

**The Great Commission Foundation**  
**Financial Statements**  
*For the year ended December 31, 2020*

# The Great Commission Foundation Contents

*For the year ended December 31, 2020*

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## Independent Auditor's Report

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To the Members of The Great Commission Foundation:

### Opinion

We have audited the financial statements of The Great Commission Foundation (the "Foundation"), which comprise the statement of financial position as at December 31, 2020, and the statements of operations and changes in fund balances, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at December 31, 2020, 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.

### Basis for Opinion

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 Foundation 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 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 the Foundation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation'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 the Foundation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Foundation'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 the Foundation 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.

Surrey, British Columbia

June 26, 2021

*MNP LLP*

Chartered Professional Accountants

# The Great Commission Foundation

## Statement of Financial Position

*As at December 31, 2020*

	General Fund	Missionary Fund	Capital Asset Fund	2020	2019
<b>Assets</b>					
<b>Current</b>					
Cash	1,948,752	7,909,443	-	9,858,195	10,346,785
Accounts receivable	24,326	68,288	-	92,614	5,876
Investment income receivable	29,859	-	-	29,859	67,800
Prepaid expenses and deposits	31,574	-	-	31,574	247,065
Advances to related party	20,095	-	-	20,095	29,656
Goods and services tax recoverable	49,612	-	-	49,612	42,297
Investments (Note 3)	25,000	4,000,000	-	4,025,000	4,050,000
	<b>2,129,218</b>	<b>11,977,731</b>	<b>-</b>	<b>14,106,949</b>	<b>14,789,479</b>
<b>Capital assets (Note 4)</b>	<b>-</b>	<b>-</b>	<b>10,657,901</b>	<b>10,657,901</b>	<b>9,182,102</b>
<b>Investments (Note 3)</b>	<b>50,000</b>	<b>63,459</b>	<b>-</b>	<b>113,459</b>	<b>120,378</b>
	<b>2,179,218</b>	<b>12,041,190</b>	<b>10,657,901</b>	<b>24,878,309</b>	<b>24,091,959</b>
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accruals	18,075	703,215	-	721,290	1,117,909
Advances from related party	-	-	-	-	21,039
	<b>18,075</b>	<b>703,215</b>	<b>-</b>	<b>721,290</b>	<b>1,138,948</b>
<b>Commitments (Note 5)</b>					
<b>Fund Balances</b>					
Unrestricted	2,020,252	11,337,975	-	13,358,227	13,570,909
Internally restricted (Note 10)	140,891	-	-	140,891	200,000
Invested in capital assets	-	-	10,657,901	10,657,901	9,182,102
	<b>2,161,143</b>	<b>11,337,975</b>	<b>10,657,901</b>	<b>24,157,019</b>	<b>22,953,011</b>
	<b>2,179,218</b>	<b>12,041,190</b>	<b>10,657,901</b>	<b>24,878,309</b>	<b>24,091,959</b>

Approved on behalf of the Board

E-SIGNED by Chad Bruniski

Trustee

The accompanying notes are an integral part of these financial statements

# The Great Commission Foundation

## Statement of Operations and Changes in Fund Balances

*For the year ended December 31, 2020*

	General Fund	Missionary Fund	Capital Asset Fund	2020	2019
<b>Revenue</b>					
Donations <i>(Note 6)</i>	33,961	28,444,862	-	28,478,823	39,080,463
Investment income	98,354	10,307	-	108,661	133,398
Rental income	-	42,179	-	42,179	54,147
Other revenue	125,694	298,185	-	423,879	511,243
	<b>258,009</b>	<b>28,795,533</b>	<b>-</b>	<b>29,053,542</b>	<b>39,779,251</b>
<b>Expenses</b>					
General administration	1,831,823	-	-	1,831,823	1,638,053
Amortization	-	-	359,562	359,562	84,505
Bank charges and interest	11,134	-	-	11,134	9,912
Rent	83,563	-	-	83,563	72,755
Salaries and benefits	-	3,270,543	-	3,270,543	3,259,092
Agent program costs <i>(Note 7)</i>	-	23,157,032	-	23,157,032	24,735,021
	<b>1,926,520</b>	<b>26,427,575</b>	<b>359,562</b>	<b>28,713,657</b>	<b>29,799,338</b>
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>(1,668,511)</b>	<b>2,367,958</b>	<b>(359,562)</b>	<b>339,885</b>	<b>9,979,913</b>
<b>Other items</b>					
Goods and services tax rebate	59,528	-	-	59,528	51,472
Gifts to qualified donees	(34,556)	(505,465)	-	(540,021)	(496,588)
Government assistance <i>(Note 8)</i>	373,413	971,203	-	1,344,616	-
	<b>398,385</b>	<b>465,738</b>	<b>-</b>	<b>864,123</b>	<b>(445,116)</b>
<b>Excess of revenue over expenses</b>	<b>(1,270,126)</b>	<b>2,833,696</b>	<b>(359,562)</b>	<b>1,204,008</b>	<b>9,534,797</b>
<b>Fund balances, beginning of year</b>	<b>1,702,396</b>	<b>12,068,513</b>	<b>9,182,102</b>	<b>22,953,011</b>	<b>13,418,214</b>
<b>Interfund transfers <i>(Note 9)</i></b>	<b>1,728,873</b>	<b>(3,564,234)</b>	<b>1,835,361</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>2,161,143</b>	<b>11,337,975</b>	<b>10,657,901</b>	<b>24,157,019</b>	<b>22,953,011</b>

