Resident Doctors of Canada
Médecins résidents du Canada



# Financial Statements

## For the year ended March 31, 2018

COLLINS BARROW

an independent member of BAKER TILLY INTERNATIONAL

# Resident Doctors of Canada
# Financial Statements
**For the year ended March 31, 2018**



## Contents


| | |
|---|---|
| **Independent Auditor's Report** | 1 |
| **Financial Statements** | |
| Statement of Financial Position | 3 |
| Statement of Changes in Net Assets | 4 |
| Statement of Operations | 5 |
| Statement of Cash Flows | 6 |
| Summary of Significant Accounting Policies | 7 |
| Notes to Financial Statements | 11 |

# Independent Auditor's Report

**To the Members of the**
**Resident Doctors of Canada**

We have audited the accompanying financial statements of the Resident Doctors of Canada, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, 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 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 of our audit opinion.

*Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Resident Doctors of Canada as at March 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.

Chartered Professional Accountants, Licensed Public Accountants
<Date Outstanding>
Ottawa, Ontario

# Resident Doctors of Canada
# Statement of Financial Position



| March 31 | 2018 | 2017 |
|---|---|---|
| **Assets** | | |
| **Current** | | |
| Cash (Note 1) | $ 231,412 | $ 374,423 |
| Current portion of investments (Note 2) | 130,073 | 92,171 |
| Accounts receivable | 78,025 | 135,413 |
| Prepaid expenses | 30,675 | 34,015 |
| | 470,185 | 636,022 |
| **Long-term portion of investments** (Note 2) | 1,479,425 | 1,482,314 |
| **Tangible capital assets** (Note 3) | 191,722 | 202,124 |
| | $ 2,141,332 | $ 2,320,460 |
| **Liabilities and Net Assets** | | |
| **Current** | | |
| Accounts payable and accrued liabilities (Note 4) | $ 68,747 | $ 214,205 |
| Government remittances payable | 20,410 | 18,615 |
| Current portion of obligation under capital lease (Note 5) | 7,265 | 9,658 |
| | 96,422 | 242,478 |
| **Obligation under capital lease** (Note 5) | 31,271 | 35,668 |
| **Deferred lease inducements** (Note 6) | 72,620 | 71,413 |
| | 200,313 | 349,559 |
| **Net assets** | | |
| Invested in tangible capital assets (Note 7) | 121,192 | 121,112 |
| Unrestricted | 1,819,827 | 1,849,789 |
| | 1,941,019 | 1,970,901 |
| | $ 2,141,332 | $ 2,320,460 |

On behalf of the Board:

Dr. Melanie Bechard, President and Director

Dr. Bryce Durafourt, Treasurer and Director

# Resident Doctors of Canada
# Statement of Changes in Net Assets

**For the year ended March 31, 2018**

| | Invested in Tangible Capital Assets (Note 7) | Unrestricted | Total |
|---|---|---|---|
| **Balance,** beginning of year | $ 121,112 | $ 1,849,789 | $ 1,970,901 |
| **Excess (deficiency) of revenue over expenses for the year** | (35,769) | 5,887 | (29,882) |
| **Acquisition of tangible capital assets** | 29,059 | (29,059) | - |
| **Principal repayments of capital lease obligation** | 6,790 | (6,790) | - |
| **Balance,** end of year | $ 121,192 | $ 1,819,827 | $ 1,941,019 |

For the year ended March 31, 2017

| | Invested in Tangible Capital Assets (Note 7) | Unrestricted | Total |
|---|---|---|---|
| Balance, beginning of year | $ 24,740 | $ 1,844,959 | $ 1,869,699 |
| Excess (deficiency) of revenue over expenses for the year | (16,852) | 118,054 | 101,202 |
| Acquisition of tangible capital assets | 195,467 | (195,467) | - |
| Capital lease obligation incurred | (47,489) | 47,489 | - |
| Tenant lease inducement received | (36,917) | 36,917 | - |
| Principal repayments of capital lease obligation | 2,163 | (2,163) | - |
| Balance, end of year | $ 121,112 | $ 1,849,789 | $ 1,970,901 |

