Financial Statements of

HEALTH SCIENCES CENTRE FOUNDATION INC.

March 31, 2010

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AUDITORS' REPORT

To the Board of Directors
Health Sciences Centre Foundation Inc.

We have audited the statement of financial position of Health Sciences Centre Foundation Inc. as at March 31, 2010 and the statements of operations and changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP.
Chartered Accountants

Winnipeg, Manitoba
June 4, 2010

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HEALTH SCIENCES CENTRE FOUNDATION INC.
Statement of Financial Position
March 31, 2010

	Unrestricted Fund	Restricted Funds	Kleysen Institute Capital Campaign Fund	2010 Total	2009 Total (Restated Notes 2 & 3)
ASSETS					
CURRENT					
Cash	$ 1,092,303	$ (37,365)	$ 533,415	$ 1,588,353	$ 1,986,122
Short term investments	1,100,000	-	1,923,490	3,023,490	4,072,300
Accounts receivable	117,566	-	-	117,566	226,327
Due from (to) other funds	(72,733)	72,733	-	-	-
Pledges receivable - current (Note 6)	-	2,605,482	2,175,445	4,780,927	3,075,265
Prepaids (Note 8)	398,873	-	-	398,873	925,449
	2,636,009	2,640,850	4,632,350	9,909,209	10,285,463
INVESTMENTS (Note 5)	-	9,191,137	-	9,191,137	7,846,898
PLEDGES RECEIVABLE - LONG TERM (Note 6)	-	1,980,716	2,992,493	4,973,209	7,532,596
CAPITAL ASSETS (Note 7)	64,495	9,302,915	-	9,367,410	9,182,173
	$ 2,700,504	$ 23,115,618	$ 7,624,843	$ 33,440,965	$ 34,847,130
LIABILITIES					
CURRENT					
Accounts payable and accrued liabilities	$ 669,023	$ -	$ -	$ 669,023	$ 1,360,577
Deferred revenue (Note 8)	2,031,481	-	-	2,031,481	3,800,919
	2,700,504	-	-	2,700,504	5,161,496
FUND BALANCES					
UNRESTRICTED	-	-	-	-	-
ENDOWMENT	-	5,827,621	-	5,827,621	4,244,588
HSC RESEARCH TRUST	-	161,997	-	161,997	167,401
RESTRICTED	-	6,438,198	-	6,438,198	4,477,481
JBRC CAPITAL	-	10,687,802	-	10,687,802	10,816,941
KLEYSEN INSTITUTE CAPITAL CAMPAIGN	-	-	7,624,843	7,624,843	9,979,223
	-	23,115,618	7,624,843	30,740,461	29,685,634
	$ 2,700,504	$ 23,115,618	$ 7,624,843	$ 33,440,965	$ 34,847,130

APPROVED BY THE BOARD

. . . . . Director

. . . . . Director

HEALTH SCIENCES CENTRE FOUNDATION INC.
Statement of Operations and Changes in Fund Balances
Year Ended March 31, 2010

