

Financial Statements of

**MICHAEL SMITH FOUNDATION FOR  
HEALTH RESEARCH**

Year ended March 31, 2010



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## AUDITORS' REPORT

To the Members of the  
Michael Smith Foundation for Health Research

We have audited the statement of financial position of Michael Smith Foundation for Health Research (the "Foundation") as at March 31, 2010 and the statements of revenue and expenses and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act (British Columbia), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Chartered Accountants

Vancouver, Canada

May 14, 2010

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

## Statement of Financial Position

March 31, 2010, with comparative figures for 2009

|  | 2010                 | 2009                 |
|--|----------------------|----------------------|
| <b>Assets</b>                              |                      |                      |
| Current assets:                            |                      |                      |
| Cash                                       | \$ 2,879,074         | \$ 18,850,784        |
| Contributions and other amounts receivable | 2,389,459            | 15,205,278           |
| Short-term investments (note 3)            | 47,704,095           | 32,154,383           |
| Prepaid expenses and deposits              | 38,871               | 59,227               |
|  | <u>53,011,499</u>    | <u>66,269,672</u>    |
| Long-term investments (note 3)             | 2,545,168            | 6,533,911            |
| Capital assets (note 4)                    | 349,366              | 512,351              |
|  | <u>\$ 55,906,033</u> | <u>\$ 73,315,934</u> |

## Liabilities and Net Assets

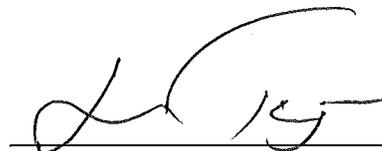
|  |                      |                      |
|--|----------------------|----------------------|
| Current liabilities:                         |                      |                      |
| Accounts payable and accrued liabilities     | \$ 617,033           | \$ 599,728           |
| Grants payable                               | 115,968              | 485,506              |
|  | <u>733,001</u>       | <u>1,085,234</u>     |
| Deferred contributions (note 5):             |                      |                      |
| Contributions for expenses of future periods | 29,913,668           | 46,944,567           |
| Capital contributions                        | 349,366              | 512,351              |
| Restricted projects                          | 22,390,805           | 22,912,949           |
|  | <u>52,653,839</u>    | <u>70,369,867</u>    |
| Net assets:                                  |                      |                      |
| Restricted for endowment purposes (note 6)   | 2,519,193            | 1,860,833            |
| Commitments (note 7)                         |                      |                      |
|  | <u>\$ 55,906,033</u> | <u>\$ 73,315,934</u> |

See accompanying notes to financial statements.

Approved on behalf of the Foundation:



Director



Director

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

## Statement of Revenue and Expenses

Year ended March 31, 2010, with comparative figures for 2009

|  | 2010              | 2009              |
|--|-------------------|-------------------|
| Revenue:   |                   |                   |
| Contributions recognized in current year (note 5(a))       | \$ 32,703,662     | \$ 41,958,334     |
| Amortization of deferred capital contributions (note 5(b)) | 192,585           | 209,044           |
| Restricted projects (note 5(c))                            | 3,519,516         | 3,629,794         |
| Other  | 562,602           | 325,402           |
|  | <u>36,978,365</u> | <u>46,122,574</u> |
| Expenses:  |                   |                   |
| Grants and awards:   |                   |                   |
| Career   | 12,280,854        | 13,741,532        |
| Trainee  | 3,619,797         | 5,753,303         |
| Research institutions                                      | 1,873,900         | 3,747,795         |
| Research units   | 4,014,268         | 6,325,140         |
| Research networks  | 5,885,585         | 6,264,505         |
| Other grants-in-aid  | 451,323           | 109,530           |
| Program development and delivery                           | 868,137           | 1,457,696         |
| Restricted project expenses (note 5(c))                    | 3,519,516         | 3,629,794         |
|  | <u>32,513,380</u> | <u>41,029,295</u> |
| Administration:  |                   |                   |
| General operating  | 3,675,354         | 3,986,089         |
| Information services                                       | 597,046           | 898,146           |
| Amortization of capital assets                             | 192,585           | 209,044           |
|  | <u>4,464,985</u>  | <u>5,093,279</u>  |
|  | <u>36,978,365</u> | <u>46,122,574</u> |
| Excess of revenue over expenses                            | \$ -              | \$ -              |

See accompanying notes to financial statements.

