

Lions Gate Hospital Foundation

**Financial Statements
March 31, 2013, March 31, 2012 and
April 1, 2011**



May 22, 2013

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 March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of revenues, expenses and distributions, and fund balances, and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Lions Gate Hospital Foundation as at March 31, 2013, March 31, 2012 and April 1, 2011 and the results of its operations and its cash flows for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations.

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Report on other legal and regulatory requirements

As required by the Society Act of British Columbia, we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied, after giving retrospective effect to the adoption of the new standards as explained in note 2 to the financial statements, on a basis consistent with that of the preceding year.

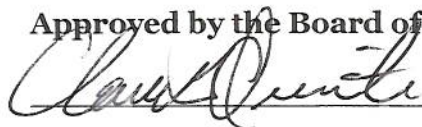
PricewaterhouseCoopers LLP

Chartered Accountants

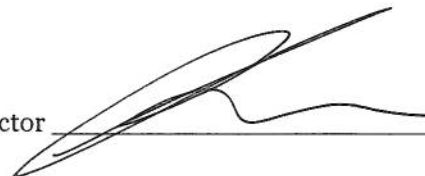
Lions Gate Hospital Foundation
Statement of Financial Position

	March 31, 2013 \$	March 31, 2012 \$	April 1 2011 \$
Assets			
Current assets			
Cash and cash equivalents	21,524,322	20,041,119	11,716,742
Short-term investments	-	-	2,017,288
Interest and other receivables	44,754	30,816	188,423
	<u>21,569,076</u>	<u>20,071,935</u>	<u>13,922,453</u>
Endowment Fund investments (note 4)	20,661,884	16,759,725	16,756,818
Investment in property (note 5)	555,975	555,974	555,974
	<u>42,786,935</u>	<u>37,387,634</u>	<u>31,235,245</u>
Liabilities			
Current liabilities			
Accounts payable and accrued liabilities (note 7)	589,422	634,161	1,885,597
Forgivable loan (note 6)	1,500,000	1,500,000	-
	<u>2,089,422</u>	<u>2,134,161</u>	<u>1,885,597</u>
Retiring allowance	30,390	35,178	28,210
	<u>2,119,812</u>	<u>2,169,339</u>	<u>1,913,807</u>
Fund balances			
Unrestricted			
General Fund	500,730	650,772	800,517
Restricted			
Specific Purpose Funds (note 8)	18,948,535	17,251,824	11,208,129
Endowment Fund (note 4)	20,661,884	16,759,725	16,756,818
Property Fund (note 5)	555,974	555,974	555,974
	<u>40,166,393</u>	<u>34,567,523</u>	<u>28,520,921</u>
	<u>40,667,123</u>	<u>35,218,295</u>	<u>29,321,438</u>
	<u>42,786,935</u>	<u>37,387,634</u>	<u>31,235,245</u>
Commitments (note 14)			

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 Revenues, Expenses and Distributions, and Fund Balances For the year ended March 31, 2013

	General		Specific Purpose			Endowment		Property		Total	
	2013	2012	2013	2012	2013	2012	2013	2012	2013	2012	
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$	
Balance - Beginning of year	650,772	800,517	17,251,824	11,208,129	16,759,725	16,756,818	555,974	555,974	35,218,295	29,321,438	
Revenues											
Fundraising											
Donations	167,048	112,487	5,147,563	7,783,938	25,250	42,000	-	-	5,339,861	7,938,425	
Special events	21,004	21,523	1,296,490	1,467,575	-	-	-	-	1,317,494	1,489,098	
Investment income	320,944	214,065	-	-	509,501	600,595	-	-	830,445	814,660	
Estate gifts	1,855,571	232,974	1,118,671	749,499	-	-	-	-	2,974,242	982,473	
Other	4,186	47,716	-	-	-	-	-	-	4,186	47,716	
	2,368,753	628,765	7,562,724	10,001,012	534,751	642,595	-	-	10,466,228	11,272,372	
Expenses and distributions											
Distributions (notes 7 and 8)	22,308	8,222	4,929,945	3,734,530	-	205,000	-	-	4,952,253	3,947,752	
Administrative expenses (note 10)	932,445	826,599	6,575	12,138	-	-	-	-	939,020	838,737	
Fundraising expenses (note 11)	292,374	302,504	97,562	87,836	-	-	-	-	389,936	390,340	
	1,247,127	1,137,325	5,034,082	3,834,504	-	205,000	-	-	6,281,209	5,176,829	
Excess of revenues over expenses and distributions for the year before the following	1,121,626	(508,560)	2,528,642	6,166,508	534,751	437,595	-	-	4,185,019	6,095,543	
Fair value change in investments (note 9)	-	-	-	-	1,263,809	(198,686)	-	-	1,263,809	(198,686)	
Excess of revenues over expenses and distributions for the year	1,121,626	(508,560)	2,528,642	6,166,508	1,798,560	238,909	-	-	5,448,828	5,896,857	
Transfer of funds (note 12)	(1,271,668)	358,815	(831,931)	(122,813)	2,103,599	(236,002)	-	-	-	-	
Balance - End of year	500,730	650,772	18,948,535	17,251,824	20,661,894	16,759,725	555,974	555,974	40,667,123	35,218,295	

