



Financial Statements

Canadian Liver Foundation

December 31, 2013

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Independent Auditors' Report

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To the Directors of
Canadian Liver Foundation

We have audited the accompanying financial statements of Canadian Liver Foundation ("the Foundation"), which comprise the statement of financial position as at December 31, 2013, and the statements of operations, fund balances and cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with many charitable organizations, the Foundation derives revenues from donations from the public, 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 Canadian Liver Foundation and we were not able to determine whether any adjustments might be necessary to donations revenue, excess (deficiency) of revenue over expenditure, assets and the general fund balance.

Qualified opinion

In our opinion, except for the possible effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2013 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



Toronto, Canada
May 12, 2014

Chartered Accountants
Licensed Public Accountants

Canadian Liver Foundation Statement of Operations

Year ended December 31

	General Fund		Research Trust Funds (Note 2)		Medical Research Fund		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Revenue								
Donations								
Unrestricted	\$ 3,337,814	\$ 3,293,330	\$ -	\$ -	\$ -	\$ -	\$ 3,337,814	\$ 3,293,330
Restricted	-	-	1,038,750	909,295	-	-	1,038,750	909,295
Chapter revenue								
Unrestricted	1,320,648	1,403,879	-	-	-	-	1,320,648	1,403,879
Gaming	150,051	157,391	-	-	-	-	150,051	157,391
Restricted	-	-	8,021	69,893	-	-	8,021	69,893
Interest, dividends and realized capital gains	24,863	10,825	97,184	72,895	12,145	34,228	134,192	117,948
Unrealized gain on investments	36,063	4,769	146,614	32,737	36,752	14,809	219,429	52,315
	<u>4,869,439</u>	<u>4,870,194</u>	<u>1,290,569</u>	<u>1,084,820</u>	<u>48,897</u>	<u>49,037</u>	<u>6,208,905</u>	<u>6,004,051</u>
Expenditure								
Programs (Note 9)								
Chapter expenses	279,306	321,112	-	-	-	-	279,306	321,112
Gaming expenses	42,672	48,673	-	-	-	-	42,672	48,673
Education	625,977	641,683	-	-	-	-	625,977	641,683
Hepatitis C	-	-	592,715	180,650	-	-	592,715	180,650
MUHC	-	-	-	519	-	-	-	519
CASL	-	-	680	9,319	-	-	680	9,319
Public information	440,008	531,967	-	-	-	-	440,008	531,967
Canadian Liver Research Group	-	-	40,938	37,677	-	-	40,938	37,677
CLF-Krahn Research	-	-	-	70,300	-	-	-	70,300
Other	-	-	-	-	2,283	2,711	2,283	2,711
Research grants								
Graduate studentships	-	-	-	-	140,000	110,000	140,000	110,000
Operating grants	-	-	-	-	537,573	597,663	537,573	597,663
Summer studentships	-	-	-	-	20,000	8,000	20,000	8,000
CLF-CNTRP	-	-	163,005	-	45,000	-	208,005	-
CLF-International training program	-	-	559	10,412	20,000	-	20,559	10,412
CLF-Sexton Liver Cancer Research	-	-	-	-	57,000	-	57,000	-
Operating								
Fundraising	1,923,185	2,035,001	-	-	-	-	1,923,185	2,035,001
Administration	1,291,706	1,276,199	-	-	-	-	1,291,706	1,276,199
	<u>4,602,854</u>	<u>4,854,635</u>	<u>797,897</u>	<u>308,877</u>	<u>821,856</u>	<u>718,374</u>	<u>6,222,607</u>	<u>5,881,886</u>
Excess (deficiency) of revenue over expenditure	\$ 266,585	\$ 15,559	\$ 492,672	\$ 775,943	\$ (772,959)	\$ (669,337)	\$ (13,702)	\$ 122,165

See accompanying notes to the financial statements.