## Resident Doctors of Canada
## Statement of Operations

| For the year ended March 31 | 2018 | 2017 |
| --- | --- | --- |
| **Revenue** | | |
| Members' dues (Note 8) | **$ 1,591,018** | $ 1,532,007 |
| Canadian Medical Association honorarium | **26,313** | 23,343 |
| Fatigue risk management project sponsorship | **-** | 35,000 |
| Investment income | **16,279** | 59,884 |
| Rental income | **-** | 52,187 |
| **Total revenue** | **1,633,610** | 1,702,421 |
| **Expenses** | | |
| Human resources (includes salaries and benefits) | **776,322** | 738,904 |
| Operations (Notes 3, 5, 6 and 9) | **197,483** | 272,825 |
| Governance | **287,659** | 221,321 |
| Executive Director's office | **104,787** | 82,076 |
| Liaison representatives | **55,575** | 49,989 |
| Corporate communications | **66,282** | 57,106 |
| Wellness committee | **17,442** | 11,533 |
| Resiliency project | **68,667** | 82,748 |
| Training committee | **24,264** | 14,191 |
| Practice committee | **15,478** | 25,164 |
| Memberships and sponsorships | **49,533** | 45,362 |
| **Total expenses** | **1,663,492** | 1,601,219 |
| **Excess (deficiency) of revenue over expenses for the year** | **$ (29,882)** | $ 101,202 |

# Resident Doctors of Canada
## Statement of Cash Flows



| For the year ended March 31 | 2018 | 2017 |
|---|---|---|
| **Cash flows from (used in) operating activities** | | |
| Excess (deficiency) of revenue over expenses for the year | **$ (29,882)** | $ 101,202 |
| Adjustments for | | |
| Amortization of tangible capital assets (Note 3) | **39,461** | 18,083 |
| Amortization of deferred lease inducements (Note 6) | **(7,584)** | (2,528) |
| | **1,995** | 116,757 |
| Changes in non-cash working capital items | | |
| Accounts receivable | **57,388** | (18,122) |
| Prepaid expenses | **3,340** | (20,088) |
| Account payable and accrued liabilities excluding amounts related to the acquisition of tangible capital assets (Note 4) | **(63,456)** | 28,120 |
| Government remittances payable | **1,795** | (2,578) |
| Deferred lease inducements - reduced rent benefits (Note 6) | **8,791** | 37,024 |
| Decrease (increase) in accrued interest and the fair values of investments | **23,369** | (20,057) |
| | **33,222** | 121,056 |
| **Cash flows from (used in) investing activities** | | |
| Purchase of investments | **(184,784)** | (385,772) |
| Proceeds on sale of investments | **126,402** | 375,650 |
| Purchase of tangible capital assets - excludes capital lease | **(29,059)** | (147,978) |
| Increase (decrease) in accounts payable and accrued liabilities related to tangible capital assets (Note 4) | **(82,002)** | 82,002 |
| | **(169,443)** | (76,098) |
| **Cash flows from (used in) financing activities** | | |
| Tenant lease inducement received (Note 6) | **-** | 36,917 |
| Principal repayments of capital lease obligation (Note 5) | **(6,790)** | (2,163) |
| | **(6,790)** | 34,754 |
| **Increase (decrease) in cash during the year** | **(143,011)** | 79,712 |
| **Cash**, beginning of year | **374,423** | 294,711 |
| **Cash**, end of year | **$ 231,412** | $ 374,423 |

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

**Nature of Organization**

The Resident Doctors of Canada ("RDoC" or the "organization") was continued under the Canada Not-for-profit Corporations Act (the "Act") effective December 9, 2013 as Resident Doctors of Canada Médecins résidents du Canada.

RDoC is a not-for-profit organization and is exempt from income taxes on its not-for-profit activities.

The organization is the national representative body and national voice of over 9,000 resident doctors in Canada. RDoC collaborates with national stakeholders to foster excellence in training, wellness and patient-centred care. RDoC cultivates continuous meaningful dialogue with resident members and the Provincial Housestaff Organizations to provide the Canadian resident perspective on medical education issues of a national interest. RDoC strives to optimize the continuum of medical education and enrich the medical education experience for resident members with the ultimate goal of ensuring the best health and care for patients.

The foregoing description is consistent with the organization's statement of purpose as set out in its Articles of Continuance ("Articles") under the Canada Not-for-profit Corporations Act. The Articles require that any property remaining on liquidation of the organization, after the discharge of its liabilities, should be distributed to one or more qualified donees within the meaning of the Income Tax Act (Canada).

Substantially all of the organization's revenue is derived from annual members' dues as set out in Note 8 to these financial statements and the organization's current level of service is dependant on this level of revenue.

**Basis of Presentation**

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations which are part of Canadian generally accepted accounting principles and include the following significant accounting policies.

**Use of Estimates**

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. These estimates are reviewed periodically and, as adjustments become necessary, they are reported in operations in the fiscal period in which they become known.

Significant estimates include assumptions used in establishing: the fair value of financial instruments; the amounts and collectibility of accounts receivable; the useful lives and related amortization of tangible capital assets; and provisions for accrued liabilities.

