

Central Okanagan Emergency  
Shelter Society  
Financial Statements  
For the Year Ended March 31, 2025

Central Okanagan Emergency Shelter Society  
Financial Statements  
For the Year Ended March 31, 2025

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## Independent Auditor's Report

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To the members of Central Okanagan Emergency Shelter Society

Report on the Audit of the Financial Statements

### Qualified Opinion

We have audited the financial statements of Central Okanagan Emergency Shelter Society (the Society), which comprise the statement of financial position as at March 31, 2025 and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the potential effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Society as at March 31, 2025, 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 donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to donations, fundraising, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2025, and net assets as at April 1, 2024 and March 31, 2025.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the 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 the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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



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

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian 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 these 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 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 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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



Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

*BDO Canada LLP*

Kelowna, British Columbia

September 22, 2025

## Central Okanagan Emergency Shelter Society Statement of Financial Position

March 31	2025	2024
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Assets

Current

Cash and cash equivalents	\$ 546,994	\$ 1,180,428
Accounts receivable	219,379	154,561
Prepaid expenses	49,370	26,675
	815,743	1,361,664

Restricted cash (Note 3)	3,927,151	3,198,322
Capital assets (Note 4)	878,157	1,049,070
	\$ 5,621,051	\$ 5,609,056

Liabilities and Net Assets

Current

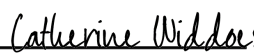
Accounts payable and accrued liabilities (Note 5)	\$ 358,048	\$ 303,493
Deferred contributions (Note 6)	763,589	759,985
	1,121,637	1,063,478


Deferred shelter enhancement contributions (Note 7)	544,457	623,478
	1,666,094	1,686,956

Net Assets

Invested in capital assets	335,134	426,136
Unrestricted	(307,328)	297,642
Internally restricted operating reserve	1,733,210	417,031
Internally restricted admin support reserve	282,969	339,406
Internally restricted strategic investment reserve	1,828,390	2,362,586
Internally restricted capital replacement reserve	55,015	52,828
Internally restricted extraordinary maintenance reserve	27,567	26,471
	3,954,957	3,922,100
	\$ 5,621,051	\$ 5,609,056

On behalf of the Board:

Signed by:  
  
 Catherine Widdows Director  
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Signed by:  
  
 Jennifer Bickley Director  
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## Central Okanagan Emergency Shelter Society Statement of Changes in Net Assets

For the year ended March 31	Invested in capital assets	Unrestricted	Internally restricted operating reserve	Internally restricted admin support reserve	Internally restricted strategic investment reserve	Internally restricted capital replacement reserve	Internally restricted extraordinary maintenance reserve	2025	2024
Net Assets, beginning of the year	\$ 426,136	\$ 297,642	\$ 417,031	\$ 339,406	\$ 2,362,586	\$ 52,828	\$ 26,471	\$ 3,922,100	\$ 3,747,265
Excess of revenue over expenses	-	32,857	-	-	-	-	-	32,857	174,835
Acquisition of capital assets (Note 4)	29,500	(29,500)	-	-	-	-	-	-	-
Additions to deferred capital contribution assets (Note 7)	(14,239)	14,239	-	-	-	-	-	-	-
Deferred capital contribution recognized during the year (Note 7)	93,260	(93,260)	-	-	-	-	-	-	-
Amortization	(199,523)	199,523	-	-	-	-	-	-	-
Allocation of interest income	-	(151,647)	63,106	13,679	71,579	2,187	1,096	-	-
Interfund transfers	-	(577,182)	1,253,073	(70,116)	(605,775)	-	-	-	-
Net Assets, end of the year	\$ 335,134	\$ (307,328)	\$ 1,733,210	\$ 282,969	\$ 1,828,390	\$ 55,015	\$ 27,567	\$ 3,954,957	\$ 3,922,100

The accompanying notes are an integral part of these financial statements.