Canadian Liver Foundation Statement of Fund Balances

Year ended December 31

	General Fund		Research Trust Funds (Note 2)		Medical Research Fund		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Fund balance, beginning of year	\$ 701,740	\$ 654,471	\$ 2,060,505	\$ 1,841,609	\$ 1,576,000	\$ 1,720,000	\$ 4,338,245	\$ 4,216,080
Excess (deficiency) of revenue over expenditure for the year	266,585	15,559	492,672	775,943	(772,959)	(669,337)	(13,702)	122,165
Interfund transfers to support activities of the Medical Research Fund	(8,960)	31,710	(271,999)	(557,047)	280,959	525,337	-	-
Fund balance, end of year	\$ 959,365	\$ 701,740	\$ 2,281,178	\$ 2,060,505	\$ 1,084,000	\$ 1,576,000	\$ 4,324,543	\$ 4,338,245

The following is a summary of the above funds as at December 31 classified as restricted, unrestricted and committed:

	2013	2012
Externally restricted Research Trust Funds (Pages 15 - 16)		
Committed for research (Note 6)	\$ 2,281,178	\$ 2,060,505
General fund	1,084,000	1,576,000
Geographically restricted (Note 3)	107,379	108,718
Unrestricted funds	851,986	593,022
	<u>959,365</u>	<u>701,740</u>
	\$ 4,324,543	\$ 4,338,245

See accompanying notes to the financial statements.

Canadian Liver Foundation

Statement of Financial Position

	General Fund		Research Trust Funds (Note 2)		Medical Research Fund		Total	
	2013	2012	2013	2012	2013	2012	2013	2012
Assets								
Current								
Cash (Note 3)	\$ 820,494	\$ 810,106	\$ 334,132	\$ 150,618	\$ 234,778	\$ 881,932	\$ 1,389,404	\$ 1,842,656
Accounts receivable	121,199	90,906	3,000	15,000	-	20,985	124,199	126,891
Prepaid expenses	27,646	25,100	-	-	-	-	27,646	25,100
	969,339	926,112	337,132	165,618	234,778	902,917	1,541,249	1,994,647
Investments (Note 4)	281,697	216,889	1,944,046	1,894,887	849,222	673,083	3,074,965	2,784,859
Capital assets (Note 5)	136,453	157,318	-	-	-	-	136,453	157,318
	<u>\$ 1,387,489</u>	<u>\$ 1,300,319</u>	<u>\$ 2,281,178</u>	<u>\$ 2,060,505</u>	<u>\$ 1,084,000</u>	<u>\$ 1,576,000</u>	<u>\$ 4,752,667</u>	<u>\$ 4,936,824</u>
Liabilities								
Current								
Payables and accruals	\$ 267,536	\$ 417,300	-	-	-	-	\$ 267,536	\$ 417,300
Deferred lease inducement	20,721	20,721	-	-	-	-	20,721	20,721
	288,257	438,021	-	-	-	-	288,257	438,021
Deferred lease inducement	139,867	160,558	-	-	-	-	139,867	160,558
	428,124	598,579	-	-	-	-	428,124	598,579
Fund balances	959,365	701,740	2,281,178	2,060,505	1,084,000	1,576,000	4,324,543	4,338,245
	<u>\$ 1,387,489</u>	<u>\$ 1,300,319</u>	<u>\$ 2,281,178</u>	<u>\$ 2,060,505</u>	<u>\$ 1,084,000</u>	<u>\$ 1,576,000</u>	<u>\$ 4,752,667</u>	<u>\$ 4,936,824</u>

Commitments (Notes 6 and 7)

On behalf of the Board

 Director

 Director

See accompanying notes to the financial statements.

Canadian Liver Foundation

Statement of Cash Flows – General Fund

Year ended December 31 2013 2012

Increase (decrease) in cash

Operating

Excess of revenue over expenditure for the year	\$ 266,585	\$ 15,559
Interfund transfer	(8,960)	31,710
Amortization	20,865	22,164
Unrealized gain on investments	<u>(36,063)</u>	<u>(4,769)</u>
	242,427	64,664
Change in non-cash operating assets and liabilities		
Accounts receivable	(30,293)	128,461
Prepaid expenses	(2,546)	19,989
Payables and accruals	<u>(149,764)</u>	<u>41,242</u>
	<u>59,824</u>	<u>254,356</u>

Financing

Deferred lease inducement	<u>(20,691)</u>	<u>(20,751)</u>
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Investing

Purchase of investments	(281,674)	(216,920)
Proceeds from sale of investments	252,929	163,587
Purchase of capital assets	<u>-</u>	<u>(2,909)</u>
	<u>(28,745)</u>	<u>(56,242)</u>

Net increase in cash	10,388	177,363
Cash, beginning of year	<u>810,106</u>	<u>632,743</u>
Cash, end of year	\$ <u>820,494</u>	\$ <u>810,106</u>

See accompanying notes to the financial statements.

