

Lions Gate Hospital Foundation

Financial Statements

June 30, 2014



September 11, 2014

Independent Auditor's Report

To the Members of Lions Gate Hospital Foundation

We have audited the accompanying financial statements of Lions Gate Hospital Foundation, which comprise the statement of financial position as at June 30, 2014 and the statements of revenues, expenses and distributions, and fund balances, and cash flows for the fifteen month period ended June 30, 2014, and the related notes, which comprise 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 is sufficient and appropriate to provide a basis for our audit opinion.

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Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lions Gate Hospital Foundation as at June 30, 2014 and the results of its operations and its cash flows for the fifteen month period ended June 30, 2014 in accordance with Canadian accounting standards for not-for-profit organizations.

Report on other legal and regulatory requirements

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

PricewaterhouseCoopers LLP

Chartered Accountants

Lions Gate Hospital Foundation
Statement of Financial Position

	June 30, 2014 \$	March 31, 2013 \$
Assets		
Current assets		
Cash and cash equivalents	16,877,268	21,524,322
Interest and other receivables	25,704	44,754
Prepaid expenses	12,660	-
	<u>16,915,632</u>	<u>21,569,076</u>
Endowment Fund investments (note 5)	34,132,456	20,661,884
Investment in property (note 7)	<u>555,975</u>	<u>555,975</u>
	<u>51,604,063</u>	<u>42,786,935</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 9)	2,315,673	589,422
Forgivable loan (note 8)	-	1,500,000
	<u>2,315,673</u>	<u>2,089,422</u>
Retiring allowance	<u>57,613</u>	<u>30,390</u>
	<u>2,373,286</u>	<u>2,119,812</u>
Fund balances		
Unrestricted		
General Fund	<u>708,709</u>	<u>500,730</u>
Restricted		
Specific Purpose Funds (note 10)	13,833,638	18,948,535
Endowment Fund (note 5)	34,132,456	20,661,884
Property Fund (note 7)	555,974	555,974
	<u>48,522,068</u>	<u>40,166,393</u>
	<u>49,230,777</u>	<u>40,667,123</u>
	<u>51,604,063</u>	<u>42,786,935</u>
Artwork collection (note 6)		
Commitments (note 16)		

Approved by the Board of Directors

_____ Director _____ Director

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

Lions Gate Hospital Foundation

Statement of Revenue, Expenses and Distributions, and Fund Balances

	15 months ended June 30, 2014					Year ended March 31, 2013				
	General	Specific Purpose	Endowment	Property	Total	General	Specific Purpose	Endowment	Property	Total
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
Balance - Beginning of period	500,730	18,948,535	20,661,884	555,974	40,667,123	650,772	17,251,824	16,759,725	555,974	35,218,295
Revenue										
Fundraising - Donations	2,216,886	9,226,314	90,000	-	11,533,200	167,048	5,147,563	25,250	-	5,339,861
Fundraising - Special Events	29,839	2,671,215	-	-	2,701,054	21,004	1,296,490	-	-	1,317,494
Investment Income	397,271	-	787,310	-	1,184,581	320,944	-	509,501	-	830,445
Estate Gifts	8,118,598	463,289	5,000	-	8,586,887	1,855,571	1,118,671	-	-	2,974,242
Other	4,901	-	-	-	4,901	4,186	-	-	-	4,186
	10,767,495	12,360,818	882,310	-	24,010,623	2,368,753	7,562,724	534,751	-	10,466,228
Expenses and distributions										
Distributions (notes 9 and 10)	16,895	18,157,143	-	-	18,174,038	22,308	4,929,945	-	-	4,952,253
Administrative expenses (note 12)	1,196,925	1,500	-	-	1,198,425	932,445	6,575	-	-	939,020
Fundraising expenses (note 13)	317,552	195,124	-	-	512,676	292,374	97,562	-	-	389,936
	1,531,372	18,353,767	-	-	19,885,139	1,247,127	5,034,082	-	-	6,281,209
Excess (deficiency) of revenue over expenses and distributions for the period, before the following	9,236,123	(5,992,949)	882,310	-	4,125,484	1,121,626	2,528,642	534,751	-	4,185,019
Fair value change in investments (note 11)	-	-	4,438,170	-	4,438,170	-	-	1,263,809	-	1,263,809
Excess (deficiency) of revenue over expenses and distributions for the period	9,236,123	(5,992,949)	5,320,480	-	8,563,654	1,121,626	2,528,642	1,798,560	-	5,448,828
Transfer of funds (note 14)	(9,028,144)	878,052	8,150,092	-	-	(1,271,668)	(831,931)	2,103,599	-	-
Balance - End of period	708,709	13,833,638	34,132,456	555,974	49,230,777	500,730	18,948,535	20,661,884	555,974	40,667,123