## Central Okanagan Emergency Shelter Society Statement of Operations

For the year ended March 31	2025	2024
<b>Revenue</b>		
BC Housing	\$ 3,028,800	\$ 2,293,401
Donations	699,157	390,763
Fundraising	35,075	23,691
Gaming	72,500	74,000
Grant funding	201,014	237,696
Program participation fees	211,767	58,508
Ministry of Justice	185,227	167,741
Shelter enhancement	93,260	43,635
Thrift store	523,836	524,001
United Way	-	23,652
	5,050,636	3,837,088
<b>Operating expenses</b>		
Advertising and promotion	34,891	46,724
Amortization	199,523	87,199
Insurance	22,619	20,893
Interest and bank charges	11,551	10,380
Office	12,433	13,817
Operating costs	34,497	26,690
Professional fees	236,100	102,949
Program costs	140,508	63,949
Rental	172,000	88,086
Repairs and maintenance	179,530	131,073
Staff development	36,630	30,326
Supplies	14,773	29,769
Utilities	200,532	112,134
Wages and benefits	3,876,070	3,041,147
	5,171,657	3,805,136
Excess (deficiency) of revenues over expenses before other items	(121,021)	31,952
<b>Other items</b>		
Interest income	153,518	133,201
Other revenue	360	9,682
	153,878	142,883
<b>Excess of revenues over expenses</b>	<b>\$ 32,857</b>	<b>\$ 174,835</b>

The accompanying notes are an integral part of these financial statements.

## Central Okanagan Emergency Shelter Society Statement of Cash Flows

For the year ended March 31	2025	2024
Cash flows from operating activities		
Cash receipts from customers and funders	\$ 4,897,423	\$ 4,196,790
Cash paid to suppliers and employees	(4,928,733)	(3,753,938)
Interest received	153,518	133,201
Interest paid	(11,551)	(10,380)
	<u>110,657</u>	<u>565,673</u>
Cash flows from investing activities		
Acquisition of capital assets	(29,500)	(124,435)
Transfer to restricted cash	(728,830)	(76,854)
	<u>(758,330)</u>	<u>(201,289)</u>
Cash flows from financing activities		
Receipts of deferred capital contributions	14,239	102,348
	<u>14,239</u>	<u>102,348</u>
Net (decrease) increase in cash	(633,434)	466,732
Cash and cash equivalents, beginning of the year	<u>1,180,428</u>	<u>713,696</u>
Cash and cash equivalents, end of the year	<u>\$ 546,994</u>	<u>\$ 1,180,428</u>

The accompanying notes are an integral part of these financial statements.

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 1. Significant Accounting Policies

**Nature of Business** The Central Okanagan Emergency Shelter Society (the "Society") is a not-for-profit registered charity that was incorporated on September 22, 1980 under the the Societies Act of British Columbia. The Society is a non-taxable entity. The purpose of the Society is to provide shelter for abused women and their children.

**Basis of Accounting** The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

**Cash and Cash Equivalents** Cash and cash equivalents consist of balances with banks and petty cash. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash (Note 3) and includes balances with banks and term deposits.

**Capital Assets** Capital assets are stated at cost less accumulated amortization. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Buildings	Straight-line	10 - 40 years
Automotive	Straight-line	8 years
Equipment	Straight-line	2 - 8 years
Paved Surfaces	Straight-line	25 years

**Impairment of Long-lived Assets** When a capital asset no longer contributes to the Society's ability to provide goods and services, or the future economic benefits or service potential of the capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations.

Any unamortized deferred contribution amount related to the capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 1. Significant Accounting Policies (continued)

**Revenue Recognition** The Society follows the deferral method of accounting for contributions and uses fund accounting.

(a) Program funding, fees for service, and grants within the terms of BC Housing contracts are recognized as revenues in the year in which the related expenditures are incurred. Restricted contributions which are not expended are recorded as deferred revenue.

(b) Donations received with the purpose restricted by the donor are recognized as revenue in the year which the related expenditures are incurred. Unrestricted donations and fundraising are recognized as revenue when received and collection is reasonably assured.

(c) Thrift store revenues, expense recoveries, interest and other miscellaneous types of income are recognized as revenue as earned.

**Income Taxes** The Society registered as a charitable organization under the Income Tax Act (the "Act") and as such is exempt from income taxes and is able to issue donation receipts for income tax purposes. In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

**Financial Instruments** Arm's length financial instruments are recorded at fair value at initial recognition.

In subsequent periods, financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in excess of revenues over expenses.

