

Financial Statements of

**ART GALLERY OF GREATER  
VICTORIA**

Year ended March 31, 2016



**KPMG LLP**

**Chartered Professional Accountants**

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## **INDEPENDENT AUDITORS' REPORT**

*To the Members of the Art Gallery of Greater Victoria*

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Art Gallery of Greater Victoria which comprise the statement of financial position as at March 31, 2016, the statements of operations, changes in fund balances, and cash flows for the year then ended, and notes, comprising 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.

#### *Auditors' 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 an 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 in our audit 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 Art Gallery of Greater Victoria as at March 31, 2016, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



*Comparative Information*

The financial statements of the Art Gallery of Greater Victoria as at and for the year ended March 31, 2015 were audited by another auditor who expressed an unmodified opinion on those financial statements on June 9, 2015.

**Report on Other Legal and Regulatory Requirements**

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding period.

*KPMG LLP*

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a long, horizontal, slightly curved line that extends across the width of the signature.

Chartered Professional Accountants

June 14, 2016

Victoria, Canada

# ART GALLERY OF GREATER VICTORIA

## Statement of Financial Position

March 31, 2016, with comparative information for 2015

	Operating Fund	Restricted Funds	Total 2016	Total 2015
<b>Assets</b>				
Current assets:				
Cash and cash equivalents	\$ 164,927	\$ -	\$ 164,927	\$ 331,523
Receivables	45,097	-	45,097	58,765
Inventory	64,086	-	64,086	67,017
Prepays	7,409	-	7,409	11,043
Interfund balances	263,282	(263,282)	-	-
	544,801	(263,282)	281,519	468,348
Investments (note 2)	195,077	2,871,568	3,066,645	3,088,285
Capital assets (note 3)	-	3,476,602	3,476,602	3,193,590
Objects of art and library books (note 4)	-	1	1	1
	\$ 739,878	\$ 6,084,889	\$ 6,824,767	\$ 6,750,224

## Liabilities

Current liabilities:				
Bank indebtedness (note 7)	\$ -	\$ 104,736	\$ 104,736	\$ 118,691
Demand loan (note 8)	-	550,000	550,000	130,000
Payables and accruals	274,380	35,064	309,444	405,455
Deferred contributions (note 5)	382,442	-	382,442	441,488
	656,822	689,800	1,346,622	1,095,634

## Fund Balances

Invested in capital assets	-	2,066,625	2,066,625	2,129,955
Externally restricted	-	3,053,839	3,053,839	3,143,966
Internally restricted	-	274,625	274,625	296,065
Unrestricted	83,056	-	83,056	84,604
	83,056	5,395,089	5,478,145	5,654,590
	\$ 739,878	\$ 6,084,889	\$ 6,824,767	\$ 6,750,224

See accompanying notes to financial statements.

Commitments (note 11)

On behalf of the Board:

Director

Director

# ART GALLERY OF GREATER VICTORIA

## Statement of Operations

Year ended March 31, 2016, with comparative information for 2015

	Operating Fund		Restricted Funds		Total	Total
	2016	2015	2016	2015	2016	2015
<b>Revenue:</b>						
Admissions	\$ 110,856	\$ 123,057	\$ -	\$ -	\$ 110,856	\$ 123,057
AGGV Foundation (note 6)	211,800	209,200	67,600	59,200	279,400	268,400
Bequests	1,119,821	10,993	-	-	1,119,821	10,993
British Columbia Gaming Commission	100,000	100,000	-	-	100,000	100,000
Donations, fundraising and memberships	627,408	554,091	138,203	175,448	765,611	729,539
Grants (note 9)	907,059	926,351	12,800	39,858	919,859	966,209
Other income	89,214	104,792	14,288	11,195	103,502	115,987
Retail services	338,121	357,124	-	-	338,121	357,124
	<u>3,504,279</u>	<u>2,385,608</u>	<u>232,891</u>	<u>285,701</u>	<u>3,737,170</u>	<u>2,671,309</u>
<b>Expenses:</b>						
Administration	540,249	500,575	22,110	10,181	562,359	510,756
Advancement and fundraising	245,620	241,414	246,826	139,022	492,446	380,436
Amortization	-	-	63,323	70,871	63,323	70,871
Art acquisitions (note 4)	-	-	32,831	25,921	32,831	25,921
Buildings and grounds	207,843	207,778	-	-	207,843	207,778
Collections management	171,723	172,848	-	-	171,723	172,848
Costs of goods sold	184,107	185,031	-	-	184,107	185,031
Curatorial	577,652	608,695	25,561	22,484	603,213	631,179
Donations to AGGV Foundation (note 6)	1,078,690	-	-	-	1,078,690	-
Public relations	249,443	229,897	-	-	249,443	229,897
Retail services	113,983	110,053	-	-	113,983	110,053
Visitor services	120,052	124,305	-	-	120,052	124,305
	<u>3,489,362</u>	<u>2,380,596</u>	<u>390,651</u>	<u>268,479</u>	<u>3,880,013</u>	<u>2,649,075</u>
Excess (deficiency) of revenue over expenses before the following item	14,917	5,012	(157,760)	17,222	(142,843)	22,234
Change in fair value of investments	(16,465)	11,220	(17,137)	11,677	(33,602)	22,897
Excess (deficiency) of revenue over expenses	\$ (1,548)	\$ 16,232	\$ (174,897)	\$ 28,899	\$ (176,445)	\$ 45,131