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

## Statement of Cash Flows

Year ended March 31, 2010, with comparative figures for 2009

|   | 2010                | 2009                 |
|---|---------------------|----------------------|
| <b>Cash flows from operating activities:</b>        |                     |                      |
| Contributions from the Province of British Columbia |                     |                      |
| Operations  | \$ 30,000,000       | \$ -                 |
| Restricted projects                                 | 1,396,255           | 2,939,000            |
| Contributions from others - restricted projects     | -                   | 5,000,000            |
| Grants and awards                                   | (28,578,232)        | (35,724,171)         |
| Program development, delivery and administration    | (5,272,349)         | (6,498,354)          |
| Restricted project expenses                         | (3,467,470)         | (3,535,105)          |
| Other revenue                                       | 562,602             | 325,402              |
| Investment revenue                                  | 283,727             | (192,224)            |
|   | <u>(5,075,467)</u>  | <u>(37,685,452)</u>  |
| <b>Cash flows from investing activities:</b>        |                     |                      |
| Sale (Purchase) of investments                      | (10,866,643)        | 26,343,991           |
| Purchase of capital assets (note 5(a))              | (31,855)            | (211,769)            |
| Proceeds of sale of capital assets                  | 2,255               | -                    |
|   | <u>(10,896,243)</u> | <u>26,132,222</u>    |
| Decrease in cash                                    | (15,971,710)        | (11,553,230)         |
| Cash, beginning of year                             | 18,850,784          | 30,404,014           |
| Cash, end of year                                   | <u>\$ 2,879,074</u> | <u>\$ 18,850,784</u> |

The Foundation uses the direct method in preparation of its Statement of Cash Flows.  
See accompanying notes to financial statements.

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 1. Nature of operations:

The Michael Smith Foundation for Health Research (the "Foundation") is incorporated under the Society Act (British Columbia) and is a registered charity under the Income Tax Act. Accordingly the Foundation is exempt from income and capital taxes and is able to issue donation receipts for income tax purposes.

The Foundation was established to create a vibrant and sustainable British Columbian health research environment that is recognized for excellence and:

- has the human resources, infrastructure and research space to compete effectively for national and international funding across all sectors;
- anticipates and responds to B.C. health and health system needs;
- builds the B.C. economy; and
- networks for critical mass across Western Canada, nationally and internationally.

The Foundation receives funding from the Province of British Columbia to conduct a range of peer-reviewed grant programs and other projects. In addition, the Foundation receives funding from other sources to undertake various projects consistent with its purpose.

## 2. Significant accounting policies:

### (a) Basis of accounting:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles for not-for-profit organizations. The Foundation follows the deferral method of accounting for contributions including grants, donations and service agreements from other sources.

### (b) Revenue recognition:

Funding received from the Province of British Columbia, along with the future investment income, will be directed to the granting of funds to eligible recipients, the support of strategic initiatives and the payment of the Foundation's operating and capital expenditures. These restricted contributions, along with any additional related grants and the investment income thereon, are deferred and recognized as revenue in the year in which the related expenses are incurred by the Foundation. Restricted contributions used for the purchase of capital assets are deferred and amortized to revenue, at a rate corresponding with the amortization rate for the related capital assets.

The Foundation also receives various other restricted contributions through project grants, contracts or matching contributions from other organizations that are deferred and recognized as revenue in the year in which the related expenses are incurred by the Foundation.

