

**The Great Commission Foundation**  
**Financial Statements**

*For the year ended December 31, 2022*

# The Great Commission Foundation

## Contents

*For the year ended December 31, 2022*

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### **Page**

#### **Independent Auditor's Report**

#### **Financial Statements**

Statement of Financial Position.....	1
Statement of Operations and Changes in Fund Balances.....	2
Statement of Cash Flows.....	3
<b>Notes to the Financial Statements.....</b>	<b>4</b>

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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, 2022, 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, 2022, 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 28, 2023

*MNP LLP*

Chartered Professional Accountants

# The Great Commission Foundation

## Statement of Financial Position

As at December 31, 2022

	General Fund	Mission Fund	Capital Asset Fund	2022	2021
<b>Assets</b>					
<b>Current</b>					
Cash	2,885,714	6,210,560	-	9,096,274	12,712,395
Investment income receivable	148,607	4,915	-	153,522	39,704
Prepaid expenses and deposits	49,011	193,782	-	242,793	82,414
Advances to related party (Note 3)	758	1,067,670	-	1,068,428	23,802
Goods and services tax recoverable	83,128	-	-	83,128	55,223
Investments (Note 4)	200,567	9,951,593	-	10,152,160	6,740,436
	3,367,785	17,428,520	-	20,796,305	19,653,974
Investments (Note 4)	-	1,999,999	-	1,999,999	50,000
Capital assets (Note 5)	-	-	81,380	81,380	16,623
	3,367,785	19,428,519	81,380	22,877,684	19,720,597
<b>Liabilities</b>					
<b>Current</b>					
Accounts payable and accruals	23,455	1,236,343	-	1,259,798	1,819,637
<b>Commitments (Note 6)</b>					
<b>Fund Balances</b>					
Internally restricted (Note 9)	140,891	-	-	140,891	140,891
Invested in capital assets	-	-	81,380	81,380	16,623
Externally restricted	-	18,192,176	-	18,192,176	15,034,397
Unrestricted	3,203,439	-	-	3,203,439	2,709,049
	3,344,330	18,192,176	81,380	21,617,886	17,900,960
	3,367,785	19,428,519	81,380	22,877,684	19,720,597

Approved on behalf of the Board

  
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Trustee

# The Great Commission Foundation

## Statement of Operations and Changes in Fund Balances

*For the year ended December 31, 2022*

	<i>General Fund</i>	<i>Mission Fund</i>	<i>Capital Asset Fund</i>	<b>2022</b>	<b>2021</b>
<b>Revenue</b>					
Donations <i>(Note 12)</i>	41,539	42,049,367	-	42,090,906	34,878,606
Investment income (loss)	287,633	(389,014)	-	(101,381)	(9,710)
Rental income	-	69,271	-	69,271	36,992
Other revenue	37,637	836,228	-	873,865	510,936
	366,809	42,565,852	-	42,932,661	35,416,824
<b>Expenses</b>					
General administration	722,836	-	-	722,836	587,320
Amortization	-	-	45,550	45,550	12,783
Bank charges and interest	21,278	-	-	21,278	13,230
Rent	122,431	-	-	122,431	78,773
Salaries and benefits	1,460,382	3,237,442	-	4,697,824	4,533,865
Agent program costs <i>(Note 7)</i>	-	31,090,283	-	31,090,283	24,185,362
	2,326,927	34,327,725	45,550	36,700,202	29,411,333
<b>Excess (deficiency) of revenue over expenses before other items</b>	<b>(1,960,118)</b>	<b>8,238,127</b>	<b>(45,550)</b>	<b>6,232,459</b>	<b>6,005,491</b>
<b>Other items</b>					
Gain on disposal of capital assets	-	-	82	82	337,044
Goods and Services Tax rebate	102,607	-	-	102,607	60,983
Gifts to qualified donees	(11,800)	(2,606,422)	-	(2,618,222)	(13,486,012)
Government assistance	-	-	-	-	826,435
<b>Other items</b>	<b>90,807</b>	<b>(2,606,422)</b>	<b>82</b>	<b>(2,515,533)</b>	<b>(12,261,550)</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(1,869,311)</b>	<b>5,631,705</b>	<b>(45,468)</b>	<b>3,716,926</b>	<b>(6,256,059)</b>
<b>Fund balances, beginning of year</b>	<b>2,849,940</b>	<b>15,034,397</b>	<b>16,623</b>	<b>17,900,960</b>	<b>24,157,019</b>
<b>Interfund transfers <i>(Note 8)</i></b>	<b>2,363,701</b>	<b>(2,473,926)</b>	<b>110,225</b>	<b>-</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>3,344,330</b>	<b>18,192,176</b>	<b>81,380</b>	<b>21,617,886</b>	<b>17,900,960</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, 2022*