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

Lions Gate Hospital Foundation

Statement of Cash Flows

	15 months ended	Year ended
	June 30, 2014	March 31, 2013
	\$	\$
Cash flows from operating activities		
Excess of revenues over expenses and distributions for the period	8,563,654	5,448,828
Items not affecting cash		
Change in unrealized gain on investments (note 11)	(2,471,192)	(958,637)
Realized investment income reinvested	(2,754,288)	(814,674)
Donation of tangible capital assets	-	(1)
Recognition of revenue from forgivable loan (note 8)	(3,000,000)	-
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	338,174	3,675,517
Changes in non-cash working capital items		
Interest and other receivables	19,050	(13,938)
Prepaid expenses	(12,660)	-
Accounts payable and accrued liabilities	1,726,251	(44,739)
Retiring allowance	27,223	(4,788)
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	2,098,038	3,612,052
Cash flows from investing activities		
Purchase of Endowment Fund investments	(20,036,031)	(10,681,044)
Proceeds from disposition of Endowment Fund investments	11,790,939	8,552,195
	<hr/>	<hr/>
	(8,245,092)	(2,128,849)
Cash flows from financing activities		
Proceeds from forgivable loan	1,500,000	-
	<hr/>	<hr/>
Increase (decrease) in cash and cash equivalents	(4,647,054)	1,483,203
Cash and cash equivalents - Beginning of period	<hr/>	<hr/>
	21,524,322	20,041,119
Cash and cash equivalents - End of period	<hr/>	<hr/>
	16,877,268	21,524,322

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

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

1. Nature of operations:

Lions Gate Hospital Foundation (the Foundation) is a public charitable organization incorporated in 1981 under the British Columbia Society Act.

The Foundation raises funds to support the highest quality health care in the City of North Vancouver, the District of North Vancouver, the District of West Vancouver, the Village of Lions Bay, and the rural district of Bowen Island (collectively "the North Shore") for:

- Lions Gate Hospital
- Evergreen House
- Cedarview Lodge
- Cedar Garden
- Kiwanis Care Centre
- Margaret Fulton Adult Day Centre
- North Shore Hospice
- West Vancouver Adult Day Centre
- Community and Mental Health Programs
- The Greta and Robert H. N. HO Psychiatry & Education Centre (the HOpe Centre)

The Foundation is a charitable organization registered under the Income Tax Act (the Act) and as such is exempt from income taxes and able to issue donation receipts for income tax purposes. To maintain its status as an organization registered under the Act, the Foundation must meet certain requirements within the Act.

2. Change in fiscal year end:

On March 13, 2014, the Board of Directors of the Foundation approved a change in the Foundation's fiscal year end from March 31 to June 30. The change was made to address time constraints during Foundation events and to provide more recent financial statements at the annual general meeting. This change took effect on April 1, 2013. As a result of the change, the current period of the Foundation's financial statements report operations for the 15 month period ended June 30, 2014. The comparative information is for the 12 month period ended March 31, 2013 as previously reported.

3. Basis of accounting:

The Foundation prepares its financial statements in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board.

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

4. Significant accounting policies:

(a) Fund accounting:

The Foundation maintains its accounts in accordance with the principles of fund accounting and follows the restricted fund method of accounting for revenue. Resources are classified for accounting and reporting purposes into funds, according to the activity or objective specified.

General Fund - The General Fund is unrestricted and accounts for the Foundation's operating activities. It includes receipts of funds donated for the "area of greatest need" or not otherwise designated for endowment or specific purposes.

Specific Purpose Funds - The Specific Purpose Funds are restricted and include those amounts received and distributed by the Foundation for specified purposes, after deduction of related fundraising expenses. These funds may also include transfers from other funds as approved by the Board of Directors (the Board), for specified purposes.

Endowment Fund - The Endowment Fund comprises amounts externally restricted by donors and internally restricted by the Board. The Externally Restricted Endowment Fund includes those amounts relating to endowments, bequests, and trust funds made available to the Foundation under trust arrangements specified by donors and independent trustees. The Internally Restricted Endowment Fund includes transfers from other funds, as approved by the Board, with the intention, at the Board's discretion, to be held as an endowment fund.

Property Fund - The Property Fund is restricted and accounts for the Foundation's investment in properties, with the exception of net income from properties, which is recorded in the General Fund.

(b) Revenue recognition:

Unrestricted donations are recorded in the General Fund. Donations received for specific purposes or endowment are recorded in these funds as received. Donated properties and gifts in kind, with the exception of the artwork collection, are recorded at fair value, which is determined by appraisal.