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

# The Great Commission Foundation

## Statement of Cash Flows

*For the year ended December 31, 2020*

	2020	2019
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	1,204,008	9,534,797
Amortization	359,562	84,505
Donations of gifts-in-kind	(55,471)	-
	1,508,099	9,619,302
Changes in working capital accounts		
Accounts receivable	(86,738)	(3,876)
Goods and services tax recoverable	(7,315)	(2,813)
Investment income receivable	37,941	(43,663)
Prepaid expenses and deposits	215,491	(67,697)
Accounts payable and accruals	(396,619)	524
	1,270,859	9,501,777
<b>Financing</b>		
Repayment of advances from related party	(21,039)	(31)
<b>Investing</b>		
Repayment of advances to related party	9,561	913
Purchase of capital assets	(1,835,361)	(4,662,014)
Purchase of investments	(25,000)	(1,964,378)
Proceeds on disposal of investments	112,390	-
	(1,738,410)	(6,625,479)
<b>Increase (decrease) in cash resources</b>	<b>(488,590)</b>	<b>2,876,267</b>
<b>Cash resources, beginning of year</b>	<b>10,346,785</b>	<b>7,470,518</b>
<b>Cash resources, end of year</b>	<b>9,858,195</b>	<b>10,346,785</b>

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

# The Great Commission Foundation

## Notes to the Financial Statements

For the year ended December 31, 2020

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### 1. Incorporation and nature of the organization

The Great Commission Foundation (the "Foundation") is a charitable trust whose purpose is to support the advancement of Christianity by spreading its principles; the relief of poverty by assistance to those persons lacking the necessities of life by giving to them food, clothing, shelter or financial assistance; the advancement of education including, without limitation, by teaching of scripture and the promotion of literacy; and any other charitable purpose.

The Foundation is registered as a Public Foundation under the Income Tax Act and accordingly is exempt from taxes. The Foundation receives support from a broad base of donors.

#### **Impact on operations of COVID-19 (Coronavirus)**

In early March 2020, the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Foundation's operations were impacted by COVID-19 due to decreased activity in agent operations due to travel restrictions, a shift to online fundraising, and a shift in focus to more aid-related programs; however, core operations were not significantly impacted.

The impact of COVID-19 has been partially offset by available Government programs for which the Foundation was eligible. The Foundation has received wage subsidies from March 2020 to the date of completion of these financial statements. Further details of this program is described in Note 8 *Government assistance*. Eligibility requirements under this program has evolved since first announced and can be subject to changes in legislation or administrative positions; further, there is significant uncertainty of the period of time into the future that the Government will continue this program.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Foundation as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

### 2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

#### **Controlled entities**

As per Section 4450 of the CPA Handbook, the Foundation has elected to not consolidate the accounts of G2G Foundation ("G2G") and Friends of the Great Commission. These entities are deemed to be controlled by the Foundation by virtue of a common Board. A summary of the financial position of G2G and Friends of the Great Commission as at December 31, 2020 and December 31, 2019, and the summary of operations of G2G and Friends of the Great Commission for the year ended December 31, 2020 and December 31, 2019, are included in Notes 11 and 12 to these financial statements.

#### **Fund accounting**

The Foundation follows the restricted fund method of accounting for contributions and maintains 3 funds: General Fund, Missionary Fund, and Capital Asset Fund.