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

Lions Gate Hospital Foundation

Statement of Cash Flows

For the year ended March 31, 2013

	2013 \$	2012 \$
Cash flows from operating activities		
Excess of revenues over expenses and distributions for the year	5,448,828	5,896,857
Items not affecting cash		
Change in fair value of investments (note 9)	(958,637)	318,819
Realized investment income reinvested	(814,673)	(720,728)
Donation of tangible capital assets (note 5)	(1)	-
	<u>3,675,517</u>	<u>5,494,948</u>
Changes in non-cash working capital items		
Interest and other receivables	(13,938)	157,607
Accounts payable and accrued liabilities	(44,739)	(1,251,436)
Retiring allowance	(4,788)	6,968
	<u>3,612,052</u>	<u>4,408,087</u>
Cash flows from investing activities		
Redemption of short-term investments	-	2,017,288
Purchase of Endowment Fund investments	(10,681,044)	(173,250)
Proceeds from disposition of Endowment Fund investments	8,552,195	572,252
	<u>(2,128,849)</u>	<u>2,416,290</u>
Cash flows from financing activities		
Proceeds from forgivable loan	-	1,500,000
Increase in cash and cash equivalents	1,483,203	8,324,377
Cash and cash equivalents - Beginning of year	20,041,119	11,716,742
Cash and cash equivalents - End of year	<u>21,524,322</u>	<u>20,041,119</u>

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

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

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 Basis of presentation and adoption of accounting standards for not-for-profit organizations

Effective April 1, 2012, the Foundation elected to adopt Canadian accounting standards for not-for-profit organizations (ASNPO) as issued by the Canadian Accounting Standards Board. The accounting policies selected under this framework have been applied consistently and retrospectively as if these policies had always been in effect. The Foundation has not utilized any transitional exemptions on the adoption of ASNPO. There were no adjustments to the statement of financial position, the statement of revenues, expenses and distributions, and fund balances, or cash flows.

3 Significant accounting policies

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.

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

3 Significant accounting policies (continued)

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.

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 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.

Contributed services

Volunteers contribute a significant amount of time each year to assist the Foundation in carrying out its programs and services. During the year, approximately 3,459 volunteer hours (2012 - 3,125) were contributed to the Foundation. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Distributions

Distributions are recorded when invoices requesting payment are received from Vancouver Coastal Health (VCH).

Cash and cash equivalents

Cash and cash equivalents include cash and deposits maturing within 90 days from the original date of acquisition.

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

3 Significant accounting policies (continued)

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 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.

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.

Donated tangible capital assets

Donated tangible capital assets are recorded on the statement of financial position at their cost which is considered to be fair value at the date of contribution. If the fair value cannot be reasonably determined, the tangible capital asset will be recorded at a nominal value of \$1.

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.

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.

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

3 Significant accounting policies (continued)

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.

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 and the HOpe Centre. 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. The Art Collection is not recognized on the statement of financial position. As at March 31, 2013, the Foundation currently has 22 works of art in the Collection valued at approximately \$140,000 at the time of receipt.

4 Endowment Fund investments

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

	2013		2012	
	Fair value \$	Cost \$	Fair value \$	Cost \$
Cash and money market funds	464,722	464,722	159,838	159,838
Bond funds	7,148,634	6,931,454	6,916,548	6,602,074
Equity funds				
Canadian	5,360,531	4,502,832	3,438,539	2,832,790
International	7,687,997	7,313,109	6,244,800	6,666,633
	<u>20,661,884</u>	<u>19,212,117</u>	<u>16,759,725</u>	<u>16,261,335</u>

The Endowment Fund comprises the following:

	Original donation/ bequest \$	Balance - March 31, 2012 \$	Donations/ transfers \$	Investment income \$	Fair value change in investments \$	Transfers \$	Balance - March 31, 2013 \$
Total externally restricted	2,881,649	3,084,280	275,250	130,506	172,257	(193,367)	3,468,926
Total Internally restricted	12,492,272	13,675,445	2,426,966	378,995	1,091,552	(380,000)	17,192,958
Total	<u>15,373,921</u>	<u>16,759,725</u>	<u>2,702,216</u>	<u>509,501</u>	<u>1,263,809</u>	<u>(573,367)</u>	<u>20,661,884</u>

During the year, the Board approved a transfer of the endowment income of \$150,000 to the Endoscopy Campaign.

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

5 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 7(c)).

During the year, a donation of books was received by the Foundation valued at \$284,500. The donation has been recorded as a tangible capital asset at the nominal value of \$1 as the books would not have otherwise been purchased by the Foundation and the fair value cannot be attributed to any single book.

6 Forgivable loan

In fiscal 2012, the Foundation received a \$10.0 million 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.