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

1. Nature of operations

Canadian Liver Foundation (the "Foundation") was formed in 1969 under the laws of the Province of Ontario. In 1989, the Foundation was dissolved and its assets were transferred to another foundation with the same name incorporated under the Canada Corporations Act as a not-for-profit organization without share capital.

The objectives of the Foundation are to provide support for research and education in the causes, diagnosis, prevention and treatment of diseases of the liver. Programs have been designed by the Medical Advisory Board of the Foundation to support the training and research of Canadian investigators and for the further education of both the scientific community and the public. All programs are co-ordinated nationally to promote the most efficient use of available funds. The Foundation has established volunteer Chapters across Canada.

The Foundation is registered as a charity under Section 149(1)(f) of the Income Tax Act (Canada) and, as such, is exempt from income taxes.

2. Summary of significant accounting policies

These financial statements reflect the combined activity and financial position of the Foundation's National Office and its volunteer Chapters across Canada. The significant accounting policies followed in preparation of these financial statements are as follows:

Basis of presentation

The Foundation has prepared these financial statements in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Revenue and expenditure recognition

The accrual basis of accounting is used for reporting revenue and expenditure, except for unrestricted donations and bequests, which are accounted for on a cash basis.

Research projects are typically funded over a two to three year period, and therefore the revenue related to these projects is recorded on the accrual basis.

Research grants are accounted for as an expenditure on an annual basis in accordance with the terms of the respective funding agreements.

Fund accounting

The activities of the Foundation are accounted for utilizing the concepts of restricted fund accounting. Accordingly, three funds – General Fund, Research Trust Funds, reflecting eighteen externally restricted funds, and an internally restricted Medical Research Fund – have been established to account for the activities described below:

The **General Fund** reflects the health promotion, patient support, public information, fundraising and administration activities of the Foundation. Accordingly, all revenue received and expenditures incurred for these purposes, together with all unrestricted donations received are recorded in this fund.

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

2. Summary of significant accounting policies (continued)

The **Research Trust Funds** comprise the following eighteen externally restricted funds:

In 1981, the W.P. Gilbride Research Trust Fund was created in memory of a past president through donations made to the Foundation, specifically to sponsor the W.P. Gilbride Visiting Scientists program.

In 1993, the Sarah Ralston Endowment Fund was established in memory of Sarah Ralston. Contributions to this Fund are applied to paediatric liver research.

In 1995, the Chair of Hepatology Trust Fund was created to fund research studies at the St. Luc Hospital Hepatology Department affiliated with the University of Montreal.

In 2000, the Hepatitis C Program was established through Health Canada to enhance existing programs, as well as to provide new programs and services to people living with hepatitis C. In addition, the Foundation received funding to develop and distribute hepatitis C medical information to 35,000 Canadian physicians by mail. In 2002, the NC RTP-Hep C Trust Fund was established to support a national, multi-centre, trans-disciplinary program created to enhance research, training and knowledge translation in the area of hepatitis C.

In 2001, the Raj Bhargava Endowment Fund was established in memory of Raj Bhargava. Contributions to this fund are applied to research in the area of radiology of liver disease at the University of Alberta.

In 2004, the Irma Brecht Trust Fund was established in memory of Irma Brecht. Contributions to this fund are applied to research into the treatment, prevention and cure of liver disease, primarily hepatitis, in the province of Alberta.

In 2008, the CPHRG Trust Fund was established to support research in the area of paediatric hepatology including, but not limited to research on biliary atresia, paediatric autoimmune hepatitis and primary sclerosing cholangitis.

In 2008, the CASL Trust Fund was established as a collaborative partnership agreement between Canadian Liver Foundation and CASL (Canadian Association for the Study of Liver) to support the development and management of mutually agreeable research, education and advocacy programs.

In 2008, the MUHC Trust Fund was established as a collaborative partnership agreement to support research and education at the McGill University Health Centre in Montreal, Quebec.

In 2008, the Kenroc Trust Fund was established to support liver cancer research with funds provided by Kenroc Building Materials Co. Ltd., a Western Canada based construction company.

In 2010, the Canadian Liver Research Group Trust Fund was established to support a national, multi-centre project created to increase research investment and resources and to address patient care treatment issues in Canada.