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 1. Significant Accounting Policies (continued)

Deferred Shelter Enhancement Contributions	Deferred shelter enhancement contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions used to purchase Society's capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized.
Internally Restricted Administrative Support Reserve	Internally restricted funds are being held to support two new projects with BC Housing that will provide more shelter and second-stage housing spaces to clients. These funds are earmarked for administration and program support for these two new facilities. This reserve is fully funded.
Internally Restricted Operating Reserve	Internally restricted funds are established at the discretion of the Board of Directors of the Society. The operating reserve is intended to support three months of operating expenditures. Such restrictions are appropriations of unrestricted net assets. This reserve is fully funded.
Internally Restricted Strategic Investment Reserve	Internally restricted funds are established at the discretion of the Board of Directors of the Society for strategic investment opportunities that will allow the Society to fulfill its mandate. Such restrictions are appropriations of unrestricted net assets. This reserve is fully funded.
Internally Restricted Capital Replacement Reserve	Internally restricted funds are established at the discretion of the Board of Directors of the Society for the replacement of capital items. Such restrictions are appropriations of unrestricted net assets. This reserve is fully funded.
Internally Restricted Extraordinary Maintenance Reserve	Internally restricted funds are established at the discretion of the Board of Directors of the Society for major and extraordinary repairs of capital items. Such restrictions are appropriations of unrestricted net assets. This reserve is fully funded.
Contributed Services	Volunteers contribute many hours per year to assist the Society in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.
Contributed Materials and Inventory	Contributed materials and inventory are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the Society's operations and would otherwise have been purchased. Expenses for the year ended March 31, 2025 included contributions of materials with a fair value of \$9,184 (2024 - \$16,603).

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 1. Significant Accounting Policies (continued)

#### Use of Estimates

The preparation of the financial statements in accordance with generally accepted accounting principles 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 revenues and expenses during the reported period. Management makes estimates on the useful life of tangible capital assets for the purpose of amortization. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 2. Change in Accounting Estimate

During the year, the Society reviewed the estimated useful life of all capital assets and the associated amortization period. As a result of this review, the Society has changed the basis of calculating amortization for the following categories:

Capital Asset	Prior Useful Life	Updated Useful Life
Automotive	10 years	8 years
Buildings	40 years	10 - 40 years
Equipment	10 years	2 - 8 years
Paved Surfaces	10 years	25 years

This change in accounting estimate has been applied prospectively in accordance with accounting standards for not-for-profit organizations. As a result, the Society recognized an increase in amortization expense in the current year.

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### 3. Restricted Cash

	2025	2024
Internally restricted strategic investment reserve	\$ 1,828,390	\$ 2,362,586
Internally restricted administrative support reserve	282,969	339,406
Internally restricted operating reserve	1,733,210	417,031
Internally restricted capital replacement reserve	55,015	52,828
Internally restricted extraordinary maintenance reserve	27,567	26,471
	\$ 3,927,151	\$ 3,198,322

## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

### 4. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 334,361	\$ -	\$ 334,361	\$ -
Buildings	856,859	505,550	851,411	482,467
Automotive	17,827	17,827	17,827	17,827
Equipment	523,447	330,960	597,263	251,498
Paved Surfaces	933	933	933	933
	1,733,427	855,270	1,801,795	752,725
		\$ 878,157		\$ 1,049,070

During the year the Society received \$14,239 (2024 - \$102,348) grants and donations that were used to purchase capital assets.

### 5. Government Remittances

Included in accounts payable and accrued liabilities are government remittances payable of \$50,730 (2024 - \$36,685).