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 2. Significant accounting policies (continued):

### (b) Revenue recognition (continued):

Endowment contributions are recorded as a direct increase in net assets. Realized investment income earned on endowment investments is deferred and recognized as revenue in the year in which the related expenses are incurred by the Foundation.

Unrestricted contributions are recognized as revenue in the current period if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted investment and other revenue is recognized when earned.

### (c) Capital assets:

Capital assets are recorded at cost less accumulated amortization. Repair and maintenance costs are charged to expense. Leasehold improvements are amortized on a straight-line basis over the lesser of the term of the lease or their estimated useful lives. Other capital assets are amortized on a straight-line basis over their estimated useful lives as follows:

| Asset             | Period  |
|-------------------|---------|
| Computer software | 1 year  |
| Computer hardware | 3 years |
| Office furniture  | 5 years |
| Office equipment  | 5 years |

### (d) Financial instruments:

The Foundation accounts for its financial instruments in accordance with Canadian Institute of Chartered Accountants ("CICA") Handbook Section 3855, *Financial Instruments – Recognition and Measurement*, and the Section 3861, *Financial Instruments – Disclosure and Presentation*.

The classifications of the Foundation's financial assets and liabilities are as follows:

#### *Loans and receivables*

- (i) Contributions and other amounts receivable - are measured at amortized cost using the effective interest method and approximate their fair values due to the relatively short periods to maturity.

#### *Financial Assets – Available-for-sale*

- (i) Short-term investments - include term deposits, treasury bills, bankers' acceptances, and bonds, with a term to maturity of less than one year. Short-term investments are initially measured at fair value with subsequent unrealized gains and losses being recognized as changes in deferred contributions until the financial asset is disposed of or becomes impaired.

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 2. Significant accounting policies (continued):

### (d) Financial instruments (continued):

#### *Financial Assets – Available-for-sale (continued):*

#### (i) Continued:

Long-term investments - include term deposits, treasury bills, bankers' acceptances, bonds, commercial paper and equities with a term to maturity of more than one year. Long-term investments are initially measured at fair value with subsequent changes in fair value being recognized in deferred contributions until the financial asset is disposed of or becomes impaired.

#### (ii) Endowment Funds - investments related to permanent endowment capital are initially measured at fair value with subsequent changes in fair value being recognized as changes in net assets. Realized gains and losses are recognized as changes in deferred contributions.

The Foundation does not currently classify any instruments as held for trading.

#### *Other Financial Liabilities*

#### (i) Accounts payable, grants payable and accrued liabilities - are measured at amortized cost using the effective interest method.

### (e) Grants and awards:

Grants and awards approved by the Foundation are recorded as expenses in the fiscal year that the payment is to be made. Amounts are usually paid in quarterly installments in advance.

### (f) Volunteer services:

The Foundation gratefully acknowledges the significant contribution it receives in the form of services from a large number of volunteer peer reviewers, committee members and task force participants. Such services, while essential to the Foundation's operations, are not recorded in these financial statements because of the difficulty of determining their fair value.

### (g) Lease inducement:

Cash payments received as lease inducements by the Foundation under the terms of the lease for office premises are being amortized to income through a reduction of rental expense over the term of the lease. The unamortized balance of \$120,631 (2009 - \$156,030) is included in accounts payable and accrued liabilities.

### (h) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## 2. Significant accounting policies (continued):

(i) Changes in accounting standards:

(i) Revisions to Not-for-Profit accounting standards:

Effective April 1, 2009, the Foundation adopted the amendments to CICA Handbook Sections 4400, *Financial Statement Presentation by Not-for-Profit Organizations*, and new Section 4470, *Disclosure of Allocated Expenses by Not-for-Profit Organizations*. The amendments remove the requirement to disclose net assets invested in capital assets, clarify capital asset recognition criteria and amortization, and add a requirement for disclosure of allocated fundraising and general support expenses by not-for-profit organizations, and a requirement to follow Handbook Section 1540, *Cash Flow Statements*. The implementation of these amendments did not have any significant impact on the Foundation's financial statements.

