

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA /  
ARTHRITE-RECHERCHE CANADA**

**Financial Statements**

**Year Ended March 31, 2015**

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

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**Year Ended March 31, 2015**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada

We have audited the accompanying financial statements of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada, which comprise the statement of financial position as at March 31, 2015 and the statements of changes in net assets, operations 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 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 is sufficient and appropriate to provide a basis for our audit opinion.

*(continues)*

Independent Auditor's Report to the Members of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada (continued)

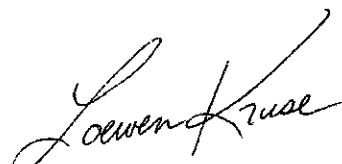
Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada as at March 31, 2015 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.

Report on Other Legal and Regulatory Requirements

As required by the Society Act of British Columbia, we report that, in our opinion, these standards have been applied on a basis consistent with that of the preceding year.

Burnaby, British Columbia  
June 25, 2015

  
Chartered Accountants

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

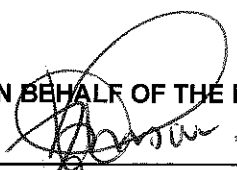
**Statement of Financial Position**

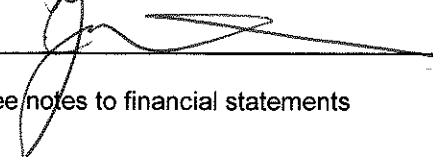
**March 31, 2015**

	2015	2014 (Note 14)
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 975,194	\$ 2,753,337
Restricted cash (Note 3)	1,033,702	122,476
Accounts receivable (Note 3)	949,202	3,426,181
Recoverable from government authorities - GST	26,474	24,791
Prepaid expenses	8,055	19,035
	<u>2,992,627</u>	<u>6,345,820</u>
RESTRICTED CASH (Note 3)	5,794,659	3,475,741
RESTRICTED INVESTMENTS (Notes 3, 4)	3,985,208	1,725,335
CAPITAL ASSETS (Note 5)	<u>71,488</u>	<u>97,044</u>
	<u><b>\$ 12,843,982</b></u>	<u><b>\$ 11,643,940</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 214,394	\$ 282,478
Payable to government authorities - payroll deductions	18,331	13,602
Current portion of deferred revenue (Note 6)	<u>1,033,702</u>	<u>1,000,528</u>
	<u>1,266,427</u>	<u>1,296,608</u>
DEFERRED CAPITAL CONTRIBUTION (Note 7)	6,663	9,328
DEFERRED REVENUE (Note 6)	<u>6,129,400</u>	<u>6,167,244</u>
	<u>7,402,490</u>	<u>7,473,180</u>
<b>NET ASSETS - page 4</b>		
Unrestricted	1,726,199	2,927,265
Internally restricted (Note 8)	<u>3,715,293</u>	<u>1,243,495</u>
	<u>5,441,492</u>	<u>4,170,760</u>
	<u><b>\$ 12,843,982</b></u>	<u><b>\$ 11,643,940</b></u>

LEASE COMMITMENTS (Note 9)

**ON BEHALF OF THE BOARD**

  
\_\_\_\_\_  
Director

  
\_\_\_\_\_  
Director

See notes to financial statements

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2015**

	Unrestricted	Internally Restricted	2015	2014
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 2,927,265	\$ 1,243,495	<b>\$ 4,170,760</b>	\$ 3,707,494
Endowment restriction change	-	-	-	(200,000)
Excess (deficiency) of revenue over expenses - page 5	1,296,287	(25,555)	<b>1,270,732</b>	663,266
Net assets transfers (Note 10)	(2,497,353)	2,497,353	-	-
<b>NET ASSETS - END OF YEAR - page 3</b>	<b>\$ 1,726,199</b>	<b>\$ 3,715,293</b>	<b>\$ 5,441,492</b>	<b>\$ 4,170,760</b>