Investment and property revenues are recorded as earned. Revenue earned on the Endowment Fund is recorded in the Endowment Fund.

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

4. Significant accounting policies (continued):

(c) Contributed services:

Volunteers contribute a significant amount of time each year to assist the Foundation in carrying out its programs and services. During the period, approximately 3,946 volunteer hours (2013 [12 months] – 3,459) were contributed to the Foundation. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(d) Distributions:

Distributions are recorded when Vancouver Coastal Health (VCH) incurs expenditures on behalf of the Foundation and expenditures have been approved for payment by VCH.

(e) Cash and cash equivalents:

Cash and cash equivalents include cash and deposits maturing within one year from the original date of acquisition.

(f) Investments:

Management has elected to record all investments in pooled funds at fair value, and changes in fair value are recognized in the statement of revenues, expenses and distributions, and fund balances.

Investment income includes dividend and interest income earned in the year. Any realized capital gains and losses and any change in the unrealized gain or loss resulting from a movement in fair value from the previous statements of financial position date has been recognized within fair value change in investments.

(g) Artwork collection:

The Foundation's Art Program solicits donated works of art for the purpose of enhancing patient care by creating a calming and attractive environment at Lions Gate Hospital, the HOpe Centre, and the North Shore Hospice. The Art Collection consists of original works of art and limited edition prints, each of which is accepted by the Foundation upon the recommendation of the Art Program Committee. Donated artwork is not recognized in revenue since artwork is not used in the normal course of operations. It is classified as a collection under ASNPO. Professional appraisals are required for those donations where the donor requires a receipt for income tax purposes.

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

4. Significant accounting policies (continued):

(h) Investment in property:

Donated properties are initially recorded at the fair market value at the date of the gift.

Properties are carried at their original values, unless the market value of the properties is lower than cost and this decline in value is considered to be other than temporary, in which case the properties are written down to market value.

(i) Use of estimates:

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. It is reasonably possible that circumstances may arise which cause actual results to differ from management estimates; however, management does not believe it is likely that such differences will materially affect the Foundation's financial position.

(j) Retiring allowance:

The Foundation has entered into employment agreements, which provide for a one-time payment to eligible employees upon retirement. To become eligible, employees must be over 55 years of age and have worked for the Foundation for at least 10 years. The amount of the retiring allowance is based upon the probability of employees becoming eligible, and increases by a fixed amount for each year of service over the period of employment. The estimated cost of this benefit is being accrued and charged to earnings on a straight-line basis over the period of employment.

(k) Financial instruments:

Financial assets and liabilities are initially measured at fair value. All financial assets and liabilities, other than investments in pooled funds, are measured at amortized cost.

The Foundation has measured its cash and cash equivalents, interest and other receivables, and accounts payable and accrued liabilities at amortized cost using the effective interest rate method. The estimated fair values of these financial instruments approximate their book values due to their short term nature.

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

5. Endowment Fund investments:

The Foundation's endowment investments are managed externally. The investment portfolio consists of the following:

	June 30, 2014		March 31 2013	
	Fair value \$	Cost \$	Fair value \$	Cost \$
Cash and money market funds	1,168,998	1,168,998	464,722	464,722
Bond funds	11,515,416	11,333,801	7,148,634	6,931,454
Equity funds				
Canadian	7,798,767	6,007,957	5,360,531	4,502,832
International	13,649,275	11,700,855	7,687,997	7,313,109
	34,132,456	30,211,611	20,661,884	19,212,117

The Endowment Fund comprises the following:

	Original donation/ bequest \$	Balance March 31, 2013 \$	Donations/ transfers in \$	Investment income \$	Fair value change in investments \$	Transfers out \$	Balance June 30, 2014 \$
Total externally restricted	2,876,649	3,468,926	165,000	96,434	539,031	(160,500)	4,108,891
Total Internally restricted	21,272,864	17,192,958	8,780,592	690,876	3,899,139	(540,000)	30,023,565
Total	24,149,513	20,661,884	8,945,592	787,310	4,438,170	(700,500)	34,132,456

6. Artwork collection:

As at June 30, 2014, the Foundation currently has 67 works of art in the Collection valued at approximately \$315,000 at the time of receipt. Additionally, there are 8 works of art on loan to the Foundation, valued at approximately \$78,000. Donations of artwork received during the period totalled \$156,863 (2013 [12 months] - \$11,480).

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

7. Investment in property:

The Foundation holds a donated property that is classified as a long-term investment. The Board has agreed not to sell the donated property before March 27, 2017. Under the original agreement, the property shall be restricted to uses not incompatible with multi-family dwellings (note 9(c)).