(ii) Amendments to Section 1000, *Financial Statement Concepts*:

Effective April 1, 2009, the Foundation adopted the amendments in CICA Handbook Section 1000, *Financial Statement Concepts*. The amendments clarify the relationship between incurring expenditures and creating assets and clarified that items which do not meet the definition of assets or liabilities are not eligible for recognition. The implementation of the amendments did not have any impact on the Foundation's financial statements.

(j) Future accounting framework:

The CICA has decided to transition Canadian GAAP for publicly accountable entities to International Financial Reporting Standards ("IFRS") effective January 1, 2011. The Foundation is classified as a not-for-profit organization. The Accounting Standards Board and Public Sector Accounting Board have released an exposure draft in 2010 relating to the future of financial reporting by not-for-profit organizations. Under the proposed standards, the Foundation would prepare its financial statement in accordance with IFRS, or with the new Canadian Private Enterprise reporting framework, with specific not-for-profit standards to supplement. The Foundation is in the process of reviewing the potential impact of the proposals on its reporting framework and financial statements.

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

### 3. Investments:

|  | 2010            | 2009            |
|--|-----------------|-----------------|
|  | Market<br>value | Market<br>value |
| Bonds, mutual funds and<br>term deposits | \$ 49,212,897   | \$ 37,915,446   |
| Equities                                 | 1,036,366       | 772,848         |
| Total investments                        | 50,249,263      | 38,688,294      |
| Short-term                               | 47,704,095      | 32,154,383      |
| Long-term                                | \$ 2,545,168    | \$ 6,533,911    |

Investments in bonds, treasury bills and bankers' acceptances have maturity dates ranging from fiscal 2010 to fiscal 2016. Investments related to endowments are classified as long-term.

### 4. Capital assets:

| <b>2010</b>                    | Cost         | Accumulated<br>amortization | Net book<br>value |
|--------------------------------|--------------|-----------------------------|-------------------|
| Computer software              | \$ 570,374   | \$ 569,195                  | \$ 1,179          |
| Computer hardware              | 438,447      | 327,240                     | 111,207           |
| Office furniture and equipment | 579,440      | 537,119                     | 42,321            |
| Leasehold improvements         | 632,224      | 437,565                     | 194,659           |
|                                | \$ 2,220,485 | \$ 1,871,119                | \$ 349,366        |

| <b>2009</b>                    | Cost         | Accumulated<br>amortization | Net book<br>value |
|--------------------------------|--------------|-----------------------------|-------------------|
| Computer software              | \$ 568,017   | \$ 536,342                  | \$ 31,675         |
| Computer hardware              | 616,677      | 463,199                     | 153,478           |
| Office furniture and equipment | 582,719      | 513,403                     | 69,316            |
| Leasehold improvements         | 632,224      | 374,342                     | 257,882           |
|                                | \$ 2,399,637 | \$ 1,887,286                | \$ 512,351        |

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 5. Deferred contributions:

Deferred contributions represent unspent grants or contract resources restricted for specific purposes and restricted projects, and include expenses for operating as well as capital purposes.

(a) Deferred contributions relating to expenses of future periods:

|  | 2010          | 2009          |
|--|---------------|---------------|
| Balance, beginning of year   | \$ 46,944,567 | \$ 75,130,142 |
| Contributions received during the year:  |               |               |
| Grant from the Province of BC  | 15,000,000    | 15,000,000    |
| Investment income  | 666,396       | (701,558)     |
|  | 62,610,963    | 89,428,584    |
| Amounts recognized as revenue during the period  | (32,703,662)  | (41,958,334)  |
| Amounts applied toward net capital assets purchased during the period                          | (29,600)      | (211,769)     |
| Adjustment to fair value of financial instruments classified as available for sale (note 2(c)) | 35,967        | (313,914)     |
| Balance, end of year   | \$ 29,913,668 | \$ 46,944,567 |