**Financial Instruments**

Financial instruments are financial assets or financial liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.

*Measurement of financial instruments*

The organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions, if any.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for certain fixed income and equity investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost include cash, investments in guaranteed investment certificates and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and the obligation under capital lease.

The organization has no financial assets or financial liabilities other than investments in fixed income securities and equity mutual funds that are measured at fair value.

*Impairment*

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in operations. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in operations.

*Transaction costs*

The organization recognizes its transaction costs in operations in the period incurred. However, the financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

**Foreign Currency Translation**

Transactions during the year denominated in a foreign currency are converted to Canadian dollars at the exchange rate effective on the transaction date. All monetary assets and liabilities denominated in a foreign currency are converted to Canadian dollars at the exchange rates in effect at the respective year end. Gains or losses resulting therefrom are included in the determination of the excess (deficiency) of revenue over expenses for the respective year.

# Resident Doctors of Canada
## Summary of Significant Accounting Policies

**March 31, 2018**

### Capital Assets

Tangible capital assets are recorded at cost. Tangible capital assets include office furniture and equipment, computer equipment and leasehold improvements.

Intangible capital assets are charged to operations as an expense as acquired. Intangible capital assets include computer software and website costs.

Amortization expense is charged to the operations using the following annual rates:

| | | |
|---|---|---|
| Office furniture and equipment | 5 | years straight-line basis |
| Office furniture and equipment under capital lease | 5 | years straight-line basis |
| Computer equipment | 3 | years straight-line basis |
| Leasehold improvements | | Term of lease |

When a tangible capital asset no longer has any long-term service potential to the organization, the write-down being the excess of its net carrying amount over any residual value is recognized as an expense in the Statement of Operations.  A write-down is not reversed in subsequent years.

### Leases

Certain long-term lease transactions relating to the financing of office furniture and equipment are accounted for as purchases.  The capital lease obligation reflects the present value of future minimum lease payments discounted at the interest rate implicit in the lease.  Assets recorded under capital lease are amortized using rates that are consistent with similar organization-owned assets.  Costs of all other leases are charged to operations as incurred.

### Revenue Recognition

The organization follows the deferral method of accounting for contributions.  Restricted contributions are recognized as revenue in the year in which the related expenses are incurred or the fiscal year to which the contribution relates. 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.

Member's dues are recognized as revenue in the fiscal year to which they relate.

Interest and other investment income is unrestricted and is recognized in operations as it is earned in accordance with the organization's financial instruments significant accounting policy as previously described.

### Deferred Lease Inducements

Lease inducements received include reduced rent benefits and a tenant lease inducement related to leasehold improvements.

Lease inducements are aggregated with the required lease payments and are amortized to rent expense on a straight-line basis over the term of the lease resulting in a consistent expense over the lease term.

**March 31, 2018**

| | |
|---|---|
| **Allocation of Expenses** | The organization's expenses are presented in the Statement of Operations on both an object and functional basis. Certain expenses incurred are applicable to more than one function, are directly related to the output of that applicable function, and are therefore considered direct expenses and not indirect expenses. Indirect expenses, including expenses presented on an object basis, represent total expenses since no allocation has been made to the functions presented. |
| **Contributed Services and Materials** | Volunteers contribute a significant number of hours per year to assist the organization in carrying out its purpose. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements. Contributed materials, if any, are not recognized in these financial statements. |

**March 31, 2018**

## 1. Cash and Credit Facilities

The organization's cash is substantially all held at Canadian financial institutions and is non-interest bearing.

The organization does not maintain credit facilities other than a corporate credit card with a $25,000 approved limit.

## 2. Investments

| | 2018 | 2017 |
|---|---|---|
| *Measured at amortized cost:* | | |
| Guaranteed investment certificates, fixed interest rates, with maturity dates ranging from April 2018 through June 2023 (2017 - May 2017 through June 2023) | **$ 742,077** | $ 759,490 |
| *Measured at fair value:* | | |
| Fixed income securities, fixed interest rates, with maturity dates ranging from December 2019 through December 2049 (2017 - December 2019 through December 2049) | **514,753** | 463,529 |
| Canadian Equity Mutual funds | **189,499** | 192,484 |
| Foreign Equity Mutual funds | **163,169** | 158,982 |
| | **1,609,498** | 1,574,485 |
| Less: Current portion | **(130,073)** | (92,171) |
| Long-term portion | **$ 1,479,425** | $ 1,482,314 |