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

2. Summary of significant accounting policies (continued)

In 2010, the CLF-Krahn Liver Research Trust Fund was established as a collaborative partnership agreement to support mutually-agreeable liver research initiatives under the leadership of Dr. Murray Krahn.

In 2011, the CLF-Johnstone Research Trust Fund was established from a bequest to be used for the purposes of liver health research in the Province of Alberta.

In 2011, the CLF-Lee Liver Research Trust Fund was established as a cooperative partnership agreement to support mutually-agreeable liver research initiatives under the leadership of Dr. Samuel Lee.

In 2012, the CLF-Dalhousie Digestive Care & Endoscopy Trust Fund was established as a cooperative partnership agreement to support research and training with the Dalhousie University Division of Gastroenterology in Halifax, Nova Scotia.

In 2012, the CLF-CNTRP Trust Fund was established as a cooperative partnership agreement with the Canadian National Transplant Research Program (CNTRP) to enhance the survival and quality of life of Canadians needing transplantation, through multi-disciplinary, collaborative and leading-edge research.

In 2012, The CLF-International Training Program Trust Fund was established to support a Canadian-based clinical research training program in hepatology to address liver disease as a global health issue and to feature Canada as a Centre of Excellence for liver-related clinical research training.

In 2012, The Sexton Liver Cancer Research Trust Fund was established to support designated liver cancer research with donations from Ken Sexton of Regina, Saskatchewan.

The **Medical Research Fund** was established in 1990 to account for medical research projects established by the Board of Directors and supported primarily by the unrestricted funds of the Foundation. Donations received to fund specific medical research projects are also reflected in this fund.

Donated services and materials

These financial statements do not reflect the substantial value of services received during the year due to difficulties in determining the fair value. Donated materials are recorded as revenue when sold.

Capital assets and amortization

Furniture, fixtures and equipment are amortized over their estimated useful lives using the declining balance method at 20% per annum with one half-year's amortization taken in the year of acquisition. Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

2. Summary of significant accounting policies (continued)

Deferred lease inducements

Deferred lease inducements are amortized over the 10 year term of the lease.

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that affect the amounts reported in the financial statements. Actual results could differ from those estimates. These estimates are based on management's best efforts and knowledge of current events and actions the Foundation may undertake. The significant estimates in these financial statements have affected the general fund expense allocation (Note 9).

Financial instruments

Initial measurement

The Foundation's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

At each reporting date, the Foundation measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for equities quoted in an active market, which must be measured at fair value. The Foundation has also irrevocably chosen to measure its investments in bonds and other fixed income instruments at fair value. All changes in fair value of the Foundation's investments in equities quoted in an active market and in bonds are recorded in the statement of operations. The Foundation uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of operations for items measured at cost or amortized cost. The financial instruments measured at amortized cost are cash, receivables and payables.

For financial assets measured at cost or amortized cost, the Foundation regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Foundation determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Allocation of expenses

The Foundation engages in research and education programs. The costs of each program include costs directly related to providing the program, as well as an allocation of a number of general support expenses relating to personnel, premises and computer outsourcing that are common to the administration of the Foundation. Salaries and benefits are allocated to programs based on staff estimates of time spent on each functional area. Office rent and computer outsourcing costs are allocated between departments based on headcount and functional area. Fundraising costs are not allocated.

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

3. Restricted cash

Restricted cash represents \$107,379 (2012 - \$108,718) in gaming revenues earned by the Foundation. Use of gaming revenues by the Foundation is restricted by the local authorities for use in the province where the gaming revenues were earned.

4. Investments

	December 31 2013	December 31 2012
Bonds	\$ 1,371,197	\$ 1,845,388
Equities	1,556,915	894,240
Units in income trusts	146,853	45,231
	<u>\$ 3,074,965</u>	<u>\$ 2,784,859</u>

Investments are stated at fair value at year end and have an original cost of \$2,754,897 (2012 - \$2,602,862).