(b) Deferred contributions relating to capital assets:

|  | 2010       | 2009       |
|--|------------|------------|
| Balance, beginning of year                       | \$ 512,351 | \$ 509,626 |
| Allocation of deferred contributions (note 6(a)) | 29,600     | 211,769    |
| Amounts amortized to revenue                     | (192,585)  | (209,044)  |
| Balance, end of year                             | \$ 349,366 | \$ 512,351 |

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 5. Deferred contributions (continued):

(c) Deferred contributions relating to restricted projects:

|   | 2010          | 2009          |
|---|---------------|---------------|
| Balance, beginning of year                        | \$ 22,912,949 | \$ 23,603,743 |
| Restricted project - Province of British Columbia |               |               |
| - BC Healthy Living Alliance                      | 400,000       | 400,000       |
| - Human Papillomavirus 2                          | 996,256       | -             |
| - Human Papillomavirus                            | -             | 39,000        |
| Restricted project - Other Organizations          |               |               |
| - Human Papillomavirus 2                          | 1,601,116     | -             |
| - Health System Design and Management             | -             | 2,500,000     |
|   | 25,910,321    | 26,542,743    |
| Amounts recognized as revenue                     | (3,519,516)   | (3,629,794)   |
| Balance, end of year                              | \$ 22,390,805 | \$ 22,912,949 |

In 2010, the Foundation received a further installment of \$400,000 through British Columbia Parks and Recreation to continue support for the BC Healthy Living Alliance evaluation project. The Foundation also undertook a new long-term project related to Human Papillomavirus vaccine research ("HPV2"). Funding for the HPV2 project was provided by the Province of British Columbia (\$996,256) and by other provincial governments (\$1,601,116).

The balance of deferred contributions for restricted contributions is comprised of the following:

|   | 2010          | 2009          |
|---|---------------|---------------|
| Health Services and Policy Research Support Network | \$ 3,513,281  | \$ 5,564,129  |
| Children and Youth with Special Needs               | 1,362,542     | 1,362,566     |
| BC Nursing Research Initiative                      | 7,151,885     | 7,791,221     |
| Human Papillomavirus                                | 196,466       | 371,916       |
| BC Healthy Living Alliance                          | 122,144       | 231,146       |
| Immunization Program Evaluation                     | 28,441        | 110,859       |
| Health System Design and Management                 | 7,418,675     | 7,481,112     |
| Human Papillomavirus 2                              | 2,597,371     | -             |
|   | \$ 22,390,805 | \$ 22,912,949 |

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 6. Net assets restricted for endowment purposes:

|                                      | 2010         | 2009         |
|--------------------------------------|--------------|--------------|
| Balance, beginning of year           | \$ 1,860,833 | \$ 2,347,126 |
| Adjustment to fair value (note 2(c)) | 658,360      | (486,293)    |
| Balance, end of year                 | \$ 2,519,193 | \$ 1,860,833 |

## 7. Commitments:

### (a) Grant commitments:

Through a variety of targeted granting programs, the Foundation commits the majority of its funds to providing peer-reviewed research awards aimed at fulfilling the Foundation's mandate. Some of the commitments made through these granting programs have terms that span more than one fiscal year. Such grants have on-going eligibility criteria and consequently, grant commitments are expensed in the period that the payment is to be made.

The following table summarizes grant commitments approved by the Foundation, by major grant program:

| Grant Program                    | Grant commitments<br>for the years ending March 31 |                        | Total         |
|----------------------------------|--|------------------------|---------------|
|                                  | 2011   | 2012 and<br>thereafter |               |
| Career                           | \$ 9,936,172                                       | \$ 61,875              | \$ 9,998,047  |
| Trainee                          | 3,434,798  | 666,208                | 4,101,006     |
| Research units & Team start up   | 722,500  | -                      | 722,500       |
| Technology methodology platforms | 1,750,000  | -                      | 1,750,000     |
|                                  | \$ 15,843,470                                      | \$ 728,083             | \$ 16,571,553 |

### (b) Grant commitments - restricted projects:

Through a variety of specialized granting programs, the Foundation also may commit significant amounts of restricted project funding to providing peer-reviewed research awards aimed at fulfilling each project's specific mandate. Some of the commitments made through these granting programs have terms that span more than one fiscal year. Such grants have on-going eligibility criteria and consequently, grant commitments are expensed in the period that the payment is to be made.