## 3. Tangible Capital Assets

| | 2018 Cost | 2018 Accumulated Amortization | 2018 Net Book Value | 2017 Net Book Value |
|---|---|---|---|---|
| Office furniture and equipment | **$ 127,836** | **$ 94,106** | **$ 33,730** | $ 20,499 |
| Office furniture and equipment under capital lease | **40,929** | **10,915** | **30,014** | 38,200 |
| Computer equipment | **46,757** | **34,227** | **12,530** | 19,224 |
| Leasehold improvements | **132,873** | **17,425** | **115,448** | 124,201 |
| | **$ 348,395** | **$ 156,673** | **$ 191,722** | $ 202,124 |

The amortization of the organization's tangible capital assets resulted in a charge to operations in the amount of $39,461 (2017 - $18,083).

## 4. Accounts Payable and Accrued Liabilities

| | 2018 | 2017 |
|---|---|---|
| Operations, other than as set out herein | **$ 68,747** | $ 117,485 |
| Accrued rent related to former premises (Note 9) | **-** | 14,718 |
| Acquisition of tangible capital assets - leasehold improvements | **-** | 82,002 |
| | **$ 68,747** | $ 214,205 |

## 5. Obligation Under Capital Lease

| | 2018 | 2017 |
|---|---|---|
| Furniture and equipment under capital lease repayable in monthly payments of $805 until November 2022 | **$ 45,069** | $ 54,727 |
| Less: Imputed interest at 6.79% | **(6,533)** | (9,401) |
| | **38,536** | 45,326 |
| Less: Current portion | **(7,265)** | (9,658) |
| Long-term portion | **$ 31,271** | $ 35,668 |

5. **Obligation Under Capital Lease** (continued)

The financial statement carrying value of the furniture and equipment under capital lease is $30,014 (2017 - $38,200).

The organization incurred interest of $2,868 (2017 - $1,056) on the obligation under capital lease that has been charged to operations.

Minimum lease payments required over the lease term on a fiscal year basis are as follows:

| | |
|---|---|
| 2019 | $ 9,660 |
| 2020 | 9,660 |
| 2021 | 9,660 |
| 2022 | 9,660 |
| 2023 | 6,429 |
| | $ 45,069 |

6. **Deferred Lease Inducements**

During the 2017 fiscal year, the organization entered into a lease agreement for new office premises. As part of the agreement, the organization received a six month operating cost and rent-free period from December 1, 2016 to May 31, 2017. Rent expense was recorded during this period at the average monthly rate in order to reflect the economic substance of the incentive. The organization also received a tenant lease inducement of $36,917 in 2017. The resulting deferred inducements are being amortized over the ten year term of the lease, as set out below, reducing the rent expense of future periods below the payments required set out in Note 9 to these financial statements.

| | **2018** | | | 2017 | | |
|---|---|---|---|---|---|---|
| | **Tenant Lease Inducement** | **Reduced Rent Benefits** | **Total** | Tenant Lease Inducement | Reduced Rent Benefits | Total |
| Balance, beginning of year | **$ 35,686** | **$ 35,727** | **$ 71,413** | $ - | $ - | $ - |
| Lease inducements received in the year | **-** | **8,791** | **8,791** | 36,917 | 37,024 | 73,941 |
| Amortization for the year | **(3,692)** | **(3,892)** | **(7,584)** | (1,231) | (1,297) | (2,528) |
| Balance, end of year | **$ 31,994** | **$ 40,626** | **$ 72,620** | $ 35,686 | $ 35,727 | $ 71,413 |

7. **Net Assets Invested in Tangible Capital Assets**

Net assets invested in tangible capital assets represents the organization's own financial resources applied to tangible capital assets and is calculated as follows:

| | **2018** | 2017 |
|---|---|---|
| Tangible capital assets - net book value (Note 3) | **$ 191,722** | $ 202,124 |
| Less: Obligation under capital lease (Note 5) | **(38,536)** | (45,326) |
| Unamortized balance of tenant lease inducement (Note 6) | **(31,994)** | (35,686) |
| | **$ 121,192** | $ 121,112 |

8. **Members' Dues**

The organization is funded primarily by membership dues levied and collected through Provincial Housestaff Organizations. The following amounts represent the dues for the respective fiscal year:

| | **2018** | 2017 |
|---|---|---|
| Alberta | **$ 259,573** | $ 269,150 |
| British Columbia | **195,682** | 200,761 |
| Manitoba | **88,691** | 88,394 |
| Maritimes | **88,205** | 94,283 |
| Newfoundland | **44,116** | 43,671 |
| Ontario | **850,056** | 770,673 |
| Saskatchewan | **64,695** | 65,075 |
| | **$ 1,591,018** | $ 1,532,007 |

9. **Commitments and Contingencies**

*Premises*

During the 2017 fiscal year the organization entered into a lease agreement for new office premises which commenced December 1, 2016 and expires November 30, 2026. Under the lease agreement, the organization was subject to a no charge basis for base rent, building operating costs and realty taxes for a 6 month period. The landlord has also provided a leasehold allowance towards leasehold improvements undertaken by the organization in respect of the new location.