	Unrestricted Fund		Restricted Funds		Kleysen Institute Capital		Total	
	2010	2009	**2010**	2009	**2010**	2009	**2010**	2009
				(Restated Notes 2 & 3)		(Restated - Note 3)		(Restated Notes 2 & 3)
REVENUE								
Donations	**$ 554,331**	$ 554,634	**$ 900,169**	$ 675,196	**43,140**	2,303	**$ 1,497,640**	$ 1,232,133
Special projects, net (Note 8)	**829,034**	562,163	**1,560,000**	1,200,000	**-**	**-**	**2,389,034**	1,762,163
Ventures, net (Note 8)	**51,726**	57,303	**78,119**	-	**-**	**-**	**129,845**	57,303
Investment income realized	**6,233**	17,430	**303,071**	409,763	**169,229**	135,569	**478,533**	562,762
Net unrealized investment gains (losses)	**-**	-	**1,090,934**	(1,477,335)	**-**	-	**1,090,934**	(1,477,335)
Major and planned gifts	**-**	-	**2,161,452**	2,708,880	**-**	**-**	**2,161,452**	2,708,880
Funding Commitments	**30,915**	18,922	**42,950**	44,862	**-**	**-**	**73,865**	63,784
	1,472,239	1,210,452	**6,136,695**	3,561,366	**212,369**	137,872	**7,821,303**	4,909,690
EXPENSES								
Office administration	**409,855**	371,301	**-**	-	-	-	**409,855**	371,301
Donor development	**405,979**	344,272	**126,040**	134,081	-	-	**532,019**	478,353
Major and planned gifts	**-**	-	**238,554**	292,851	-	-	**238,554**	292,851
Communications	**336,035**	493,328	**-**	-	-	-	**336,035**	493,328
Capital Campaign	**-**	-	**-**	-	**66,749**	5,060	**66,749**	5,060
Stewardship and research	**20,716**	-	**40,043**	-	**-**	-	**60,759**	-
Amortization	**19,343**	18,697	**478,645**	450,473	**-**	-	**497,988**	469,170
	1,191,928	1,227,598	**883,282**	877,405	**66,749**	5,060	**2,141,959**	2,110,063
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE FUNDING COMMITMENTS	**280,311**	(17,146)	**5,253,413**	2,683,961	**145,620**	132,812	**5,679,344**	2,799,627
FUNDING COMMITMENTS	**(207,578)**	(222,037)	**(1,916,939)**	(3,495,498)	**(2,500,000)**	(2,500,000)	**(4,624,517)**	(6,217,535)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	**72,733**	(239,183)	**3,336,474**	(811,537)	**(2,354,380)**	(2,367,188)	**1,054,827**	(3,417,908)
FUND BALANCES, BEGINNING OF YEAR as previously stated	**-**	-	**22,685,181**	20,952,267	**7,211,223**	12,346,411	**29,896,404**	33,298,678
CHANGE IN ACCOUNTING POLICY (Note 2)	**-**	-	**(210,770)**	(195,136)	**-**	-	**(210,770)**	(195,136)
PRIOR PERIOD ADJUSTMENT (Note 3)	**-**	-	**(2,768,000)**	-	**2,768,000**	-	**-**	-
FUND BALANCES, BEGINNING OF YEAR, restated	**-**	**-**	**19,706,411**	20,757,131	**9,979,223**	12,346,411	**29,685,634**	33,103,542
NET TRANSFER BETWEEN FUND BALANCES	**(72,733)**	239,183	**72,733**	(239,183)	**-**	**-**	**-**	**-**
FUND BALANCES, END OF YEAR	**$ -**	$ -	**$ 23,115,618**	$ 19,706,411	**$ 7,624,843**	$ 9,979,223	**$ 30,740,461**	$ 29,685,634

HEALTH SCIENCES CENTRE FOUNDATION INC.
Statement of Cash Flows
Year Ended March 31, 2010

	2010	2009
Excess (deficiency) of revenue over expenses	**$ 1,054,827**	$ (3,417,908)
Items not affecting cash:		
Amortization	**497,988**	469,170
(Gain) loss relating to the accretion/discounting of pledges receivable	**(187,018)**	47,452
Equity earnings from Health Sciences Centre Foundation Trust	**(46,277)**	(46,490)
Net unrealized investment (gains) losses	**(1,090,934)**	1,477,335
	228,586	(1,470,441)
Changes in non-cash operating working capital items:		
Decrease in accounts receivable	**108,761**	49,925
Decrease in pledges receivable	**1,040,743**	1,291,327
Decrease in prepaids	**526,576**	63,606
(Decrease) increase in accounts payable and accrued liabilities	**(691,554)**	1,135,819
Decrease in deferred revenue	**(1,769,438)**	(678,485)
Net cash (used in) provided by operating activities	**(556,326)**	391,751
Cash flows from investing activities		
Redemption/(purchase) of investments	**(292,027)**	(297,751)
Redemption/(purchase) of short term investments (net)	**1,048,809**	(1,553,370)
Purchase of capital assets	**(683,225)**	(19,668)
Redemption of State of Israel bonds	**85,000**	-
Net cash used in investing activities	**158,557**	(1,870,789)
Net decrease in cash position	**(397,769)**	(1,479,038)
Cash position, beginning of year	**1,986,122**	3,465,160
Cash position, end of year	**$ 1,588,353**	$ 1,986,122

1. NATURE AND PURPOSE OF FOUNDATION

Health Sciences Centre Foundation Inc. (“the Foundation”) was incorporated in 1976 under the Corporations Act of Manitoba. The Foundation’s mandate is to raise, invest and allocate funds in support of medical research and health care excellence. The Foundation is a registered charity for the purpose of the Income Tax Act and accordingly is exempt from income taxes.