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Statement of Operations**

**Year Ended March 31, 2015**

	<b>2015</b>	<b>2014</b> <i>(Note 14)</i>
<b>REVENUE</b>		
Research grants	\$ 2,131,459	\$ 2,358,286
Donations	1,258,221	1,404,770
Operating grant	878,052	-
Fundraising	187,481	148,119
Investment income	165,810	122,313
Foreign exchange gains	94,130	17,472
Gaming grants	39,555	40,445
Unrealized gains on investments	14,120	41,830
	<b>4,768,828</b>	<b>4,133,235</b>
<b>EXPENSES</b>		
Research <i>(Note 11)</i>		
Salaries and benefits	1,274,462	1,456,206
Direct project costs	1,126,606	1,129,916
Fundraising <i>(Note 11)</i>		
Salaries and benefits	215,570	157,332
Direct costs	211,046	142,971
Administrative salaries and benefits	301,225	276,128
Premises	186,140	152,504
Operations	141,415	128,360
Amortization	25,555	24,468
Clinical trials <i>(Note 12)</i>		
Bad debt	16,077	-
Direct project costs	-	2,084
	<b>3,498,096</b>	<b>3,469,969</b>
<b>EXCESS OF REVENUE OVER EXPENSES - page 4</b>	<b>\$ 1,270,732</b>	<b>\$ 663,266</b>

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Statement of Cash Flows**

**Year Ended March 31, 2015**

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses - page 5	\$ 1,270,732	\$ 663,266
Items not affecting cash:		
Amortization	25,555	24,468
Endowment restriction change	-	(200,000)
	<u>1,296,287</u>	<u>487,734</u>
Changes in non-cash working capital:		
Accounts receivable	2,476,979	(3,183,042)
Recoverable from government authorities - GST	(1,683)	28,507
Prepaid expenses	10,980	(13,234)
Accounts payable and accrued liabilities	(68,083)	35,492
Payable to government authorities - payroll deductions	4,729	(516)
Deferred revenue	(4,670)	3,022,610
	<u>2,418,252</u>	<u>(110,183)</u>
Cash flow from operating activities	<u>3,714,539</u>	<u>377,551</u>
<b>INVESTING ACTIVITIES</b>		
Decrease (increase) in investments	(2,259,873)	96,911
Purchase of capital assets	-	(23,925)
Cash flow from (used by) investing activities	<u>(2,259,873)</u>	<u>72,986</u>
<b>FINANCING ACTIVITY</b>		
Decrease in deferred capital contribution	(2,665)	(2,665)
<b>INCREASE IN CASH FLOW</b>	<u>1,452,001</u>	<u>447,872</u>
Cash - beginning of year	<u>6,351,554</u>	<u>5,903,682</u>
<b>CASH - END OF YEAR</b>	<u>\$ 7,803,555</u>	<u>\$ 6,351,554</u>
<b>CASH CONSISTS OF:</b>		
Unrestricted cash	\$ 975,194	\$ 2,753,337
Restricted cash - current	1,033,702	122,476
Restricted cash - long term	5,794,659	3,475,741
	<u>\$ 7,803,555</u>	<u>\$ 6,351,554</u>

See notes to financial statements



**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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**1. PURPOSE OF THE SOCIETY**

The purpose of the Arthritis Research Centre Society of Canada / Arthrite-Recherche Canada (the "Society") is to create and provide a leading research environment responsible for advancing knowledge of the needs of people affected by arthritis and to publicly share knowledge related to the fields of arthritis, musculoskeletal and immune-related disorders.

The Society is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the *Income Tax Act* and as such is exempt from taxes.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

The financial statements were prepared by management in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

The Society follows the deferral method of accounting for contributions.

Externally restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Externally restricted amounts can only be used for purposes designated by the contributor. Contributions externally restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets' amortization. Endowment contributions are recognized as direct increases in net assets.

Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted investment revenue is recognized as revenue when earned using the accrual method of accounting. Investment revenue subject to external restrictions is deferred until spent in accordance with the donor's original restrictions.

Investments

Investments consist of guaranteed investment certificates and the related accrued interest, equity shares and segregated funds. These investments have been classified as current assets as they are capable of prompt liquidation, except for the portion that has been allocated to satisfy internal restrictions set by the board of directors when such restricted amounts exceed available cash.