9. **Commitments and Contingencies** (continued)

*Premises (continued)*

The organization is committed to minimum lease payments for the next five fiscal years, thereafter and in aggregate over the balance of the lease term which ends November 30, 2026 as follows:

| | | |
|---|---|---|
| 2019 | $ | 29,534 |
| 2020 | | 31,174 |
| 2021 | | 34,456 |
| 2022 | | 35,276 |
| 2023 | | 36,917 |
| Thereafter | | 140,285 |
| | $ | 307,642 |

The agreement also requires the organization to pay additional rent, being the organization's share of the building operating costs and realty taxes which is estimated to be an annual amount of approximately $49,000.

The organization was a party to a lease agreement for its former office premises which it ceased occupying during the 2017 fiscal year. The agreement for the organization's previous location expired June 30, 2017. The organization had sub-leased a portion of these premises. The balance of costs, net of expected sub-lease recoveries, related to these leased premises were charged to operations for the 2017 fiscal year although their payment took take place during the 2018 fiscal year.

The organization's office premises - rent and occupancy costs expenses are comprised of:

| | | **2018** | | 2017 |
|---|---|---|---|---|
| Amortized costs related to new premises | **$** | **71,258** | $ | 34,496 |
| Costs related to former premises - 12 months | | **-** | | 111,264 |
| Additional accrual related to former premises - balance of lease payments less rent recoveries (Note 4) | | **-** | | 14,718 |
| | **$** | **71,259** | $ | 160,478 |

*Operating leases*

The organization has entered into a lease agreement for computer equipment expiring in January 2019, as well as another office equipment lease agreement expiring February 5, 2020. Minimum lease payments by fiscal year and in aggregate for the balance of these lease terms are as follows:

| | | |
|---|---|---|
| 2019 | $ | 13,511 |
| 2020 | | 7,846 |
| | $ | 21,357 |

9. **Commitments and Contingencies** (continued)

*Other*

In connection with its operations, the organization regularly enters into agreements for the reservation of various hotels for accommodations and services. These agreements contain guaranteed minimum amounts of activity relative to purchase of accommodations and services from these hotels. Should the organization fail to meet their obligations in these agreements, they are obligated to pay fees based on the amount of advance notice given to the facility to compensate for the estimated losses. The maximum guaranteed amounts for the agreements total approximately $21,000 and the guaranteed amounts as at March 31, 2018 total approximately $15,000.

Additionally, the organization entered into a contract for strategic planning services with the project being completed May 2018. The commitment at March 31, 2018 for these services is approximately $13,000.

10. **Financial Instruments Risks and Concentrations**

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations as at March 31, 2018.

The organization is not involved in any hedging relationships through its operations and does not hold or use any derivative financial instruments for trading purposes.

*Liquidity risk*

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, government remittances payable, its obligation under capital lease and its commitments.

*Credit risk*

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization's main credit risks relate to its accounts receivable in the event of non-payment.  Although not considered a significant credit risk, credit risk also exists in relation to the organization's cash and investments set out in Notes 1 and 2 to these financial statements.

*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.

10. **Financial Instruments Risks and Concentrations** (continued)

*Currency risk*

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The organization is exposed to this risk mainly in respect of its Foreign Equity Mutual funds investments set out in Note 2 to these financial statements.

*Interest rate risk*

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed interest rate instruments present a fair value risk, whereas floating interest rate instruments present a cash flow risk. The organization is exposed to a fair value risk mainly in respect of its guaranteed investment certificates and its fixed income securities investments set out in Note 2 to these financial statements. The organization is also exposed to a fair value risk on its fixed interest rate capital lease set out in Note 5 to these financial statements.

*Other price risk*

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk on its Canadian and Foreign Equity Mutual funds investments set out in Note 2 to these financial statements.

*Changes in risks*

There have been no significant changes in the organization's financial instruments risk exposures during the year ended March 31, 2018.

11. **Corresponding Amounts and Financial Disclosures**

In certain instances, 2017 fiscal year corresponding amounts and financial disclosures presented have been reclassified to conform with the financial statement presentation and financial disclosures adopted for the 2018 fiscal year.