2. CHANGES IN ACCOUNTING POLICIES

Effective April 1, 2009, the Centre adopted the changes made to Sections 1000, 1540, 4400, 4430 and 4460 and the new recommendations of Section 4470 of the Canadian Institute of Chartered Accountants ("CICA") Handbook.

Section 1000 *Financial Statement Concepts* has been revised to clarify that expenditures not meeting the definition of an asset or the recognition criteria are not permitted to be capitalized. As a result, the Foundation determined that advertising and promotional costs relating to the HSC Foundation HOME lottery that were previously deferred and included in prepaid expenses did not meet the clarified definition of an asset and therefore these expenditures have been expensed as period costs in the Statement of Operations and Changes in Fund Balances. This change in accounting policy has been applied retrospectively.

As a result of this change in accounting policy, the Fund balance as at April 1, 2008 has been reduced by $195,136. As well, for the year ended March 31, 2009 both Special Projects (net revenue) and the excess (deficiency) of revenue over expenses decreased by $15,634 and the Fund balances as at March 31, 2009 decreased by $210,770. As a result of this change in accounting policy, the balance to be transferred from the restricted funds for the year ended March 31, 2009 to the unrestricted fund increased by $15,634.

Section 1540 *Cash Flow Statement* has been amended to include not-for-profit organizations within its scope. As a result, a Statement of Cash Flows, which includes comparatives for the prior year, has now been included within these financial statements.

Section 4400 *Financial Statement Presentation by Not-for-profit Organization* has been amended in order to eliminate the requirement to treat net assets invested in capital assets as a separate component of net assets and, instead, permit a not-for-profit organization to combine investment in capital assets with unrestricted net assets when no investment in capital assets is internally restricted. It also clarifies that revenues and expenses must be recognized and presented on a gross basis when a not-for profit organization is acting as a principal in transactions.

Section 4430 *Capital Assets Held by Not-for-profit Organizations* has been amended to specify that smaller organizations that capitalize their capital assets shall capitalize all classes of capital assets and amortize and write down those assets in accordance with relevant Handbook Sections.

2. CHANGES IN ACCOUNTING POLICIES (continued)

Section 4460 *Disclosure of Related Party Transactions by Not-for-profit Organizations* has been amended to make the language in Section 4460 consistent with related party transactions, Section 3840.

Section 4470 *Disclosure of Allocated Expenses by Not-for-profit Organizations* establishes disclosure standards for a not-for-profit organization that classifies its expenses by function and allocates its expenses to a number of functions to which the expenses relate.

The adoption of these new standards had no significant impact on the financial statements other than as noted above.

3. PRIOR PERIOD ADJUSTMENT

It was determined that in the prior year certain funding commitments had been mis-allocated between the funds. Therefore the prior year financial statements have been restated to reflect the appropriate allocation of the funding commitments. As a result, the funding commitments in the Restricted Fund and the funding commitments of the Kleysen Institute Capital Campaign Fund for the year ended March 31, 2009 have increased and decreased respectively by $2,768,000. The total fund balances did not change however the fund balance of the Restricted Fund decreased by $2,768,000 as at April 1, 2009 and the fund balance of the Kleysen Institute Capital Campaign Fund increased by this same amount.

4. SIGNIFICANT ACCOUNTING POLICIES

The Foundation has elected to use the exemption provided by the Canadian Institute of Chartered Accountants (CICA) permitting not for profit organizations not to apply Sections 3862 and 3863 of the CICA Handbook which would otherwise have applied to the financial statements of the Foundation for the year ended March 31, 2010. The Foundation applies the requirements of Section 3861 of the CICA Handbook.