On March 13, 2012, the first installment of \$2.5 million was received, of which \$1.0 million was recognized as revenue and \$1.5 million as a forgivable interest-free loan. In accordance with the terms of the agreement, the foundation work for the HOpe Centre had to commence by October 1, 2012 or the Deed of Gift was to be annulled and the full \$2.5 million refunded by December 1, 2012. The construction work had commenced as planned; therefore the \$2.5 million was not required to be refunded. No funding was scheduled to be received in fiscal 2013. The next installment of \$2.5 million was received on April 17, 2013 in accordance with the terms of the agreement.

7 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.

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

7 Related party transactions (continued)

a) During the year, distributions were made to VCH for the following capital projects:

	2013 \$	2012 \$
Mental Health campaign (The HOpe Centre)	2,401,790	983,193
Equipment	184,303	456,634
Smart pumps	-	280,349
Hospice	-	55,168
Endoscopy campaign	738,362	-
Projects less than \$500,000	1,627,798	1,967,408
	<u>4,952,253</u>	<u>3,742,752</u>

b) Included in accounts payable and accrued liabilities is \$358,317 (2012 - \$174,352) due to VCH relating to the reimbursement of Foundation operating expenses paid by VCH on behalf of the Foundation and \$nil (2012 - \$348,094) due to VCH for purchases of capital equipment for Lions Gate Hospital. Included within the payables of VCH are payroll taxes of \$nil (2012 - \$7,824) 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 5).

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

8 Specific Purpose Funds

	Balance - March 31, 2012 \$	Donations/ transfers \$	Distributions/ Expenses \$	Balance - March 31, 2013 \$
Endoscopy campaign	105,400	3,547,206	741,942	2,910,664
Equipment campaign	907,470	(671,803)	184,303	51,364
Mental Health campaign (The HOpe Centre)	10,179,719	3,093,602	2,401,790	10,871,531
Other *	6,059,235	761,788	1,706,047	5,114,976
	<u>17,251,824</u>	<u>6,730,793</u>	<u>5,034,082</u>	<u>18,948,535</u>

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

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

9 Fair value change in investments

	2013 \$	2012 \$
Realized gains	305,172	120,133
Change in fair value	958,637	(318,819)
	<u>1,263,809</u>	<u>(198,686)</u>

10 Administrative expenses

	2013 \$	2012 \$
Salaries and benefits	753,906	709,946
Consultants	55,665	-
Banking and credit card fees	40,495	42,113
General administration	50,770	47,988
Legal and audit	23,562	21,981
Insurance	11,664	10,659
Professional development	2,958	6,050
	<u>939,020</u>	<u>838,737</u>

11 Fundraising expenses

	2013 \$	2012 \$
Direct mail	185,728	156,057
Special events	105,659	98,614
Print and electronic communications	54,759	72,303
Planned giving	15,114	34,397
Donor development and recognition	28,676	28,969
	<u>389,936</u>	<u>390,340</u>

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

12 Transfer of funds

	General \$	Specific Purpose \$	Endowment \$	Total \$
Transfer to Endowment (a)	(721,966)	(1,955,000)	2,676,966	-
Transfer from Internally Restricted Endowment (b)	380,000	-	(380,000)	-
Transfer from Externally Restricted Endowment (c)	10,539	182,828	(193,367)	-
Transfer to Specific Purpose (d)	(1,140,241)	1,140,241	-	-
Transfer from Specific Purpose (e)	200,000	(200,000)	-	-
	<u>(1,271,668)</u>	<u>(831,931)</u>	<u>2,103,599</u>	<u>-</u>

All transfers of funds are approved by the Board.

- a) Transfer to the Endowment Fund reflects a transfer from estate gifts within the General Fund and Board approved transfers from Specific Purpose Funds to Internally Restricted Endowments.
- b) Transfer from the Endowment Fund to the General Fund is an allocation from unrestricted endowment income to contribute in part to administrative and fundraising expenses.
- c) Transfer from the Endowment Fund to the Specific Purpose Fund is a transfer from externally restricted endowment income to contribute to specific educational expenses in accordance with the endowment agreement and Board approved transfers of Externally Restricted Endowment Fund income to Specific Purpose Funds. Additionally, there was a transfer to the General Fund as per terms of endowment agreement.
- d) 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.
- e) Transfer from Specific Purpose Funds to the General Fund reflects allocations to cover the fundraising expenses of the endoscopy campaign.

13 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 March 31, 2013 amount to \$800,000 (2012 - \$800,000).

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

14 Commitments

As at March 31, 2013, the Board of Directors has pledged \$22,115,017 (2012 - \$24,516,807) to VCH towards the construction of the HOpe Centre and \$3,875,342 (2012 - \$3,178,455) to VCH for future purchases of capital equipment for Lions Gate Hospital and other health care entities on the North Shore.

15 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 fulfil 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 note 3 and further disclosed in notes 4 and 8.

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.

16 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 4.

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 4. Management frequently reviews exchange rates to mitigate risk to the Foundation.

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.

Lions Gate Hospital Foundation

Notes to Financial Statements

March 31, 2013 and March 31, 2012

16 Financial instruments (continued)

Credit risk exposure

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.