Capital Assets

Capital assets purchased are stated at cost less accumulated amortization. Amortization is provided at various rates on a straight-line basis designed to amortize the assets over the estimated useful lives. The amortization rates are as follows:

Computer hardware	5 years
Computer software	3 years
Furniture and fixtures	5 years
Leasehold improvements	8 years

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**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)***

Contributed Services and Gifts-in-Kind

Volunteers assist the Society in carrying out its operations. Due to the difficulty in determining their fair value, contributed services are not recognized in the financial statements. Gifts-in-kind are only recognized when their fair value is reasonably determinable and significant, with such items recorded at fair value on the date of the contribution. During the year the Society received non-cash gifts-in-kind of \$13,400 for artwork (2014 - \$33,800 for artwork and jewelry).

Foreign Currency Translation

All monetary assets and liabilities of operations denominated in currencies other than Canadian dollars have been translated into Canadian dollars at the rate of exchange in effect at the statement of financial position date. Non-monetary items are translated at historical exchange rates, unless such items are carried at market, in which case they are translated at the rate of exchange in effect at the statement of financial position date. Gains and losses resulting from the translation of assets and liabilities are reflected in excess of revenue over expenses of the year.

Revenue and expense accounts are translated at the current rate of exchange at the time of the transaction.

Allocation of Expenses

The Society classifies its expenses by function, including its research, fundraising and operations expenses. For these expenses, the Society identifies the appropriate basis of allocating each component expense and applies that basis consistently each year.

Research expense is made up of researcher salaries and benefits, administrative salaries, honorariums, equipment purchases, research fees, travel, meetings, purchased services, communications, special events, and general office expenses. The expenses are allocated proportionately on the following bases:

Researcher salaries and benefits – by direct allocation of science staff time.

Administrative salaries – by timesheet allocation as designated by staff.

All other above-mentioned expenses – by project coding as designated by science and administrative staff, including subsequent recording by management where appropriate.

Fundraising expense is made up of administrative salaries, honorariums, travel, meetings, purchased services, communications, special events, and general office expenses. The expenses are allocated proportionately on the following bases:

Administrative salaries – by timesheet allocation as designated by staff.

All other above-mentioned expenses – by project coding as designated by administrative staff, including subsequent recording by management where appropriate.

Except for researcher salaries and wages, the operations expense includes the non-allocated portion of all the above expenses. Operations expense also includes non-allocated expenses such as professional fees, consulting and printed materials.

See Note 11 for the research and fundraising expense allocation amounts for the year.

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**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

**3. RESTRICTED ASSETS**

The restricted assets are allocated as follows:

	2015	2014 (Note 14)
Restricted cash - long term deferred revenue	\$ 5,794,659	\$ 3,475,740
Restricted investments - long term deferred revenue	334,741	569,556
Restricted accounts receivable - long term deferred revenue	-	2,121,948
Total long term deferred revenue	6,129,400	6,167,244
Restricted cash - current deferred revenue	1,033,702	122,476
Restricted accounts receivable - current deferred revenue	-	878,052
Restricted investments - project reserves	550,468	555,779
Restricted investments - contingency fund	3,100,000	600,000
	<b>\$ 10,813,570</b>	<b>\$ 8,323,551</b>

**4. INVESTMENTS**

	2015	2014
Guaranteed investment certificate and accrued interest	\$ 3,036,983	\$ -
Equity shares	718,375	695,575
Unrealized gain on equity shares	229,850	215,730
Segregated funds	-	814,030
	<b>\$ 3,985,208</b>	<b>\$ 1,725,335</b>

Categorized as:

Long term investments - internally restricted	<b>\$ 3,985,208</b>	<b>\$ 1,725,335</b>
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The Society's investment policy is to invest conservatively in high-grade securities to minimize risk of loss while earning a reasonable rate of return. This policy is accomplished by utilizing the services of an investment broker and holding a diversified portfolio.

**5. CAPITAL ASSETS**

	Cost	Accumulated amortization	2015 Net book value	2014 Net book value
Computer hardware	\$ 29,995	\$ 21,615	\$ 8,380	\$ 11,621
Computer software	16,524	12,227	4,297	8,993
Furniture and fixtures	159,893	119,468	40,425	54,367
Leasehold improvements	29,418	11,032	18,386	22,063
	<b>\$ 235,830</b>	<b>\$ 164,342</b>	<b>\$ 71,488</b>	<b>\$ 97,044</b>

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

**6. DEFERRED REVENUE**

The Society receives funds that have been externally restricted for specific projects or purposes.