See accompanying notes to financial statements.

# ART GALLERY OF GREATER VICTORIA

## Statement of Changes in Fund Balances

Year ended March 31, 2016, with comparative information for 2015

	Operating Fund		Restricted Funds		Total	Total
	2016	2015	2016	2015	2016	2015
Balance, beginning of year	\$ 84,604	\$ 68,372	\$ 5,569,986	\$ 5,541,087	\$ 5,654,590	\$ 5,609,459
Excess (deficiency) of revenue over expenses	(1,548)	16,232	(174,897)	28,899	(176,445)	45,131
Balance, end of year	\$ 83,056	\$ 84,604	\$ 5,395,089	\$ 5,569,986	\$ 5,478,145	\$ 5,654,590

See accompanying notes to financial statements.

# ART GALLERY OF GREATER VICTORIA

## Statement of Cash Flows

Year ended March 31, 2016, with comparative information for 2015

	Operating Fund		Restricted Funds		Total	Total
	2016	2015	2016	2015	2016	2015
<b>Sources of cash from operating activities:</b>						
Self-generated funds (note 13)	\$ 1,092,801	\$ 1,107,092	\$ 138,203	\$ 175,442	\$ 1,231,004	\$ 1,282,534
AGGV Foundation	173,800	327,200	67,600	59,200	241,400	386,400
Bequests	1,119,821	10,993	-	-	1,119,821	10,993
British Columbia Gaming Commission	100,000	100,000	-	-	100,000	100,000
Grants	920,759	918,458	12,800	39,858	933,559	958,316
	3,407,181	2,463,743	218,603	274,500	3,625,784	2,738,243
<b>Uses of cash for operating activities:</b>						
Payment of expenses	2,453,147	2,322,552	291,446	171,929	2,744,593	2,494,481
Purchase of objects of art and library books	-	-	32,831	25,921	32,831	25,921
Payment of donations to AGGV Foundation	1,078,690	-	-	-	1,078,690	-
	3,531,837	2,322,552	324,277	197,850	3,856,114	2,520,402
Increase (decrease) in cash from operating activities	(124,656)	141,191	(105,674)	76,650	(230,330)	217,841
<b>Sources of cash from investing activities:</b>						
Distributions from investments held at the Victoria Foundation	6,879	6,083	7,158	6,332	14,037	12,415
<b>Uses of cash for investing activities:</b>						
Purchase of capital assets	-	-	356,348	545,892	356,348	545,892
Increase (decrease) in cash from investing activities	6,879	6,083	(349,190)	(539,560)	(342,311)	(533,477)
<b>Sources of cash from financing activities</b>						
Increase in demand loan	-	-	420,000	130,000	420,000	130,000
Increase in cash from financing activities	-	-	420,000	130,000	420,000	(130,000)
Net increase (decrease) in cash and cash equivalents	(117,777)	147,274	(34,864)	(332,910)	(152,641)	(445,636)
Cash and cash equivalents (bank indebtedness), beginning of year	331,523	298,372	(118,691)	100,096	212,832	398,468
Interfund transfers	(48,819)	(114,123)	48,819	114,123	-	-
Cash and cash equivalents (bank indebtedness), end of year	\$ 164,927	\$ 331,523	\$ (104,736)	\$ (118,691)	\$ 60,191	\$ 212,832

See accompanying notes to financial statements.

