

Financial Statements of

**HUNTINGTON SOCIETY
OF CANADA**

And Independent Auditors' Report thereon

Year ended March 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Members of the Huntington Society of Canada

Qualified Opinion

We have audited the financial statements of Huntington Society of Canada (the "Society"), which comprise:

- the statement of financial position as at March 31, 2020
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2020, 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society.



Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at March 31, 2020 and March 31, 2019
- the fundraising revenue and excess of revenue over expenses reported in the statements of operations for the year ended March 31, 2020 and for the nine month period ended March 31, 2019
- the fund balances, at the beginning and end of the period, reported in the statement of changes in fund balances for the year ended March 31, 2020 and the nine month period ended March 31, 2019
- the excess of revenue over expenses reported in the statements of cash flows for the year ended March 31, 2020 and the nine month period ended March 31, 2019

Our opinion on the financial statements for the year ended March 31, 2020 and the nine month period ended March 31, 2019 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Society 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 qualified opinion.

Responsibilities of Management and Those Charged With Governance 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.

In preparing the financial statements, management is responsible for assessing the Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.



Auditors' 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 auditors' 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 generally accepted auditing standards 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 the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, 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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Society to cease to continue as a going concern.



Page 4

- 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Waterloo, Canada
September 12, 2020

HUNTINGTON SOCIETY OF CANADA

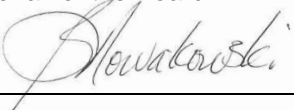
Statement of Financial Position

March 31, 2020, with comparative for 2019

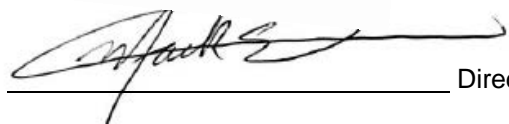
	2020	2019
Assets		
Current assets:		
Cash (note 11)	\$ 870,424	\$ 1,007,463
Investments (note 2)	2,642,350	3,037,917
Accounts receivable (note 3)	134,130	30,111
Prepaid expenses	99,161	96,150
	<u>3,746,065</u>	<u>4,171,641</u>
Capital assets (note 4)	77,032	19,600
	<u>\$ 3,823,097</u>	<u>\$ 4,191,241</u>
Liabilities and Fund Balances		
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 160,818	\$ 80,163
Deferred revenue (note 6)	309,305	489,841
	<u>470,123</u>	<u>570,004</u>
Deferred lease inducement	17,699	-
	<u>487,822</u>	<u>570,004</u>
Fund Balances:		
General Fund	298,552	582,573
Capital Assets Fund	77,032	19,600
Endowment Fund	1,755,311	1,887,916
Laura's Hope Fund	18,780	17,847
Ralph Walker Research Fund	1,185,600	1,113,301
	<u>3,335,275</u>	<u>3,621,237</u>
Commitments (note 7)		
Subsequent event (note 13)		
	<u>\$ 3,823,097</u>	<u>\$ 4,191,241</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

HUNTINGTON SOCIETY OF CANADA

Statement of Operations

Year ended March 31, 2020, with comparative information for the nine month period ended March 31, 2019

	General Fund	Capital Assets Fund	Endowment Fund	Laura's Hope Fund	Ralph Walker Research Fund	Total year ended March 31, 2020	Total nine month period ended March 31, 2019
Revenue:							
Donations	\$ 1,356,483	\$ -	\$ -	\$ -	\$ 503,592	\$ 1,860,075	\$ 974,488
Grants	178,328	-	-	-	431,237	609,565	536,617
Chapter and volunteer fundraising revenue (note 8)	1,273,497	-	-	-	3,558	1,277,055	753,164
Investment income (note 9)	58,610	-	-	933	33,594	93,137	93,076
Change in fair value of investments	23,321	-	(117,605)	-	(53,035)	(147,319)	3,360
Other income	93,212	-	-	-	-	93,212	91,499
	2,983,451	-	(117,605)	933	918,946	3,785,725	2,452,204
Expenses:							
Research	68,445	-	-	-	846,647	915,092	438,927
Family services	1,343,180	-	-	-	-	1,343,180	991,916
Public awareness and education	321,007	-	-	-	-	321,007	350,421
Chapter and volunteer support	170,182	-	-	-	-	170,182	122,843
Development	388,691	-	-	-	-	388,691	291,112
Chapter and volunteer fundraising expenses (note 8)	250,944	-	-	-	-	250,944	245,044
Administration	672,232	-	-	-	-	672,232	412,418
Amortization	-	10,359	-	-	-	10,359	5,006
	3,214,681	10,359	-	-	846,647	4,071,687	2,857,687
Excess (deficiency) of revenue over expenses	\$ (231,230)	\$ (10,359)	\$ (117,605)	\$ 933	\$ 72,299	\$ (285,962)	\$ (405,483)