The financial statements have been prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The Unrestricted Fund reports revenue from the general fundraising activities of the Foundation together with all administrative expenses. Investment income earned in this fund is unrestricted. Each year, funds are transferred from/to the Unrestricted Fund to/from the Restricted Fund so that the fund balance in the Unrestricted Fund is nil at the balance sheet date. For the year ending March 31, 2010, $72,733 was transferred from the Unrestricted Fund to the Restricted Fund (2009 - $239,183 was transferred from the Restricted Fund to the Unrestricted Fund).

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

a) Fund accounting (continued)

Included in Restricted Funds are amounts relating to the following specific funds:

i. the Endowment Fund which includes endowment, bequest and gift planning contributions together with attributable expenses for planned giving development. Unless specified by the donor, investment income earned on the Endowment Fund is reinvested in the Endowment Fund.

ii. the HSC Research Trust Fund which includes donations from the Health Sciences Centre Research Department and investment income less attributable funding commitments.

iii. the Restricted Fund which represents funds donated to the Foundation which are directed for a specific use together with funds internally restricted by the Board of Directors.

iv. the JBRC Capital Fund which represents funds donated to the Foundation that are directed and restricted for the John Buhler Research Centre for capital purchases and research expenses.

The Kleysen Institute Capital Campaign Fund represents funds donated to the Foundation which are directed to and restricted for capital purchases related to the Kleysen Institute of Advanced Medicine and expenses related to the capital campaign.

b) Revenue recognition

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

c) Capital assets

Capital assets are recorded at cost less accumulated amortization. Amortization expense is provided on a straight-line basis as follows:

Computer equipment	4 years
Furniture and fixtures	10 years
Buildings	50 years
Tenant improvements	10 years
Leasehold improvements	5 years

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) *Investments*

Portfolio investments, which are comprised of pooled funds, are recorded at fair value which is determined using quoted market values. Interest, dividends, gains and losses from underlying investments are recorded as earned or realized. Net changes in unrealized gains and losses are reflected in the statement of operations. The State of Israel bonds are recorded at their amortized cost. The investment in Health Sciences Centre Foundation Trust is recorded in accordance with the equity method of accounting. For the investments in both the State of Israel bonds and the Health Sciences Centre Foundation Trust, the investments are written down when the impairment in value is determined to be other than temporary.

e) Grants

Grants to qualified recipients are reflected as an expense in the fiscal year in which the grants are approved and committed.

f) Pledges

A pledge for which the amount to be received can be reasonably estimated and the ultimate collection is reasonably assured is recognized as revenue in the fiscal year in which the pledge is committed. The related receivable is classified as current or long term depending on the expected timing of the cash collection.

g) Deferred revenue

Deferred revenue represents rental revenue that has been received for future periods as well as the proceeds that have been received relating to the HOME lottery and other fundraising activities that will occur in the next fiscal year.

h) Financial instruments

Fair values
Financial assets and financial liabilities are initially recognized at fair value and their subsequent measurement is dependent on their classification as described below. Their classification depends on the purpose for which the financial instruments were acquired or issued, their characteristics and the Foundation's designation of such instruments.

Classification

Cash	Held for trading
Short-term investments	Held for trading
Accounts receivable	Loans and receivables
Pledges receivables	Loans and receivables
Investments in pooled funds	Held for trading
State of Israel Bonds	Held to maturity
Accounts payable and accrued liabilities	Other liabilities

4. SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Financial instruments (continued)

Held for trading

Held for trading financial assets are financial assets typically acquired for resale prior to maturity or that are designated as held for trading. They are measured at fair value. Fair value fluctuations including interest earned, interest accrued, gains and losses realized on disposal and unrealized gains and losses are included in revenue.

Loans and receivables

Financial assets designated as loans and receivables are recorded at amortized cost using the effective interest method. Given the nature of these assets the carrying value approximates fair value.

Held to maturity

Held to maturity assets are acquired with the intention to hold the instrument until it matures. They are measured at amortized cost. Gains and losses are recognized in the statement of operations and changes in fund balances in the period that the asset is derecognized, or the period in which impairment occurs.