8. Forgivable loan:

In fiscal 2012, the Foundation received a multi-million dollar, multi-year funding commitment from a donor through a Deed of Gift and Loan Agreement (the Deed of Gift) comprising a combination of annual gifts and forgivable loans. Provided the Foundation is in compliance with the terms of the Deed of Gift, the amounts advanced as a forgivable loan will be forgiven by way of gifts.

During the period ended June 30, 2014, the \$1.5 million forgivable loan from March 31, 2012 was recognized as revenue as all terms and conditions for forgiveness had been met. The next installment of \$2.5 million was received on April 17, 2013 in accordance with the terms of the agreement, that state the construction of the HOpe Centre is 50% complete. As the terms and conditions for receiving this instalment were also met during the period, the full amount of \$2.5 million was recognized as revenue during the period.

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

9. Related party transactions:

The Foundation undertakes fundraising to promote quality healthcare on the North Shore for VCH. The Foundation commits funds to VCH for capital related projects. VCH will initially pay for the costs associated with these projects and invoice the Foundation for recovery. VCH also pays for all operating expenses on behalf of the Foundation, including salaries, and invoices the Foundation for recovery. Transactions are measured at the exchange amount.

(a) During the period, distributions were made to VCH for the following projects:

	15 months ended June 30, 2014	Year ended March 31, 2013
	\$	\$
Mental Health campaign (The HOpe Centre)	11,959,750	2,401,790
Endoscopy campaign	2,570,208	738,362
Orthopedics campaign	763,565	-
Other projects less than \$500,000	2,880,515	1,812,101
	<u>18,174,038</u>	<u>4,952,253</u>

(b) Included in accounts payable and accrued liabilities is \$220,112 (2013 - \$358,317) due to VCH relating to the reimbursement of Foundation operating expenses paid or payable by VCH on behalf of the Foundation and \$1,844,037 (2013 - \$nil) due to VCH for capital expenditures for Lions Gate Hospital. Included within the payables of VCH are payroll taxes of \$8,776 (2013 - \$nil) to be remitted to the government on behalf of Lions Gate Hospital Foundation.

(c) The Board has extended the approval of the use of certain donated property by VCH on a rent-free basis until 2017. The Foundation retains the right to dispose of or otherwise deal with the property after 2017 (note 7).

(d) VCH provides the Foundation with office premises, certain office equipment, and accounting services at no cost to the Foundation.

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

10. Specific Purpose Funds:

	Balance March 31, 2013 \$	Donations/ transfers \$	Distributions \$	Balance June 30, 2014 \$
Mental Health campaign (The HOpe Centre)	10,871,531	4,218,308	(11,959,750)	3,130,089
Nuclear medicine campaign	-	1,874,513	(15,688)	1,858,825
CT Scanner Campaign	-	1,321,762	-	1,321,762
Equipment - General	-	1,190,552	(284,051)	906,501
Orthopedics campaign	180,303	1,162,312	(763,565)	579,050
Endoscopy campaign	2,910,664	15,835	(2,570,208)	356,291
Other *	4,986,037	3,275,859	(2,580,776)	5,681,120
	<u>18,948,535</u>	<u>13,059,141</u>	<u>(18,174,038)</u>	<u>13,833,638</u>

* Includes equipment purchases for hospital departments and long-term care facilities, and staff education.

11. Fair value change in investments:

	15 months ended June 30, 2014 \$	Year ended March 31, 2013 \$
Realized gains	1,966,978	305,172
Change in unrealized gains	2,471,192	958,637
	<u>4,438,170</u>	<u>1,263,809</u>

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

12. Administrative expenses:

	15 months ended June 30, 2014	Year ended March 31, 2013
	\$	\$
Salaries and benefits	1,030,950	753,906
Consultants	-	55,665
Banking and credit card fees	56,862	40,495
General administration	54,251	50,770
Legal and audit	31,998	23,562
Insurance	17,529	11,664
Professional development	6,835	2,958
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	1,198,425	939,020
	<hr/>	<hr/>

13. Fundraising expenses:

	15 months ended June 30, 2014	Year ended March 31, 2013
	\$	\$
Direct mail	180,499	185,728
Special events	201,492	105,659
Print and electronic communications	59,497	54,759
Planned giving	15,188	15,114
Donor development and recognition	56,000	28,676
	<hr/>	<hr/>
	512,676	389,936
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Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