See accompanying notes to financial statements.

HUNTINGTON SOCIETY OF CANADA

Statement of Changes in Fund Balances

Year ended March 31, 2020, with comparative information for the nine month period ended March 31, 2019

	General Fund	Capital Assets Fund	Endowment Fund	Laura's Hope Fund	Ralph Walker Research Fund	Year ended March 31, 2020	Nine month period ended March 31, 2019
Fund balances, beginning of period	\$ 582,573	\$ 19,600	\$ 1,887,916	\$ 17,847	\$ 1,113,301	\$ 3,621,237	\$ 4,026,720
Excess (deficiency) of revenue over expenses	(231,230)	(10,359)	(117,605)	933	72,299	(285,962)	(405,483)
Interfund transfers (note 10)	(52,791)	67,791	(15,000)	–	–	–	–
Fund balances, end of period	\$ 298,552	\$ 77,032	\$ 1,755,311	\$ 18,780	\$ 1,185,600	\$ 3,335,275	\$ 3,621,237

See accompanying notes to financial statements.

HUNTINGTON SOCIETY OF CANADA

Statement of Cash Flows

Year ended March 31, 2020, with comparative information for the nine month period ended March 31, 2019

	Year ended March 31, 2020	Nine month period ended March 31, 2019
Cash provided by (applied to):		
Operations:		
Deficiency of revenue over expenses	\$ (285,962)	\$ (405,483)
Items not involving cash:		
Change in fair value of investments	147,319	(3,360)
Amortization	10,359	5,006
Deferred lease inducement	17,699	-
Changes in non-cash operating assets and liabilities:		
Accounts receivable	(104,019)	19,249
Prepaid expenses	(3,011)	10,386
Accounts payable and accrued liabilities	80,655	9,732
Deferred revenue	(180,536)	41,543
	(317,496)	(322,927)
Investments:		
Purchase of capital assets	(67,791)	(7,097)
Sale of investments, net	248,248	49,492
	180,457	42,395
Decrease in cash	(137,039)	(280,532)
Cash, beginning of period	1,007,463	1,287,995
Cash, end of period	\$ 870,424	\$ 1,007,463

See accompanying notes to financial statements.

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements

Year ended March 31, 2020

The Huntington Society of Canada (the "Society") is a national network of volunteers and professionals united in the fight against Huntington disease ("HD"). As a not-for-profit organization, incorporated under the laws of Canada, the Society seeks to maximize the quality of life of people living with HD by delivering services, increasing awareness of the disease, and supporting research to slow and prevent HD.

The Society is a registered charity under the Income Tax Act (Canada) and is, therefore, exempt from income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with the Chartered Professional Accountants of Canada Handbook Part III - Canadian accounting standards for not-for-profit organizations.

(a) Fund accounting:

The financial statements include the operations of the National Office of the Society and its Resource Centres across Canada, and are prepared using the restricted fund method for contributions.

The General Fund is an unrestricted fund used at the discretion of the Board of Directors to fulfill the mission of the Society in all areas, including research, family services, public awareness and education, chapter and volunteer support, development, chapter and volunteer fundraising, and administration. All undesignated donations are recorded in this fund.