Other liabilities

Other liabilities are recorded at amortized cost using the effective interest method and include all financial liabilities. Given the nature of these liabilities the carrying value approximates fair value.

i) Use of estimates

The preparation of financial statements 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 year. Significant estimates include the valuation of pledges receivable and the useful lives of capital assets. Actual results could differ materially from those estimates.

j) Future accounting changes

In March 2010, the AcSB issued an Exposure Draft which provides not-for-profit organizations in the private sector the option to follow accounting principles that are not substantively different from the current accounting policies for not-for-profit organizations. These new standards would be effective for financial years beginning on or after January 1, 2012. The current standards applicable to not-for-profit organizations will remain in effect until organizations have adopted the new standards.

5. INVESTMENTS

The following is a summary of the Foundation's investments:

	2010	2009
Investment in pooled funds	**$ 8,110,731**	$ 6,727,769
Investment in State of Israel bonds	**475,000**	560,000
Investment in Health Sciences Centre Foundation Trust	**605,406**	559,129
	$ 9,191,137	$ 7,846,898

a) Investment in pooled funds

The following provides details regarding the Foundation's investments in pooled funds:

	2010		2009	
	Cost	**Fair Value**	Cost	Fair Value
Bond fund	**$ 1,762,438**	**$ 1,809,828**	$ 1,624,491	$ 1,601,160
Canadian equity fund	**842,097**	**1,126,407**	874,962	841,172
Global equity fund	**481,134**	**469,503**	466,139	364,282
U.S. equity fund	**917,613**	**765,274**	861,196	591,517
Global balanced fund	**3,861,191**	**3,939,719**	3,745,658	3,329,638
	$ 7,864,473	**$ 8,110,731**	$ 7,572,446	$ 6,727,769

b) Investment in State of Israel bonds

The interest earned from the State of Israel Bonds has been designated to fund Liver Research. The bonds earn a rate of return ranging from 4.05% to 4.50% and will mature in 2010. The fair value of the bonds, designated as held to maturity, is approximately $482,000 (2009 - $578,000).

5. INVESTMENTS (continued)

c) Investment in Health Sciences Centre Foundation Trust

The Foundation created the Health Sciences Centre Foundation Trust pursuant to a Trust Indenture dated September 12, 2000.

The Foundation is the income and capital beneficiary of the Trust. The Trust has purchased a real estate property and a land lease. All net income from these assets is allocated to the Foundation as income beneficiary on or before December 31 in each fiscal year. The Trustees of the Trust are to distribute the Trust property to the Foundation as capital beneficiary on the termination date of the Trust.

The balance sheet of the Health Sciences Centre Foundation Trust as at December 31, 2009 is as follows:

Current Assets	$	43,777
Investment in Land		1,247,917
	$	1,291,694
Current Liabilities	$	9,241
Due to Foundation		187,854
Mortgage Payable		677,047
Trust Capital		417,552
	$	1,291,694

6. PLEDGES RECEIVABLE

	2010	2009
Gross pledges receivable	**$ 10,084,772**	$11,125,515
Less impact of discounting and other	**(330,636)**	(517,654)
Amortized cost of pledges receivable	**9,754,136**	10,607,861
Less current portion	**(4,780,927)**	(3,075,265)
Pledges receivable – long term	**$ 4,973,209**	$ 7,532,596

The amortized cost has been determined based on the expected payment terms of the respective pledges, which range from one to four years, and an appropriate discount rate.

7. CAPITAL ASSETS

	2010		2009	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Unrestricted Fund				
Computer equipment	**$ 58,763**	**$ 53,915**	$ 52,018	$ 42,745
Furniture and fixtures	**93,619**	**33,972**	93,264	25,799
	152,382	**87,887**	145,282	68,544
	64,495		76,738	
Restricted Funds				
Assets relating to the John Buhler Research Centre:				
Buildings	**8,573,661**	**857,366**	8,573,661	685,893
Tenant improvements	**2,676,125**	**1,098,172**	2,000,000	835,000
Leasehold improvements	**200,000**	**191,333**	200,000	147,333
	11,449,786	**2,146,871**	10,773,661	1,668,226
	9,302,915		9,105,435	
Cost less accumulated amortization	**$ 9,367,410**		$ 9,182,173	

The Foundation has a beneficial interest in certain capital assets.