### 6. Deferred Contributions

Deferred contributions represents restricted contributions received by the Society that have not yet been allocated, or spent by, the respective program. Changes in the deferred contribution balance are as follows:

	2025	2024
Beginning balance	\$ 759,985	\$ 350,523
Contributions received	3,449,752	3,186,450
Less: restricted contributions related to capital asset purchases	-	(51,443)
Less: funds unspent to be repaid	(1,400)	-
Recognized as revenue during the year	(3,444,748)	(2,725,545)
	\$ 763,589	\$ 759,985

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 7. Deferred Shelter Enhancement Contributions

Deferred contributions related to capital assets represent the unamortized portion of contributed capital assets and restricted contributions used to purchase the Society's capital assets. The changes in the deferred contributions balance for the period are as follows:

	2025	2024
Beginning balance	\$ 623,478	\$ 564,765
Add: restricted contributions related to contributed equipment and capital asset purchases	14,239	102,348
Less: amounts amortized to revenue	(93,260)	(43,635)
	\$ 544,457	\$ 623,478

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### 8. Endowment Fund

The Central Okanagan Foundation owns and administers the Central Okanagan Emergency Shelter Society Fund, which is a fund held in perpetuity on behalf of the Society. The balance of the fund as at March 31, 2025 was \$27,575 (2024 - \$25,536), on which \$826 of interest was earned (2024 - \$826) and recorded in the statement of operations. As the fund is owned by the Central Okanagan Foundation, the investment assets have not been recorded by the Society.

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### 9. BC Society Act Disclosure

The Societies Act (British Columbia) requires certain information to be reported with regards to remuneration of employees, contractors and directors. Included in wages and benefits on the statement of operations are 9 employees (2024 - 9) with remuneration over \$75,000. The total salaries paid to these individuals for the year ended March 31, 2025 was \$890,965 (2024 - \$897,656).

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 10. Employee Future Benefits

The Society and its employees contribute to the Municipal Pension Plan ("the Plan"), a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The pension plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2021, the Plan has about 206,000 active members and approximately 110,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and the adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the Plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the Plan. This rate may be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Plan as at December 31, 2021, indicated a \$3,761 million funding surplus for basic pension benefits on a going concern basis.

The latest valuation was on December 31, 2024, with results available in fall 2025.

The Society and its employees make contributions to the Municipal Pension Plan. As this plan is a multi-employer defined benefit pension plan, the Society's contributions are expensed as incurred. The Society paid \$228,753 (2024 - \$156,757) for employer contributions to the Plan in the fiscal year 2025.

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### 11. Commitments

The Society's total obligations for the next five years and thereafter, under various operating leases for occupied premises, exclusive of realty taxes and other occupancy charges, are as follows:

2026	\$	183,415
2027		135,689
2028		129,108
2029		127,493
2030		136,392
Thereafter		<u>623,973</u>
	\$	<u>1,336,070</u>

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### 12. Comparative Figures

Certain comparative figures have been reclassified to conform to the current year's presentation.

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 13. Financial Instruments

The Society holds various forms of financial instruments. The nature of these instruments and the Society's operations expose the Society to interest and liquidity risks. The Society manages its exposure to these risks by operating in a manner that minimizes its exposure to the extent possible. There have not been any changes from the prior year in the Society's exposure to the above risks, or the policies, procedures and methods it uses to manage and measure the risk.

#### 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 Society is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Society's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts receivable. The Society's accounts receivable are primarily comprised of funding receivable from large government funding sources.

The Society mitigates credit risk on its receivables by ensuring that it has met the eligibility requirements for all funding applied for. Management considers the credit risk for the Society to be low. There have not been any changes in the risk from the prior year.

#### Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, deferred revenue, and commitments.

The Society's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient cash flows to fund its operations and to meet its liabilities when due, under both normal and stressed conditions. The Society maintains its invested assets in liquid securities.

The Society's ability to obtain funding from external sources may be restricted if the Society's financial performance and condition deteriorate.

Management has determined that the Society is not significantly exposed to liquidity risk given its secured funding sources. There have not been any changes in the risk from the prior year.

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## Central Okanagan Emergency Shelter Society Notes to Financial Statements

March 31, 2025

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### 13. Financial Instruments (continued)

#### Market risk

Market risk is the risk that the fair value or expected 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. The Society is exposed to interest rate risk resulting from their cash and cash equivalents that are invested in short-term savings and investment accounts.

#### 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. The Society is exposed to interest rate risk on its fixed-interest instruments comprised of term deposits. Fixed-interest instruments subject the Society to a fair value risk.

The Society mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time. Management has determined that the Society is not significantly exposed to interest rate risk given the low risk nature of these investments. There have not been any changes in the risk from the prior year.