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

## 7. Commitments (continued):

### (b) Grant commitments - restricted projects (continued):

The following table summarizes grant commitments approved by the Foundation, by restricted project:

| Restricted projects                                | Grant commitments<br>for the years ending March 31 |                        | Total        |
|--|--|------------------------|--------------|
|  | 2011   | 2012 and<br>thereafter |              |
| Health Services & Policy Research Support Network: |  |                        |              |
| - CHSRF partnerships                               | \$ 25,000  | \$ 18,750              | \$ 43,750    |
| - CIHR partnerships                                | 228,917  | 129,445                | 358,362      |
| Human Papillomavirus                               |  |                        |              |
| - Clinical trial                                   | 51,000   | 50,000                 | 101,000      |
| - Assay development                                | 34,000   | -                      | 34,000       |
| BC Nursing Research Initiative                     |  |                        |              |
| -Research Facilitator Awards                       | 556,120  | -                      | 556,120      |
| -Nursing Health Services Research Network          | 200,000  | 100,000                | 300,000      |
|  | \$ 1,095,037                                       | \$ 298,195             | \$ 1,393,232 |

### (c) Office space and equipment lease commitments:

The Foundation rents office space under long-term leases which expire July 31, 2011 and provide for an additional five-year extension at the option of the Foundation.

The Foundation also leases various types of office equipment.

The Foundation has future minimum lease payments under these operating leases as follows:

| Year ending March 31: |            |
|-----------------------|------------|
| 2011                  | \$ 466,094 |
| 2012                  | 155,365    |
|                       | \$ 621,459 |

# MICHAEL SMITH FOUNDATION FOR HEALTH RESEARCH

Notes to Financial Statements (continued)

Year ended March 31, 2010

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## **8. Financial instruments:**

The Foundation's financial instruments consist of cash, contributions and other amounts receivable, short-term investments, long-term investments, accounts payable and accrued liabilities and grants payable. Investments are carried at their fair values. The fair values of other financial instruments approximate their carrying values due to their relative short-terms to maturity. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant interest rate, currency or credit risks from these financial instruments.

## **9. Capital management:**

The Foundation receives its principal source of capital through government grants and investment income earned on capital balances and permanent endowment funds. The Foundation defines capital to be the balance of deferred contributions and net assets which include endowment funds.

The Foundation's objective when managing capital is to fund its operations, capital asset additions, and endowment expenditures in support of research and projects in the field of health. In carrying out its purpose, the Foundation regularly distributes its capital to other not-for-profit organizations within BC through structured peer-review granting processes and other types of collaborative projects. Recipients are restricted under the terms of the awards to use the funds provided by the Foundation in support of the programs, operations and activities included in their approved grant proposal or contract. The Foundation manages the capital structure and makes adjustments based on available government funding and economic conditions. Currently, the Foundation's strategy is to monitor expenditures to preserve capital and make expenditures in accordance with funding made available from government, donors or other sources.

The Foundation is not subject to any specific external capital requirements or restrictions other than those inherent in fulfilling the purposes for which it received operating funding from the provincial government. The Foundation is not subject to debt covenants.

Funding received for designated purposes or investment income on endowments must be used for the purpose outlined in the funding letter or the endowment terms of reference. The Foundation has complied with the external restrictions on the funding provided.

## **10. Comparative figures:**

Certain comparative figures have been reclassified to conform to the presentation adopted for the current year.