The General Fund reports the Foundation's assets, liabilities, revenues and expenses related to administrative activities.

The Missionary Fund reports the Foundation's assets, liabilities, revenues and expenses related to resources that are restricted for specific purposes.

The Capital Fund reports the Foundation's assets, liabilities, revenue and expenses related to the Foundation's capital assets.

#### **Investments**

Investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

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**2. Significant accounting policies** *(Continued from previous page)*

**Capital assets**

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	<b>Rate</b>
Building	25 years
Computer equipment	5 years
Computer software	5 years
Equipment and software	5 years
Leasehold improvements	5 years

**Long-lived assets**

Long-lived assets consist of capital assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policy.

The Foundation writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Foundation's ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Foundation determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

**Revenue recognition**

The Foundation uses the restricted fund method of accounting for contributions. Restricted contributions related to missionary programs are recognized as revenue of the Missionary Fund in the year in which the contributions are received.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recognized on an accrual basis when earned. Unrealized gain (losses) on mutual funds are recognized in investment income in the period in which they occur.

Rental income and other revenue is recognized as the services are provided and collection is reasonably assured. Included in other revenue is non-receiptable contributions, merchandise and other miscellaneous income.

**Contributed materials**

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Foundation's operations and would otherwise have been purchased. Because of the difficulty in determining their fair value, contributed materials are not recognized in the financial statements.

**Allocation of expenses**

The Foundation engages in Ministry development and Canadian and International programs. The costs of each program include the costs of personnel, premises, agent office and miscellaneous costs and other expenses that are directly related to providing the program.

The Foundation allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. General support expenses are allocated on the following basis:

Agent office and miscellaneous costs	Direct costs are allocated based on the proportionate time spent on the administration of the programs.
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**2. Significant accounting policies** *(Continued from previous page)*

***Government assistance***

Government assistance is recognized when there is reasonable assurance that the Foundation has complied and will continue to comply with all conditions of the assistance. Government assistance toward current expenses is recognized in income for the period as other income. Government assistance towards expenses of future accounting periods is deferred and recognized in income as related expenses are incurred.

***Foreign currency translation***

These financial statements have been presented in Canadian dollars, the principal currency of the Foundation's operations.

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess of revenues over expenses for the current period.

***Measurement uncertainty (use of estimates)***

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 the reported amounts of revenues and expenses during the reporting period.

Accounts receivable, and advances to related party are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

Amounts claimed under the Canada Emergency Wage Subsidy are subject to validation and detailed verification by the Federal Government. Management has estimated and calculated the amount of subsidy based upon their assessment of qualifying expenditures. The actual subsidy received has not varied from the estimated subsidy to date. However, legislative changes in the near term could have a material impact on the amounts recognized.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

***Financial instruments***

The Foundation recognizes its financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 6).

At initial recognition, the Foundation may irrevocably elect to subsequently measure any financial instrument at fair value. During the year, the Foundation elected to subsequently measure its investments in mutual funds at fair value.

The Foundation subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. All other financial assets and liabilities are subsequently measured at amortized cost, with the transaction costs and financing fees added to the carrying amount of the Foundation's financial instrument.

# The Great Commission Foundation

## Notes to the Financial Statements

*For the year ended December 31, 2020*

### 2. Significant accounting policies *(Continued from previous page)*

#### Financial asset impairment

The Foundation assesses impairment of all of its financial assets measured at cost or amortized cost. The Foundation groups assets for impairment testing when there are numerous assets affected by the same factors. Management considers whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Foundation reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of revenue over expenses in the year the reversal occurs.

### 3. Investments

Investments are comprised of cashable Guaranteed Investment Certificates bearing interest at between 0.95% to 2.15% (2019 - 2.10% to 3.15%) per annum maturing between January 2021 to January 2022 (2019 - January 2020 to November 2020) and mutual funds at fair market value of \$63,459 (2019 - \$120,378) with historical cost of \$57,664 (2019 - \$118,540).

### 4. Capital assets

	<b>2020</b>		<b>2019</b>	
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>	<b>Net book value</b>
Land	1,000	-	1,000	-
Building	10,360,357	276,276	10,084,081	9,133,671
Computer equipment	471,929	67,550	404,379	2,903
Computer software	327,324	327,324	-	-
Equipment and software	233,088	78,788	154,300	22,216
Leasehold improvements	45,854	31,713	14,141	23,312
	<b>11,439,552</b>	<b>781,651</b>	<b>10,657,901</b>	<b>9,182,102</b>

### 5. Commitments

The Foundation has entered into various lease agreements through fiscal 2022 with estimated minimum annual payments as follows:

2021	39,195
2022	13,065
	52,260

### 6. Related party transactions

During the year, the Foundation received donations from organizations under common control as follows; Friends of the Great Commission in the amount of \$513,054 (2019 - \$407,689), and G2G in the amount of \$52,500 (2019 - \$568,900).