5. Capital assets

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>2013 Net Book Value</u>	<u>2012 Net Book Value</u>
Furniture, fixtures and equipment	\$ 392,219	\$ 365,408	\$ 26,811	\$ 33,529
Leasehold improvements	141,473	31,831	109,642	123,789
	<u>\$ 533,692</u>	<u>\$ 397,239</u>	<u>\$ 136,453</u>	<u>\$ 157,318</u>

6. Research commitments

The Foundation has awarded a number of multi-year research grants which will be funded as the research progresses and agreed reporting criteria have been met. Funding committed in future years is as follows:

2014	\$ 643,000
2015	257,000
2016	127,000
2017	57,000
	<u>\$ 1,084,000</u>

Subsequent to year end, at its January 2014 meeting, the Board committed to fund a further \$300,000 for new Liver Research in Canada projects subject to peer review by the Foundation's Medical Advisory Committee and the Canadian Association for the Study of the Liver (CASL) Research Committee. At the January 2014 Board meeting, the Board approved a further \$100,000 in designated liver research grants. These liver research projects have been reviewed and approved by the Foundation's Medical Advisory Committee and will be paid out according to funding schedules established between the Foundation and the researchers. These new commitments are reflected in the total research commitments of \$1,084,000.

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

7. Commitments

In addition to the research commitments described in Note 6, at December 31, 2013, minimum payments under operating leases for rental of premises and equipment over the next five fiscal years and thereafter approximate the following:

2014	\$	418,454
2015		302,845
2016		250,524
2017		252,764
2018		234,788
Thereafter		614,907
	\$	<u>2,074,282</u>

8. Additional information required to meet Alberta Government and Program Support Services financial statement disclosure requirements

The total amount paid as remuneration to employees of the Foundation whose principal duties involve fundraising was \$454,457 (2012 - \$517,789). The amounts paid as remuneration to a fundraising business, including expenses or fees paid by the Foundation on behalf of the fundraising business or as reimbursements to the fundraising business was \$1,152,936 (2012 - \$1,327,308).

9. General fund expense allocation

	<u>Chapter</u>	<u>Gaming</u>	<u>Education</u>	<u>Public information</u>	<u>Fundraising</u>	<u>Administration</u>	<u>2013</u>
Direct costs	\$ 48,775	\$ 42,672	\$ 190,483	\$ 127,657	\$1,644,080	\$ 425,368	\$2,479,035
Allocated costs							
Salaries and benefits	230,531	-	336,634	263,909	254,390	728,434	1,813,898
Office rent	-	-	64,510	31,610	16,128	92,492	204,740
Computer outsourcing	-	-	34,350	16,832	8,587	45,412	105,181
Total	<u>\$279,306</u>	<u>\$ 42,672</u>	<u>\$ 625,977</u>	<u>\$ 440,008</u>	<u>\$1,923,185</u>	<u>\$1,291,706</u>	<u>\$4,602,854</u>

	<u>Chapter</u>	<u>Gaming</u>	<u>Education</u>	<u>Public information</u>	<u>Fundraising</u>	<u>Administration</u>	<u>2012</u>
Direct costs	\$ 76,431	\$ 48,673	\$ 199,544	\$ 149,018	\$1,718,644	\$ 429,720	\$2,622,030
Allocated costs							
Salaries and benefits	244,681	-	345,081	335,390	292,085	709,909	1,927,146
Office rent	-	-	63,642	31,185	15,911	91,654	202,392
Computer outsourcing	-	-	33,416	16,374	8,361	44,916	103,067
Total	<u>\$321,112</u>	<u>\$ 48,673</u>	<u>\$ 641,683</u>	<u>\$ 531,967</u>	<u>\$2,035,001</u>	<u>\$1,276,199</u>	<u>\$4,854,635</u>

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

10. Letter of credit

The Foundation has access to a revolving demand credit facility bearing interest at Royal Bank of Canada prime rate plus 3.0% per annum to a maximum of \$100,000 (2012 - \$100,000). The facility is secured by a general security agreement over all property. The balance outstanding under this facility was \$Nil (2012 - \$Nil) at year end.

11. Financial instrument risk

The Foundation's is exposed to various risks through its financial instruments. The following analysis provides a measure of the Foundation's risk exposure and concentrations at December 31, 2013.

Credit risk

Credit risk arises as a result of the potential non-performance by counterparties of contract obligations which could lead to a financial loss to the Foundation. The Foundation's credit risk relates to its accounts receivable. In the opinion of management, the credit risk exposure to the Foundation is not significant due to the nature of its accounts receivable.

Liquidity risk

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting its obligations. The Foundation meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations, anticipating investing and financing activities and holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value of or expected future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise of three types of risk: interest rate risk, currency risk, and other price risk.