	2022	2021
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	3,716,926	(6,256,059)
Amortization	45,550	12,783
Donations of gifts-in-kind	(180,147)	11,542,068
Gain on disposal of capital assets	(82)	(337,044)
Realized loss on investments	37,048	-
Unrealized loss on investments	394,255	73,663
	4,013,550	5,035,411
Changes in working capital accounts		
Goods and services tax recoverable	(27,905)	(5,611)
Accounts receivable	-	92,614
Prepaid expenses and deposits	(160,379)	(50,840)
Accounts payable and accruals	(559,839)	1,098,347
Investment income receivable	(113,818)	(9,845)
	3,151,609	6,160,076
<b>Investing</b>		
Advances to related party	(1,044,626)	(3,707)
Purchase of capital assets	(110,225)	(1,013,268)
Purchase of investments	(5,891,628)	(6,791,992)
Proceeds on disposal of investments	278,749	4,503,091
	(6,767,730)	(3,305,876)
<b>Increase (decrease) in cash resources</b>	(3,616,121)	2,854,200
<b>Cash resources, beginning of year</b>	12,712,395	9,858,195
<b>Cash resources, end of year</b>	9,096,274	12,712,395

*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, 2022

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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.

### 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 ("FGC"). 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 FGC as at December 31, 2022 and December 30, 2021, and the summary of operations of G2G and FGC for the year ended December 31, 2022 and December 30, 2021, are included in Notes 10 and 11 to these financial statements.

#### **Fund accounting**

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

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

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

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

#### **Portfolio investments**

Portfolio investments consist of guaranteed investment certificates as well as corporate bonds and index funds that are traded in the public markets.

#### **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.

	Rate
Computer equipment	5 years
Computer software	5 years
Equipment and software	5 years
Leasehold improvements	5 years



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

***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 policies.

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. Contributions related to mission programs are recognized as revenue of the Mission 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 gains (losses) on investments 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 materials 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.

***Leases***

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

***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.

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

***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.

Amounts advanced to related parties 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. The fair value of equity investments is based on prices quoted in an active market.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be significant. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

***Financial instruments***

The Foundation recognizes financial instruments when the Foundation becomes party to the contractual provisions of the financial instrument.

***Arm's length financial instruments***

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Foundation may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Foundation has not made such an election during the year.

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.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

***Related party financial instruments***

The Foundation initially measures financial instruments originated/acquired or issued/assumed in a related party transaction at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 11).

The Foundation subsequently measures financial instruments that were initially measured at cost are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenues over expenses.

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

**Financial instruments** *(Continued from previous page)*

**Financial asset impairment**

The Foundation assesses impairment of all 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.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, 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 at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Foundation reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) 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 excess (deficiency) of revenues over expenses in the year the reversal occurs.

**3. Advances to related party**

Advances to companies related by virtue of common control are unsecured, non-interest bearing and have no fixed terms of repayment.

	<b>2022</b>	<b>2021</b>
Friends of the Great Commission	<b>1,068,427</b>	13,802
G2G Foundation	-	10,000
	<b>1,068,427</b>	<b>23,802</b>

**4. Investments**

Investments are comprised of the following:

- Guaranteed investment certificates measured at amortized cost bearing interest at 1.38% to 5.10% (2021 - 0.58% to 1.25%) per annum maturing between March 2023 to September 2025 (2021 - April 2022 to July 2023);
- Corporate bonds and principal protected notes measured at fair market value of \$5,934,433 (2021 - \$6,021,714) with historical cost of \$6,268,636 (2021 - \$6,041,562); and,
- Index funds measured at fair market value of \$456,406 (2021 - \$730,843) with historical cost of \$550,000 (2021 - \$750,000).