	Opening Balance (Note 14)	Additions & Current Portion Allocations	Recognized as Revenue	2015
<u>Current portion deferred revenue</u>				
Gaming grant and raffle tickets	\$ 39,555	\$ 40,000	\$ 39,555	\$ 40,000
Soiree contributions	17,921	40,650	17,921	40,650
Pfizer innovation grant	65,000	75,000	65,000	75,000
Province of B.C. Ministry of Health grant	878,052	878,052	878,052	878,052
	<u>1,000,528</u>	<u>1,033,702</u>	<u>1,000,528</u>	<u>1,033,702</u>
<u>Long term portion deferred revenue</u>				
Research grants	3,703,454	2,844,564	1,934,583	4,613,435
Doctors designations	266,842	23,275	18,048	272,069
Pfizer innovation grant	75,000	(75,000)	-	-
Province of B.C. Ministry of Health grant	2,121,948	(878,052)	-	1,243,896
	<u>6,167,244</u>	<u>1,914,787</u>	<u>1,952,631</u>	<u>6,129,400</u>
	<u>\$ 7,167,772</u>	<u>\$ 2,948,489</u>	<u>\$ 2,953,159</u>	<u>\$ 7,163,102</u>

The Doctors designations balance of deferred revenue consists of amounts held on behalf of the Society's researchers for use on their research projects. The Society holds and administers these amounts while the researchers control and direct their use.

The Province of BC Ministry of Health (the "Ministry") grant is restricted for use to cover operating costs associated with accelerating research with respects to work disability prevention, pain management and health care cost reduction. The completion date of the grant is August 31, 2017 with any unspent amounts subject to possible repayment at the discretion of the Ministry. Several other general operating terms apply such as the requirement to raise additional funds and providing satisfactory evidence of project work that, if not met, could result in possible total or partial repayment of the grant funds.

**7. DEFERRED CAPITAL CONTRIBUTION**

The deferred contribution consists of amounts received from a donor that were designated for the purchase of a specialized freezer and monitor. The donation revenue of \$13,326 is being deferred and recognized at the same rate of amortization of the equipment, which is 20% straight-line. For the fiscal year, \$2,665 of the deferred contributions was recognized as revenue. In future years 2016 - 2017 \$2,665 of the deferred contributions will be recognized as revenue, with the remaining \$1,333 recognized in 2018.

**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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**8. INTERNALLY RESTRICTED**

Internally restricted net assets are amounts established by the board of directors for specific projects or purposes. The internally restricted net assets consist of the following:

	<b>2015</b>	<b>2014</b>
Contingency reserve	<b>\$ 3,100,000</b>	\$ 600,000
Project reserves	<b>550,468</b>	555,779
Invested in capital assets	<b>64,825</b>	87,716
	<b><u>\$ 3,715,293</u></b>	<b><u>\$ 1,243,495</u></b>

The contingency reserve represents funds set aside for contingency purposes.

The project reserves represent funds set aside for research projects and purposes.

Invested in capital assets represents the internally restricted assets, liabilities and expenses related to the Society's capital assets.

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**9. LEASE COMMITMENTS**

The Society has a lease with respect to its premises. The operating lease for the premises is \$10 per annum plus the pro rata share of the cost of common areas and real property taxes under a lease term expiring July 31, 2017.

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**10. NET ASSET TRANSFERS**

During the year the following net asset transfers occurred:

\$5,312 was transferred from the internally restricted project reserves to the unrestricted net assets for expenses incurred by internally restricted projects.

\$2,665 was transferred from the unrestricted net assets to the internally restricted capital assets for deferred capital contributions recognized in the current year (*Note 7*).

\$2,500,000 was transferred from the unrestricted net assets to the internally restricted contingency net assets per board resolutions.