14. Transfer of funds:

	General \$	Specific Purpose \$	Endowment \$	Total \$
Transfer from General to Endowment (a)	(8,775,592)	-	8,775,592	-
Transfer from Specific Purpose to Endowment (b)	-	(75,000)	75,000	-
Transfer from Internally Restricted Endowment to General (c)	540,000		(540,000)	-
Transfer from Externally Restricted Endowment to Specific Purpose (d)	-	160,500	(160,500)	-
Transfer from General to Specific Purpose (e)	(1,394,552)	1,394,552	-	-
Transfer from Specific Purpose to General (f)	602,000	(602,000)	-	-
	<u>(9,028,144)</u>	<u>878,052</u>	<u>8,150,092</u>	<u>-</u>

- (a) Transfer from General to Endowment reflects transfers of Estate Gifts within the General Fund to Internally Restricted Endowments.
- (b) Transfer from Specific Purpose to Endowment reflects a board approved transfer to an Externally Restricted Endowment.
- (c) Transfer from Internally Restricted Endowment Fund to the General Fund is an allocation from unrestricted endowment income to contribute in part to administrative and fundraising expenses.
- (d) Transfer from Externally Restricted Endowment Fund to the Specific Purpose Fund represents a transfer as per consultation with the donor and a Board approved transfer of Externally Restricted Endowment Fund income to Specific Purpose Funds.
- (e) Transfer to the Specific Purpose Funds reflects an allocation of estate gifts or general donations received with no restriction to a specific purpose fund campaign.
- (f) Transfer from Specific Purpose Funds to the General Fund reflects board approved transfers to cover related campaign expenses.

15. Life insurance:

The Foundation is the irrevocable beneficiary of life insurance policies purchased by donors. Revenues relating to those policies are recorded on a cash basis. The total policies outstanding of which the Foundation is aware as at June 30, 2014 amount to \$800,000 (2013 - \$800,000).

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

16. Commitments:

As at June 30, 2014, the Board of Directors has pledged \$11,031,038 (2013 - \$22,115,017) to VCH towards the construction of the HOpe Centre, \$10,000,000 (2013 - \$nil) to VCH towards the redevelopment of the Health Commons/Outpatient Ambulatory Clinics, and \$6,686,221 (2013 - \$3,875,342) to VCH for future purchases of capital equipment for Lions Gate Hospital and other health care entities on the North Shore.

17. Capital disclosures:

The Foundation defines its capital as the amounts in its fund balances, including unrestricted, internally restricted and externally restricted funds. The Foundation's objective when managing its fund balances is to safeguard its ability to continue as a going concern so that it can continue to fulfill its mission as set out in note 1. The Foundation has external restrictions imposed by donors and Board imposed internal restrictions on its fund balances, as described in notes 4 and 5.

The Foundation has internal control processes to ensure that these restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

18. Financial instruments:

Market risk:

Market risk is the risk that the fair value of an investment will fluctuate due to changes in market conditions. Market risk comprises interest rate risk, foreign currency risk and price risk.

(a) Interest rate risk:

Interest rate risk is the risk that the Foundation's investments will change in fair value due to future fluctuations in market interest rates. The risk arises primarily on interest-bearing financial instruments held in pooled money market and bond funds as disclosed in note 5.

(b) Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. The Foundation is exposed to currency risk through its Endowment Fund investments in international equities as disclosed in note 5. Management frequently reviews exchange rates to mitigate risk to the Foundation.

Lions Gate Hospital Foundation

Notes to Financial Statements
Period Ended June 30, 2014

18. Financial instruments (continued):

Market risk (continued):

(c) Price risk

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 currency risk whether those changes are caused by factors specific to the individual financial instrument, its issuer, or factors affecting all similar financial instruments traded in the market. It arises primarily on equity investments, including investments in pooled funds. The Foundation manages this risk by setting up and monitoring appropriate guidelines on the diversification and weighting of investments.

Credit risk:

Credit risk is the risk of loss resulting from the failure of an individual or group to honour their financial obligations. The only financial instruments that potentially subject the Foundation to concentrations of credit risk are its receivables and investments. The Foundation's receivables are not significant. Its investments are managed to maintain minimum credit criteria and are diversified within various asset pools held by the Foundation. Thus, the Foundation is not considered to be significantly exposed to credit risk.

Liquidity risk:

Liquidity risk is the risk that the Foundation will not be able to meet its financial obligations as they fall due. The Foundation's approach to managing liquidity risk is to ensure that it will have sufficient working capital and cash flows from the General and Endowment Funds to fund the operations and settle liabilities when due.

Cash flow risk:

Cash flow risk is the risk that future cash flows associated with a monetary financial instrument will fluctuate in amount. The Foundation is not exposed to significant cash flow risk.