# ART GALLERY OF GREATER VICTORIA

## Notes to Financial Statements

Year ended March 31, 2016

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Art Gallery of Greater Victoria (the "Society") has the following mission statement: "The Art Gallery of Greater Victoria is a public art gallery committed to the celebration of art. With vision, leadership and scholarship, we will engage and inspire diverse audiences through exhibitions, interpretation, and stewardship of the collection".

The Society is incorporated under the Society Act of British Columbia and its principal activities are the operation of an art gallery and related services. Art Gallery of Greater Victoria is a charitable organization registered under the Income Tax Act and as such is exempt from income taxes and able to issue donation receipts for income tax purposes.

### 1. Significant accounting policies:

The financial statements of the Society are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

#### (a) Fund accounting:

The Art Gallery of Greater Victoria follows the restricted fund method of accounting for contributions. The Society records its activities in the following funds:

The Operating Fund accounts for the organization's program delivery and transactions related to the maintenance of the facilities and general operations of the Gallery. This fund reports unrestricted and restricted operating contributions.

The Restricted Funds include the following:

Capital Fund which includes the transactions relating to land, buildings and equipment.

Externally Restricted Fund which includes funds received from individual and corporate donations and government grants that are designated for art acquisitions, capital projects and the care and maintenance of the collection and facility.

Internally Restricted Fund which includes funds restricted by direction of the Society and used for art acquisitions, capital projects and the care and maintenance of the collection and facility.

#### (b) Revenue recognition:

Operating grant revenue is recognized in the period for which the grant is awarded. Accordingly, operating grant revenue awarded for periods subsequent to the current year is deferred to the next fiscal year.

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund when received or receivable.

Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue on retail sales, admissions and membership is recognized at the point of sale when the customer receives and pays for the goods or service.



# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

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## 1. Significant accounting policies (continued):

### (c) Capital assets:

Rates and bases applied to write off the cost less estimated salvage value of capital assets over their estimated useful lives are as follows:

Building improvements	20 years, straight-line
Furniture, fixtures and equipment	5 years, straight-line
Computer equipment	3 years, straight-line
Computer software	2 years, straight-line

There is no amortization of the cost of building improvements or other capital projects that are substantially incomplete and not ready for their intended purpose at year end.

### (d) Financial instruments:

The Society's financial instruments consist of cash and cash equivalents, receivables, investments, bank indebtedness, demand loan and payables and accruals.

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instrument at fair value. The Society has not elected to carry any such financial instruments at fair value.

### (e) Inventory:

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

### (f) Art and library books:

The Society holds a collection of works of art for the perpetual benefit of current and future generations. The collection is shown as an asset at a nominal value of \$1 due to the practical difficulties of determining a meaningful value for these assets. Works of art purchased for the collection of the Gallery are recorded as an expense in the year of acquisition. Works of art donated to the Gallery are not recorded in the books of account.

### (g) Contributed goods and services:

The Society records donated materials, services and facilities in those cases where:

- the Society controls the way they are used;
- there is a measurable basis for arriving at fair value;
- the services are essential services, which would normally be purchased and paid for if not donated; and
- The value of the donated materials, services or facilities is a minimum of \$3,000.

Donations in kind of \$8,378 were recorded in 2016 (2015: \$3,200). Part of the activities of the Society is carried out by volunteers. The value of this contributed time is not reflected in these financial statements.

# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

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## 1. Significant accounting policies (continued):

### (h) Impairment of long-lived assets:

The Society regularly reviews the carrying value of long-lived assets and continually makes estimates regarding future cash flows and other factors to determine the fair value of the respective assets. If these estimates or their related assumptions change in the future, the Society may be required to record impairment charges for these assets.

### (i) Use of estimates:

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the period. The estimates and assumptions made include, among other things, the estimated useful life of capital assets and the collectability of receivables. Actual results could differ from these estimates.

## 2. Investments:

	2016	2015
Investments held by Victoria Foundation, at fair value	\$ 396,645	\$ 418,285
Goldman's Incorporated Class C shares, at cost	2,670,000	2,670,000
	<u>\$ 3,066,645</u>	<u>\$ 3,088,285</u>

The investments held by the Victoria Foundation are invested in the Victoria Foundation's common trust fund. The Victoria Foundation determines fair value based on bid prices at year end. The Society receives the annual income from these funds and retains a right of retraction for these funds. The Class C shares of Goldman's Incorporated were donated to the Society in December 2013 and were initially valued at fair value based on an independent valuation report on the shares prepared at that time. Since the shares are not quoted in an active market they are now measured at cost.

# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

### 3. Capital assets:

			2016	2015
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$2,172,745	\$ -	\$ 2,172,745	\$ 2,172,744
Building improvements	855,880	485,225	370,655	414,319
Capital renewal project	894,422	-	894,422	560,889
Furniture, fixtures and equipment	476,992	468,364	8,628	10,647
Computer equipment	242,184	222,224	19,960	27,478
Computer software	84,544	74,352	10,192	7,513
	<u>\$4,726,767</u>	<u>\$ 1,250,165</u>	<u>\$ 3,476,602</u>	<u>\$ 3,193,590</u>

During the year capital asset purchases of \$346,335 (2015 - \$575,568) were made. The entire cost of the capital renewal project is not being amortized because the project remains under development as at March 31, 2016.

### 4. Objects of art and library books:

The Society has an extensive collection of visual arts, particularly Asian and Canadian art. The Society's collection includes some 19,000 (2015 - 18,000) works of art.

The Society acquires works of art by purchase, donation and bequest. Acquisitions in the year are as follows:

	2016	2015
Purchase – Restricted funds	\$ 32,831	\$ 25,921
Donations and bequests, at estimated fair market value	836,659	545,695
	<u>\$ 869,490</u>	<u>\$ 571,616</u>

# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

## 5. Deferred contributions:

Changes in the deferred contributions balance are as follows:

	2016	2015
Balance, beginning of year	\$ 441,488	\$ 447,317
Contributions received:		
Grants	933,559	958,315
Other	26,902	87,875
	960,461	1,046,190
Recognition of contributions:		
Grants (note 9)	919,859	966,209
Other	99,648	85,810
	1,019,507	1,052,019
	\$ 382,442	\$ 441,488

## 6. Art Gallery of Greater Victoria Foundation:

The Art Gallery of Greater Victoria Foundation (the "Foundation") is incorporated under the Society Act of British Columbia and is a charitable organization registered under the Income Tax Act, and as such, is exempt from income taxes and able to issue donation receipts for income tax purposes. Its purpose is to build and manage donations and bequests as endowment funds, art acquisition funds, programming funds, or capital funds, based on the wishes of the donors or the decision of the Directors. The annual income is used for the benefit of the Society in accordance with the wishes of the donors.

The Foundation is controlled by the Society as the Foundation's eight Board members; four comprise of the President, Treasurer, Director/Chief Executive Officer, and Director of Finance and Administration of the Society, and the four remaining are appointed by the Society's Board. The Foundation has not been consolidated in the Society's financial statements.

During the year the Society received a bequest of \$1,098,690 which was subsequently transferred to the Foundation less costs to accept the bequest of \$20,000. The bequest is to be used specifically for collections and exhibits purposes and not for capital building projects.

Included in payables is \$80,000 (2015 - \$118,000) due to Art Gallery of Greater Victoria Foundation.

# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

## 6. Art Gallery of Greater Victoria Foundation (continued):

The summarized financial position and operating results as at and for the year ended March 31, 2016, the latest fiscal year-end of the Foundation are as follows:

	2016	2015
Financial position:		
Total assets	\$ 6,533,015	\$ 5,818,152
Total liabilities	4,500	4,000
Fund balances	\$ 6,528,515	\$ 5,814,152
Results of operations		
Revenue	1,583,887	331,197
Expenses	321,152	305,786
Unrealized gain (loss) on investments held	(548,372)	300,282
Excess of revenue over expenses	\$ 714,363	\$ 325,693
Cash flows		
Operating activities	\$ 832,267	\$ (391,288)
Investing activities	(799,430)	291,264
Net increase (decrease) in cash and cash equivalents	\$ 32,837	\$ (100,024)

The Society had the following transactions with the Foundation:

	2016	2015
Revenue received from the Foundation's endowment funds:		
Restricted:		
Holmes Sisters, Gladys, Doris and Marjorie Fund	\$ 5,624	\$ 4,886
Mortimer Lamb Fund	7,788	7,234
Myfanwy Pavelic Fund	1,323	1,152
George and Lola Kidd Decorative Arts Fund	15,520	13,479
George and Lola Kidd B.C. Arts Fund	13,998	12,163
Audain Curator of First Nations Art Fund	23,223	20,179
Asian Art Fund	124	107
	\$ 67,600	\$ 59,200
Unrestricted:		
Gwendolyn Scott Fund	\$ 1,660	\$ 1,387
Richard and Constance Glover Fund	6,157	5,145
Sara Spencer Fund	99,333	87,318
Other general funds	104,650	115,350
	\$ 211,800	\$ 209,200

# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

## 7. Bank indebtedness:

The Society maintains two lines of credit with the Bank of Montreal. The operating line of credit, bearing interest at bank prime, interest only monthly payments, authorized to a maximum of \$100,000, and the restricted line of credit, bearing interest at bank prime, interest only payments, authorized to a maximum of \$300,000, are secured by a general security agreement and a pledge of duplicate certificate of title over 1040 Moss Street.