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**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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**11. ALLOCATION OF EXPENSES**

Research expenses of \$2,401,068 (2014 - \$2,586,122) have been allocated as follows:

	<b>2015</b>	<b>2014</b>
<b>Research expenses</b>		
Researcher salaries and benefits	\$ 876,557	\$ 1,085,143
Purchased services	508,750	606,620
Administrative salaries	397,905	371,063
Travel	230,006	134,240
Meetings	138,435	60,590
Honorariums	102,083	33,473
Research fees	56,474	130,440
General office	34,155	117,727
Equipment purchases	30,579	19,142
Special events	13,363	14,678
Communications	12,761	13,006
	<b>\$ 2,401,068</b>	<b>\$ 2,586,122</b>

Fundraising expenses of \$426,616 (2014 - \$300,303) have been allocated as follows:

<b>Fundraising expenses</b>		
Administrative salaries	\$ 215,570	\$ 157,332
Purchased services	124,128	75,804
Special events	58,002	44,855
General office	17,330	12,870
Communications	6,088	7,638
Equipment purchases	4,166	-
Travel	764	345
Meetings	568	1,359
Honorariums	-	100
	<b>\$ 426,616</b>	<b>\$ 300,303</b>

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**12. DISCONTINUED OPERATIONS**

The Society discontinued its clinical trials operations in the 2013 fiscal year. The revenues and expenses related to this discontinued activity are presented separately from all other revenues and expenses.

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**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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**13. FINANCIAL INSTRUMENTS**

All financial instruments are initially recorded at their fair market value. Publicly traded equity instruments quoted in an active market are subsequently measured at fair value with any unrealized gains or losses and transaction costs recognized in net excess of revenue over expenses. All other financial instruments are adjusted for any transaction costs incurred on acquisition and are subsequently measured at their amortized cost. Financial instrument impairments and impairment reversals are recognized when incurred in net excess of revenue over expenses.

Credit Risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk for its accounts receivable and investments. The Society does not directly hold any collateral as security for its receivables. Exposures to credit risk and significant changes to the risk exposure from the prior year are as follows:

- Investments consist of guaranteed investment certificates (GIC's) and publicly traded securities issued by large corporations held through one investment broker and one financial institution. The diversity of the Society's portfolio has increased from the prior year, resulting in a decrease in credit risk exposure.
- Accounts receivable are non-interest bearing and are generally due within 30 to 60 days of the invoice date. Management evaluates the credit worthiness of its project partners and periodically reviews accounts receivable for possible impairments related to collection. The project partner base for the accounts receivable is similar in size and diversity to the prior year. The amount of accounts receivable outstanding over 90 days has increased 590% or \$731,660 from the prior year, resulting in a significant increase in credit risk.

Concentrations of credit risk include:

- All the investments are held and managed by one investment broker and the total amount invested in several accounts exceeds the Canadian Investor Protection Fund's threshold of up to \$1,000,000. Therefore any financial difficulties encountered by the broker or unfavourable investment decisions could adversely affect the collectibility and valuation of the investments. Similarly, the guaranteed investment certificates are held through one financial institution and the aggregate deposits exceed the Canadian Deposit Insurance Corporation's threshold of up to \$100,000 per financial institution, resulting in a risk of loss should the financial institution suffer financial difficulties.

Market Risk

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

The Society is exposed to market risk for its investments as the fair value can be significantly affected by price and valuation changes in the open market. All of the non-GIC investments are actively managed by a professional broker and concentrated in low risk Canadian equities, which serves to reduce the overall market risk although the decreased diversity could result in larger losses if Canadian markets are subject to significant price devaluation versus other markets.

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**ARTHRITIS RESEARCH CENTRE SOCIETY OF CANADA / ARTHRITE-RECHERCHE  
CANADA**

**Notes to Financial Statements**

**Year Ended March 31, 2015**

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**14. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation. Specifically, current and long term deferred revenue have been adjusted to reflect the portion of the Province of B.C. Ministry of Health grant expected to be recognized as revenue in the next fiscal period. Also, investments have been applied first to cover external restrictions on long term deferred revenue and internal restrictions for contingencies and project reserves, with cash restricted for the remaining long term restricted balances as well as current restricted amounts. In addition, foreign exchange gains are now presented as a separate line item on the Statement of Operations rather than being grouped with investment income.

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