**The Great Commission Foundation**  
**Notes to the Financial Statements**  
*For the year ended December 31, 2022*

**5. Capital assets**

	<b>Cost</b>	<b>Accumulated amortization</b>	<b>2022 Net book value</b>	<b>2021 Net book value</b>
Land	1,000	-	1,000	1,000
Automotive	30,000	6,000	24,000	-
Computer equipment	10,344	10,169	175	2,245
Computer software	209,605	209,605	-	-
Equipment and software	102,150	72,421	29,729	8,408
Leasehold improvements	98,117	71,644	26,473	4,970
	<b>451,216</b>	<b>369,839</b>	<b>81,377</b>	<b>16,623</b>

**6. Commitments**

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

2023	124,586
2024	42,541
	<b>167,127</b>

**7. Agent program costs**

	<b>2022</b>	<b>2021</b>
Contract costs	3,650,821	3,154,207
Ministry costs	23,300,054	18,286,655
Travel costs	1,068,290	436,299
Agent office and miscellaneous costs	3,071,117	2,308,201
	<b>31,090,282</b>	<b>24,185,362</b>

**8. Interfund transfers**

During the year, the Foundation transferred \$2,474,653 from the Mission Fund to the General Fund for administration fees, \$708 (2021 - \$10,968,963) was transferred from the Capital Asset Fund to the Mission Fund relating to capital asset donations, and \$110,933 (2021 - \$3,424) was transferred from the General Fund to the Capital Asset Fund for capital assets purchased.

**9. Internally restricted fund balances**

The Foundation's Board of Trustees have internally restricted \$140,891 (2021 - \$140,891) as a reserve for legal contingencies. These internally restricted amounts are not available for other purposes without approval of the Board of Trustees.

# The Great Commission Foundation

## Notes to the Financial Statements

*For the year ended December 31, 2022*

### 10. 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:

	<b>2022</b>	<b>2021</b>
Total assets	<b>3,598,375</b>	3,002,578
Total liabilities	<b>7,900</b>	15,200
Total fund balances	<b>3,590,475</b>	2,987,378
Total revenues	<b>485,075</b>	762,381
Total expenses	<b>322,035</b>	884,456
Total operating cash flows	<b>105,286</b>	430,511
Total financing cash flows	<b>(10,000)</b>	-
Total net cash flows	<b>95,286</b>	430,511

### 11. 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:

	<b>2022</b> <b>(US\$)</b>	<b>2021</b> <b>(US\$)</b>
Total assets	<b>2,147,563</b>	1,315,212
Total liabilities	<b>868,657</b>	38,373
Total fund balances	<b>1,278,905</b>	1,276,841
Total revenues	<b>3,762,443</b>	3,010,065
Total expenses	<b>3,760,377</b>	3,244,266
Total operating cash flows	<b>832,593</b>	(224,885)
Total net cash flows	<b>832,593</b>	(224,885)

# The Great Commission Foundation

## Notes to the Financial Statements

For the year ended December 31, 2022

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### 12. Related party transactions

During the year, the Foundation received donations from organizations under common control as follows: FGC in the amount of \$1,534,671 (2021 - \$507,678), and G2G in the amount of \$167,625 (2021 - \$305,000).

### 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.

#### ***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 corporate bonds and index 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.

#### ***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 enters into transactions to receive donations, make purchases and advance cash to related parties denominated in US dollars for which the related revenues, expenses, and advances to related party balances are subject to exchange rate fluctuations. As at December 31, 2022, the advances to related party of \$1,068,428 (2021 - nil) is denominated in US dollars.

During the year, there has been an increase in risk exposure to foreign currency risk due to the increased amount of balances held in US dollars by the Foundation as at year-end.