# The Great Commission Foundation

## Notes to the Financial Statements

*For the year ended December 31, 2020*

### 7. Agent program costs

	2020	2019
Contract costs	2,154,454	1,310,841
Ministry costs	18,267,234	19,987,203
Travel costs	521,673	1,145,059
Agent office and miscellaneous costs	2,213,671	2,291,918
	<b>23,157,032</b>	<b>24,735,021</b>

### 8. Government assistance

During the year, the Foundation recognized \$1,344,616 in Canada Emergency Wage Subsidy ("CEWS") as other income, of which \$92,614 was accrued in accounts receivable at year-end. CEWS, introduced in response to COVID-19, provides eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods. There are no unfulfilled conditions related to amounts recognized. However, amounts claimed under this program are subject to validation and detailed verification by the Federal Government.

### 9. Interfund transactions

During the year, the Foundation transferred \$1,835,361 from the Missionary Fund to the Capital Asset Fund for capital asset purchases and \$1,879,952 was transferred from the Missionary Fund to the General Fund for administration fees.

### 10. Internally restricted fund balances

The Foundation's Board of Trustees have internally restricted \$140,891 (2019 - \$200,000) as a reserve for legal contingencies. These internally restricted amounts are not available for other purposes without approval of the Board of Trustees.

### 11. G2G Foundation

G2G is a not-for-profit company formed pursuant to Part 9 of the Companies Act of Alberta and is a registered charity under the Income Tax Act. The purpose of G2G is to hold assets for other registered charities engaged in the promotion and spreading of New Testament Christianity by way of:

- missionaries and workers in various locations across Canada and globally;
- media formats; and,
- relief of poverty in Canada and globally.

G2G Foundation's financial statements have not been consolidated in the Foundation's financial statements. The following summarized financial information has not been audited or reviewed:

	2020	2019
Total assets	3,142,038	3,521,807
Total liabilities	16,660	14,146
Total fund balances	<b>3,125,378</b>	<b>3,507,661</b>
Total revenues	343,963	1,563,546
Total expenses	696,000	1,481,492
Total operating cash flows	<b>(194,551)</b>	587,093
Total net cash flows	<b>(194,551)</b>	587,093

# The Great Commission Foundation

## Notes to the Financial Statements

For the year ended December 31, 2020

### 12. Friends of the Great Commission

Friends of the Great Commission is a US 501(c)(3) registered charity. The purpose of Friends of the Great Commission is to support the advancement of Christianity by spreading its principles; the relief of poverty by assistance to those persons lacking the necessities of life by giving to them food, clothing, shelter or financial assistance; the advancement of education including, without limitation, by teaching of scripture and the promotion of literacy; and any other charitable purpose.

Friends of the Great Commission's financial statements have not been consolidated in the Foundation's financial statements. The following summarized financial information has not been audited or reviewed:

	2020 (US\$)	2019 (US\$)
Total assets	1,544,327	213,500
Total liabilities	33,285	41,398
<b>Total fund balances</b>	<b>1,511,042</b>	<b>172,102</b>
Total revenues	2,655,061	831,765
Total expenses	1,316,121	739,245
Total operating cash flows	1,331,729	118,834
Total net cash flows	1,331,729	118,834

### 13. Financial instruments

The Foundation, as part of its operations, carries a number of financial instruments. It is management's opinion that the Foundation is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

#### **Foreign currency risk**

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation holds cash denominated in US dollars which is subject to exchange rate fluctuations. As at December 31, 2020, the Foundation held \$66,924 of cash (2019 - \$3,478,087) denominated in US dollar currency

#### **Interest rate risk**

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Foundation is exposed to interest rate risk with regards to its interest earning investments.

#### **Liquidity risk**

Liquidity risk is the risk that the Foundation will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation enters into transactions to purchase goods and services on credit and lease office space from various creditors, for which repayment is required at various maturity dates

#### **Other price risk**

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign 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's investments in mutual funds exposes the Foundation to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.