The Capital Assets Fund is an internally restricted fund used for the acquisition, amortization, and disposal of capital assets, as well as financing costs.

The Endowment Fund is an internally and externally restricted fund. Donations received which the donor has designated specifically for endowment purposes (externally restricted) represents less than 10% of the Fund. The remainder of the Fund is internally restricted by the Board of Directors. In exceptional circumstances, and subject to approval of two-thirds of the Board of Directors of the Society, funds may be transferred from the capital of the Endowment Fund to the General Fund to finance special projects or unbudgeted annual deficits. Annual investment income earned on the Endowment Funds is used to fund operational expenditures.

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

1. Significant accounting policies (continued):

(a) Fund accounting (continued):

The Laura's Hope Fund is an externally restricted fund established in honour of Laura Evans by her parents in 2003. The purpose of this fund is to support pre-clinical and/or clinical research towards developing a treatment or a cure for Huntington disease, and revenues specifically designated by donors to this fund have been restricted for this purpose.

The Ralph Walker Research Fund is an internally restricted fund established in 1983 to commemorate the 10th anniversary of the Huntington Society of Canada and to pay tribute to the Society's founder, Ralph Walker. Revenues specifically designated by donors to this fund have been restricted for research, along with any related expenses.

(b) Revenue recognition:

The Society follows the restricted fund method of accounting for donations.

Unrestricted and restricted donations are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted donations for which there is no separate fund are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Deferred revenue represents the unamortized and unspent amount of donations and grants received for the purchase of capital assets and/or specific services. The amortization of deferred revenue is recorded as revenue in the statement of operations and changes in fund balances.

Donations to the Endowment Fund are recognized as revenue in the Endowment Fund. Investment and interest income earned by the Endowment fund is recognized as revenue in the General Fund.

Chapter and volunteer fundraising revenue is recognized as revenue when received or receivable and when the fundraising event takes place.

(c) Donated materials and services:

Donated materials and services, which would otherwise be paid by the Society, are recorded at fair value when determinable. A substantial number of volunteers have made significant contributions of their time to the Society's program and support services. The value of this contributed time is not reflected in these financial statements.

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

1. Significant accounting policies (continued):

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition and are subsequently recorded at cost or amortized cost. Equity instruments that are quoted in an active market are subsequently measured at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(e) Capital assets:

Capital assets are capitalized and stated at cost. Amortization is provided using the following methods and rates:

Asset	Basis	Period/Rate
Computer equipment and software	Straight-line	over 3 years
Office furniture and equipment	Declining balance	12%
Leasehold improvements	Straight-line over life of lease	over 5 years, 4 months

(f) Impairment of long-lived assets:

Long-lived assets, including equipment, are amortized over their useful lives. The Society periodically reviews the useful lives and the carrying values of its long-lived assets for continued appropriateness. The Society reviews, for impairment, long-lived assets (and asset groups) to be held and used whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable.

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of these financial statements require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported revenues and expenses during the year. Actual results could differ from those estimates.

The assets and liabilities which require management to make significant estimates and assumptions in determining carrying values include accounts receivable, capital assets, and accrued liabilities.

(h) New accounting standards:

In March 2018, the Accounting Standards Board issued "Basis for Conclusions- Accounting Standards Improvements for Not-for-Profit Organizations" resulting in the introduction of three new handbook sections in the accounting standards for not-for-profit organizations - Part III of the Handbook (the "Handbook") as follows:

- i. *Section 4433, Tangible capital assets held by not-for-profit organizations*, which directs organizations to apply the accounting guidance of *Section 3061, Property Plant and Equipment* in the accounting standards for private enterprises - Part II of the Handbook. In so doing, the new section requires that organizations annually assess for partial impairment of tangible capital assets, to be recorded where applicable, as a non-reversible impairment expense. In addition, where practical, to componentize capital assets when estimates can be made of the useful lives of the separate components.
- ii. *Section 4434, Intangible assets held by not-for-profit organizations*, which directs organizations to annually assess intangible assets, and where applicable to record an impairment expense should the net carrying value be higher than the asset's fair value or replacement cost.
- iii. *Section 4441, Collections held by not-for-profit organizations*, which defines a collection and directs organizations to record such assets on the statement of financial position at either cost or nominal value. It is anticipated that all collections will be accounted for using the same method, with the exception of organizations that opt to account for collections at cost, whereby the cost for certain collections either held or contributed cannot be determined. Such items are to be accounted for at a nominal value. In addition, collections are written down when there is evidence that the net carrying amount exceeds fair value.

