. Accounts requiring significant estimates and assumptions include the useful lives of capital assets, accrued liabilities and also those expenses subject to allocation.

## 3. Investments

Short-term investments are comprised of:

	2018		2017	
	Market value	Cost	Market value	Cost
	\$	\$	\$	\$
Pooled and Mutual Funds				
FGP Canadian Equity	1,711,457	1,783,209	2,145,891	1,827,729
FGP US Equity	860,077	709,995	680,455	556,256
FGP Bond	2,937,759	3,072,997	3,097,514	3,206,564
FGP Short-term	162,587	162,587	284,635	284,620
FGP Private International Equity	877,675	859,985	711,805	635,295
FGP Corporate Bond Fund	199,721	207,343	211,292	215,161
Quest Energy Canadian Resource Class Mutual Fund	19	37	33	37
	<b>6,749,295</b>	<b>6,796,153</b>	7,131,625	6,725,662
Cash	7,558	7,558	6,603	6,603
Shares in publicly listed companies	17,143	17,316	19,241	17,316
	<b>6,773,996</b>	<b>6,821,027</b>	7,157,469	6,749,581

## 4. Capital assets

	2018			2017
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Computer hardware	118,475	55,971	62,504	60,530
Computer software	40,154	30,208	9,946	56,704
Office equipment	31,767	22,918	8,849	12,025
Leasehold improvements	510,862	228,320	282,542	374,089
	<b>701,258</b>	<b>337,417</b>	<b>363,841</b>	503,348

## Canadian MedicAlert Foundation Incorporated

### Notes to the financial statements

Year ended December 31, 2018

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#### 5. Government remittances/receivables

Included in accounts receivable is a net receivable of \$37,218 (2017 - \$50,242) representing government remittances relating to payroll, commodity tax rebates and commodity taxes owing.

#### 6. Deferred revenues - future services

The Foundation has an obligation to maintain an emergency information service for its members and updates their records annually through an outreach campaign. Deferred revenue consists of the unrecognized income from the sale of memberships.

The deferred revenue for future services consists of:

	<b>2018</b>	2017
	<b>\$</b>	\$
Balance, beginning of year	<b>5,085,585</b>	4,852,479
Membership fees received	<b>5,742,455</b>	6,151,281
	<b>10,828,040</b>	11,003,760
Membership fees recognized as revenue	<b>(5,952,939)</b>	(5,918,175)
	<b>4,875,101</b>	5,085,585
Less: current portion	<b>(3,270,931)</b>	(3,409,371)
	<b>1,604,170</b>	1,676,214

#### 7. No Child Without Program and Federal Grant

During the year, the Foundation received \$2,056 (2017 - \$3,444) in restricted contributions from other donors specifically for this Program. In 2018, the Foundation spent \$105,690 (2017 - \$132,428) on the program and the balance of \$251,447 (2017 - \$355,081) is recorded as deferred revenue.

#### 8. Allocation of expenses

The Foundation allocates salaries and benefits based on the time dedicated to administrative functions and the "No Child Without" program. Telephone and certain computer systems expenses are also allocated based on transaction volumes and headcount.

## Canadian MedicAlert Foundation Incorporated

### Notes to the financial statements

Year ended December 31, 2018

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#### 8. Allocation of expenses (continued)

Salaries and benefits and other expenses for fiscal 2018 and 2017 are allocated based on management estimates as follows:

	<b>2018</b>	2017
	%	%
Salaries and benefits		
Membership services and education	<b>97</b>	97
"No Child Without" Program	<b>3</b>	3
Telephone and computer system expenses		
Membership services and education	<b>98</b>	98
"No Child Without" Program	<b>2</b>	2

Total expenses subject to allocation:

	<b>2018</b>	2017
	\$	\$
Salaries and benefits	<b>1,766,192</b>	1,903,625
Telephone and computer system expenses	<b>562,187</b>	494,973
	<b>2,328,379</b>	2,398,598

The expenses noted above are allocated on the Statement of operations and changes in net assets as follows:

	<b>2018</b>	2017
	\$	\$
No Child Without <sup>(1)</sup>	<b>72,769</b>	74,255
Membership services and education <sup>(2)</sup>	<b>2,255,610</b>	2,324,343
	<b>2,328,379</b>	2,398,598

(1) Included in total "No Child Without" program expenses of \$105,690 (2017 - \$132,428).

(2) Included in total Membership services and education program expenses of \$3,273,654 (2017 - \$3,618,296).

#### 9. Licensing agreement

The Foundation has a renewable license agreement with MedicAlert Foundation United States, Inc. ("licensor") which has been effective since January 21, 2009. The license agreement stipulates that the license term lasts for five years and is automatically extended for a further period of five years upon expiry without limit. The license agreement provides the Foundation with the use of the MedicAlert registered trade name, trademark and service mark. Under the terms of the license agreement, the Foundation pays annual royalties of 3% on membership fees and other income derived from the sale of MedicAlert services and emblems. Additionally, during the year the Foundation purchased \$15,735 (2017 - \$13,897) of inventory from the licensor.

## Canadian MedicAlert Foundation Incorporated

### Notes to the financial statements

Year ended December 31, 2018

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#### 10. Commitments

The Foundation is committed to equipment operating leases expiring in 2021 and a lease for its premises expiring in 2022. The minimum annual payments are as follows:

	Equipment	Premises	Total
	\$	\$	\$
2019	26,185	129,650	155,835
2020	26,185	129,650	155,835
2021	26,187	129,650	155,837
2022	—	10,807	10,807
	<u>78,557</u>	<u>399,757</u>	<u>478,314</u>

#### 11. Guarantees

In the normal course of business, the Foundation enters into agreements that meet the definition of a guarantee. The Foundation indemnifies all directors, officers, employees, agents, and members for various items including, but not limited to, all costs to settle suits or actions due to services provided to the Foundation, subject to certain restrictions. The Foundation has purchased liability insurance to mitigate the costs of any potential future suits or actions. The amount of any potential future payment cannot be reasonably estimated.

The nature of these indemnification agreements prevents the Foundation from making a reasonable estimate of the maximum exposure due to difficulties in assessing the amount of liability which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Foundation has not made any significant payments under such or similar indemnification agreements and therefore no amount has been accrued with respect to these agreements.

#### 12. Risk management

##### *Interest rate risk*

The Foundation is exposed to interest rate risk on its investments. The Foundation does not use any hedging instruments to manage this risk.

##### *Credit risk*

The Foundation's credit risk is primarily attributable to its accounts receivables. The Foundation manages this risk through proactive collection policies.

##### *Market risk*

Market risk is the risk that the fair value or future cash flows of the Foundation's financial instruments will fluctuate because of changes in market prices.

#### 13. Corresponding Figures

Certain corresponding figures have been reclassified to conform to the current year's presentation. Balances impacted include accounts receivable and accounts payable and accrued liabilities.