## 8. Demand loan:

The Society maintains a demand loan with the Bank of Montreal. The demand loan, bearing interest at bank prime plus 0.75%, interest only monthly payments, authorized to a maximum of \$550,000, is to be used to assist with expenses relating to the renewal project and is secured by a general security agreement and a pledge of duplicate certificate of title over 1040 Moss Street.

## 9. Grants:

	2016	2015
<b>Operating Fund:</b>		
B.C. Arts Council:		
Operating Assistance	\$ 275,000	\$ 275,000
Creative BC – Arts Innovation Fund	5,000	20,000
Co-op Placement	5,638	7,700
Canada Council:		
Operating Assistance	162,000	162,000
Travel	-	2,000
Canadian Heritage - Museum Assistance Program	15,000	15,194
Canadian Museums Association - Young Canada Works in Heritage Organizations	6,421	3,457
Capital Regional District	438,000	437,000
Local school districts	-	4,000
	907,059	926,351
<b>Restricted Funds:</b>		
Canadian Heritage - Canada Cultural Spaces Fund	-	30,558
Canada Council – Visual Arts – Acquisition assistance	12,800	9,300
	12,800	39,858
	\$ 919,859	\$ 966,209

# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

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## 10. Employee pension plan:

The Society and its employees contribute to the Municipal Pension Plan (the Plan), a jointly trustee plan. The board of trustees of the British Columbia Pension Corporation, representing plan members and employers, is responsible for overseeing the management of the Plan including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit plan.

Defined contribution plan accounting is applied to this benefit plan. As such, the cost of these employee future benefits is recognized as an expense in the year that contributions are paid.

The risks and rewards associated with the Plan's unfunded liability or surplus are shared between the employers and the Plan's members and may be reflected in their future contributions. During the year, the Society contributed \$94,366 (2015 - \$88,099) to the Plan on behalf of employees. Based on the most recent actuarial valuation as of December 2012, the Municipal Pension Plan had an unfunded liability which was addressed through increased employer and employee contribution rates effective July 1, 2014. The next valuation of the Plan will be December 2015. Portions of any surplus or deficiency are not attributed to individual employers

## 11. Commitments:

The Society has entered into agreements to lease office equipment for various periods until September 2019. Minimum rent payable for equipment in aggregate is as follows:

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2017	\$	7,584
2018		6,498
2019		5,412
2020		2,706
	\$	22,200

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## 12. Victoria Foundation – B.C. Arts Renaissance Endowment Fund:

The Society is the income beneficiary of the Art Gallery of Greater Victoria B.C. Arts Renaissance Endowment Fund established in December 2005 by the Victoria Foundation.

Capital contributions by anonymous donors to this fund total \$25,100, and have been supplemented by \$22,100 of contributions by the Society flowed through from the B.C. Arts Renaissance Fund at the Vancouver Foundation. The capital of the Endowment Fund remains the property of the Victoria Foundation. The fair market value of the Endowment Fund as of March 31, 2016 is \$56,888 (2015 - \$59,070).

# ART GALLERY OF GREATER VICTORIA

Notes to Financial Statements

Year ended March 31, 2016

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## **13. Self-generated funds:**

Self-generated funds include admissions, donations, fundraising and memberships, retail services and other income.

## **14. Risk management:**

In the normal course of business, the Society is exposed to liquidity risk. The Society's primary risk management objective is to protect earnings and cash flow in order to support its operations. Risks are managed within limits ultimately established by the Society's Board of Directors and implemented by management. The Society manages liquidity risk through the Victoria Foundation and its investment policies and their quarterly reporting to the Society, and by having access to a line of credit.

The Society is exposed to interest rate risk due to the variable rate on its demand loan and lines of credit.

Market price risk is the risk that the value of an instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Market price risk is managed through the Victoria Foundation's Investment Policy which specifies the required asset mix and eligible securities permitted within its investment portfolio.

It is management's opinion that the Society is not exposed to significant currency or credit risk arising from its financial instruments.