Pursuant to an agreement dated March 19, 1985, the Foundation contributed $4.9 million towards the construction of the seventh level of the MS Building of Health Sciences Centre which is commonly referred to as MS7. As at March 31, 2010, the Foundation's costs relating to MS7 have been fully amortized and are not included in the Foundation's capital asset balance.

In the event Health Sciences Centre exercises its option to obtain occupancy of MS7, in accordance with the terms of this agreement, the consideration to be paid by Health Sciences Centre to the Foundation shall be the aggregate of:

i) the original capital costs funded by the Foundation,
ii) all furniture, fixtures, equipment and improvements relating to MS7 that cannot be usefully relocated, and
iii) reasonable moving expenses.

8. SPECIAL PROJECTS AND VENTURES

Special projects and ventures represent fundraising events held and revenue earned by the Foundation.

a) Special projects

	2010	2009 (Restated – Note 2)
Revenue	**$ 6,534,664**	$ 5,063,455
Expenses	**4,145,630**	3,301,292
	$ 2,389,034	$ 1,762,163

HOME Lottery
Special projects include the revenue and expenses of the June 2009 HOME lottery. The Foundation allocated $1.5 million (2009 - $1.2 million) of the net proceeds of this lottery to a restricted fund.

Included in the deferred revenue and prepaid balances are the proceeds and costs, respectively related to the HSC Foundation HOME lottery which were received/incurred prior to March 31, 2010 and relate to the lottery for which the final draw will occur on June 16, 2010, with the exception of advertising and promotional expenses which are expensed as incurred. Additional proceeds and costs will be received/incurred after March 31, 2010.

b) Ventures

	2010	2009
Revenue	**$ 130,522**	$ 58,185
Expenses	**677**	882
	$ 129,845	$ 57,303

9. RELATED PARTY TRANSACTIONS

During the year, $387,364 (2009 - $409,871) in funds were distributed to the Health Sciences Centre and the University of Manitoba to finance research projects and $3,000,000 (2009 - $5,268,000) in funds were distributed to the Kleysen Centre for Surgical Innovation. The Foundation also administers payments to medical researchers that work at Health Sciences Centre Campus on a fee for service basis. The fees paid to the Foundation during the year by Health Sciences Centre for this service amounted to $11,798 (2009 - $17,580). The Foundation also earned rental income from the Health Sciences Centre in the amount of $40,605 (2009 – $40,605).

At March 31, 2010 the Foundation had a receivable from the Health Sciences Centre of $27,013 (2009 - $76,918) and a payable to the Health Sciences Centre of $428,470 (2009 - $93,815). Included in the deferred revenue balance at March 31, 2010 is $20,303 (2009 - $60,908) relating to prepaid rent received from the Health Sciences Centre.

10. FINANCIAL RISKS

The Foundation is exposed to a variety of financial risks by virtue of its investments. Details relating to these risks are as follows:

Equity market risk
Equity market risk is the potential for financial loss arising from price changes or volatility in equity markets. Certain of the Foundation's investments in pooled funds are subject to equity market risk.

Interest rate risk
Interest rate risk refers to the adverse consequences of interest rate changes on the Foundation's cash flows, financial position and income. Certain of the Foundation's investments are subject to interest rate risk based on their fixed interest rates. Accordingly, the value of the Foundation's assets is affected by changes in interest rates.

Foreign currency risk
The Foundation owns equity investments denominated in Foreign dollars. Accordingly, the Foundation is exposed to fluctuations in the exchange rate.

Credit risk
Credit Risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Foundation. The Foundation is exposed to credit risk relating to its accounts receivable and pledges receivable balances and is also indirectly exposed to credit risk through debt securities, such as bonds. The fair value of debt securities includes consideration of the credit worthiness of the debt issuer.

11. CAPITAL MANAGEMENT

The Foundation relies on annual programs, donations and fundraising activities to finance its operations. The funds available are allocated to the various programs based on either directions specified by the donor or priorities identified by the Board of Directors. There has been no change in the Foundation's related policies, procedures or objectives during the year.

12. COMPARATIVE FIGURES

Certain prior year figures have been reclassified to conform to the current year's presentation.