The amendments are effective for financial statements for fiscal years beginning on or after January 1, 2019. The implementation of these changes had no impact on the financial statements.

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

1. Significant accounting policies (continued):

(i) Lease inducements:

Lease incentives, such as rent-free periods, are deferred and amortized over the related lease term as a reduction to the rent expense.

2. Investments:

Investments of the General Fund, the Ralph Walker Research Fund, Laura's Hope Fund and the Endowment Fund are combined and consist of the following:

Investments by type	2020	2019
Global Balanced Fund	\$ 2,392,350	\$ 2,636,174
Treasury Bills and Guaranteed Investment Certificates	250,000	401,743
Total	\$ 2,642,350	\$ 3,037,917

Investments by fund	2020	2019
General Fund	\$ –	\$ 18,853
Endowment Fund	1,568,080	1,887,916
Laura's Hope Fund	15,607	17,847
Ralph Walker Research Fund	1,058,663	1,113,301
Total	\$ 2,642,350	\$ 3,037,917

Guaranteed investment certificates held during the year yield interest between the range of 1.4% to 1.59% (2019 - 0.85% to 1.50%), and have a maturity date of March 2021.

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

3. Accounts receivable:

	2020	2019
Accounts receivable	\$ 47,069	\$ 16,038
GST/HST receivable	86,766	12,049
Accrued interest receivable	295	2,024
Total	\$ 134,130	\$ 30,111

No allowance for impairment of accounts receivable has been recorded at March 31, 2020 (2019 - \$nil).

4. Capital assets:

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment and software	\$ 176,528	\$ 170,294	\$ 6,234	\$ 6,641
Office furniture and equipment	68,487	30,472	38,015	12,959
Leasehold improvements	36,426	3,643	32,783	-
Total	\$ 281,441	\$ 204,409	\$ 77,032	\$ 19,600

Amortization for the year was \$10,359 (nine month period ended March 31, 2019 - \$5,006).

5. Accounts payable and accrued liabilities:

Government remittances payable included in accounts payable and accrued liabilities was \$nil (2019 - \$nil).

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

6. Deferred revenue:

	2020	2019
Balance, beginning of period	\$ 489,841	\$ 448,298
Add: contributions received	316,341	270,567
Less: contributions recognized as revenue	(284,877)	(62,774)
Less: transfer to Brain Canada	(212,000)	(166,250)
Balance, end of year	\$ 309,305	\$ 489,841

In 2016, the Society received a \$1 million donation restricted for a joint funding initiative with Brain Canada. In 2020 the funding initiative has concluded, in deferred revenue as at March 31, 2020 is \$nil (2019 - \$212,000).

7. Commitments:

During the year, the Society entered into a lease for its National Office which commenced October 1, 2019 and ends January 31, 2025. The following are operating lease payments for its National Office and Resource Centres and equipment, as well as for research grants:

	Lease Agreements	Research Grants	Total
2021	\$ 148,174	\$ 428,163	\$ 576,337
2022	141,512	–	141,512
2023	135,912	–	135,912
2024	135,912	–	135,912
2025	113,260	–	113,260
Total	\$ 674,770	\$ 428,163	\$ 1,102,933

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

8. Chapter and volunteer fundraising activities:

Chapter and volunteer fundraising consists of the following:

	Events	Gaming	Year ended March 31, 2020	Nine month period ended March 31, 2019
Revenue	\$ 1,052,635	\$ 224,420	\$ 1,277,055	\$ 753,164
Expenses	245,910	5,034	250,944	245,044
Excess of revenue over expenses	\$ 806,725	\$ 219,386	\$ 1,026,111	\$ 508,120

Chapter and volunteer fundraising revenue and expenses include fair values for donated materials during the period totaling \$2,798 (nine month period ended March 31, 2019 - \$25,479).