Interest rate risk

Interest rate risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of market changes in interest rates. The Foundation is subject to interest rate risk on its fixed income instruments, as disclosed in Note 4.

Currency risk

Currency risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is subject to currency risk to the extent that investments are made in foreign currencies. Approximately 4% (2012 - 1%) of the Foundation's investments are in foreign equities.

Canadian Liver Foundation

Notes to the Financial Statements

December 31, 2013

11. Financial instrument risk (continued)

Other price risk

Other price risk is the risk that the fair value of or future cash flows from a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Foundation is not subject to other price risks.

Canadian Liver Foundation Schedule of Research Trust Funds

Year ended December 31

	W.P. Gilbride		Sarah Ralston		Chair of Hepatology		Hepatitis C / NCRTP Programs		Raj Bhargava		Irma Brecht	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Balance, beginning of year	\$ 146,938	\$ 142,776	\$ 5,062	\$ 12,313	\$ 6,010	\$ 6,010	\$ 1,687,130	\$ 1,360,421	\$ 11,475	\$ 9,262	\$ 9,874	\$ 3,439
Transfer to Medical Research Fund in support of research	-	(411)	(4,000)	(8,000)	-	-	-	(2,837)	(13,000)	-	(10,000)	6,000
Contributions	-	-	-	-	-	-	276,021	428,069	-	-	-	-
Investment income	9,876	4,573	1,131	749	-	-	162,875	82,127	10,707	2,213	902	435
Program costs	-	-	-	-	-	-	(592,715)	(180,650)	-	-	-	-
Balance, end of year	\$ 156,814	\$ 146,938	\$ 2,193	\$ 5,062	\$ 6,010	\$ 6,010	\$ 1,533,311	\$ 1,687,130	\$ 9,182	\$ 11,475	\$ 776	\$ 9,874

	CPHRG		CASL		MUHC		CLF-Johnstone Research		Kenroc		CLF-Dalhousie	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Balance, beginning of year	\$ 3,772	\$ 3,561	\$ 68,998	\$ 76,469	\$ 63,192	\$ 59,631	\$ 3,373	\$ 73,053	\$ 6,258	\$ 7,457	\$ 342	\$ -
Transfer to Medical Research Fund in support of research	-	-	-	-	-	-	(3,000)	(104,078)	(252,000)	(80,000)	-	(76,000)
Contributions	-	-	20,000	-	250	500	-	34,063	240,500	70,585	-	75,000
Investment income	488	211	5,701	1,848	7,178	3,580	105	335	9,541	8,216	9,353	1,342
Program costs	-	-	(680)	(9,319)	-	(519)	-	-	-	-	-	-
Balance, end of year	\$ 4,260	\$ 3,772	\$ 94,019	\$ 68,998	\$ 70,620	\$ 63,192	\$ 478	\$ 3,373	\$ 4,299	\$ 6,258	\$ 9,695	\$ 342

Canadian Liver Foundation **Schedule of Research Trust Funds (continued)**

Year ended December 31

	Sexton Liver Cancer Research		CLF-Krahn Research		Canadian Liver Research		CLF-Lee Liver Research		CLF-CNTRP		CLF-International Training	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012
Balance, beginning of year	\$ -	\$ -	\$ -	\$ 2,018	\$ 36,122	\$ 73,799	\$ 11,400	\$ 11,400	\$ -	\$ -	\$ 559	\$ -
Transfer to Medical Research Fund in support of research	-	(285,000)	-	68,279	-	-	-	-	-	(45,000)	10,000	(30,000)
Contributions	-	285,000	-	-	20,000	-	-	-	500,000	45,000	(10,000)	40,971
Investment income	-	-	-	3	-	-	-	-	25,942	-	-	-
Program costs	-	-	-	(70,300)	(40,938)	(37,677)	-	-	(163,005)	-	(559)	(10,412)
Balance, end of year	\$ -	\$ -	\$ -	\$ -	\$ 15,184	\$ 36,122	\$ 11,400	\$ 11,400	\$ 362,937	\$ -	\$ -	\$ 559

	Total	
	2013	2012
Balance, beginning of year	\$ 2,060,505	\$ 1,841,609
Transfer to Medical Research Fund in support of research	(272,000)	(557,047)
Contributions	1,046,771	979,188
Investment income	243,799	105,632
Program costs	(797,897)	(308,877)
Balance, end of year	\$ 2,281,178	2,060,505