9. Investment income:

The original amount in the Endowment fund was established by a grant from the Trillium Foundation to the Society. The income from this fund is to be used for general operations and is therefore reported in the General Fund.

	General Fund	Laura's Hope Fund	Ralph Walker Research Fund	Year ended March 31, 2020	Nine month period ended March 31, 2019
Investment income earned on:					
Endowment Fund investments	\$ 227,171	\$ 933	\$ 33,594	\$ 261,698	\$ 89,547
Other investments	(168,561)	-	-	(168,561)	3,529
Total	\$ 58,610	\$ 933	\$ 33,594	\$ 93,137	\$ 93,076

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

10. Interfund transfers:

During the year, a transfer was made from the General Fund to the Capital Assets Fund in order to fund the cash outlays for acquisitions of capital assets. During the year, a transfer as authorized by the original donors was made from the Endowment Fund to the General Fund to fund operating expenses that support the mission of the Society.

11. Operating line:

The Society has a revolving credit facility available up to a maximum of \$150,000 pursuant to its agreement with its lender. The facility is a demand operating line whereby \$10,000 increments can be drawn up to the \$150,000 limit. Each advance under the credit facility bears interest at the prime rate. As at March 31, 2020, the Society has no outstanding balance on the operating line (2019 – \$nil).

12. Financial instruments:

(i) Market risk:

Market risk is the risk that a value of an instrument will fluctuate as a result of changes in market prices, whether caused by factors specific to an individual instrument, its issuer, or all factors affecting all instruments traded in the market. To manage this risk, the Society has established a target mix by investment types designed to achieve optimal return with reasonable risk tolerance.

(ii) Interest rate risk:

Interest rate risk refers to the adverse consequences of interest rate changes on the Society's cash flows, financial position, and operations. Interest rate changes have a direct impact on the market valuation of the Society's fixed income securities. To manage this risk, the Society has established a target mix by investment types designed to achieve optimal return with reasonable risk tolerances.

(iii) Credit risk:

Credit risk is the risk that counterparties fail to perform as contracted. The Society is not exposed to a concentration of credit risk relating to receivables.

HUNTINGTON SOCIETY OF CANADA

Notes to Financial Statements, continued

Year ended March 31, 2020

12. Financial instruments (continued):

(iv) Currency risk:

Currency risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. Some of the Society's funds are invested in financial instruments and enter into transactions denominated in foreign currencies, which differ from the Society's measurement currency, the Canadian dollar. Consequently, the Society is exposed to risks that the exchange rate of the Canadian dollar will change in a manner that has an adverse effect on the value of the portion of the Society's assets and liabilities denominated in foreign currencies. The Society's overall currency positions and exposures are monitored by the Portfolio manager.

(v) Liquidity risk:

Liquidity risk is the risk that the society will encounter difficulty in meeting obligations associated with financial liabilities. The Society believes that it is not exposed to significant liquidity risk as they have investments that are held in term deposits and guaranteed investment certificates that are highly liquid and can be disposed of to settle commitments.

13. Subsequent event:

In March, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial, market and social dislocating impact. At the time of approval of these financial statements, the Society has experienced the following in relation to the pandemic:

- Temporary declines in the fair value of investments and investment income;
- Expected variability in future donations resulting from economic uncertainty; and
- Mandatory working from home requirements for those able to do so.

Financial statements are required to be adjusted for events occurring between the date of the financial statements and the date of the auditors' report which provide additional evidence relating to conditions that existed as at year end. Management completed this assessment and did not identify any such adjustments. The current events and conditions are expected to be temporary, however there is uncertainty around the length of the disruption and impact on future operations. As a result, an estimate of the financial effect of these items is not practicable at this time.