

KIDS KOTTAGE FOUNDATION
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2014

Allen & Associates
CHARTERED ACCOUNTANTS

4367 - 99 Street
Edmonton, Alberta
T6E 5E4

Telephone (780) 641-0301
Fax (780) 641-0308

INDEPENDENT AUDITORS' REPORT

To the Members of
Kids Kottage Foundation

We have audited the accompanying financial statements of **KIDS KOTTAGE FOUNDATION**, which comprise the statement of financial position as at March 31, 2014, and the statements of operations, changes in fund balances and cash flows for the year then ended, and 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, pledges, gifts, bequests and other contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to accounting for amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenue, excess of revenue over expenditures, assets, and surplus.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Kids Kottage Foundation** as at March 31, 2014, and its financial performance and its cash flows for the year ended in accordance with Canadian accounting standards for not-for-profit organizations.

Allen & Associates

Edmonton, Alberta
June 17, 2014

Chartered Accountants

KIDS KOTTAGE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2014

	Kids Kottage Fund	Equipment Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Revenue			
Province of Alberta operating grant	\$ 741,624	\$ -	\$ 741,624
Fundraising and donations - net (note 7)	498,951	-	498,951
Investment income	24,761	-	24,761
Amortization of deferred capital contributions	-	13,227	13,227
Sundry revenue	675	-	675
	<u>1,266,011</u>	<u>13,227</u>	<u>1,279,238</u>
Kids Kottage site expenses			
Wages and benefits	933,423	-	933,423
Program costs	44,673	-	44,673
Program advertising	19,118	-	19,118
Repairs and maintenance	15,354	-	15,354
Amortization	-	14,035	14,035
Accreditation costs	13,836	-	13,836
Office	12,993	-	12,993
Insurance	10,270	-	10,270
Telephone	9,670	-	9,670
Staff training, education and recruitment	6,318	-	6,318
Travel	2,531	-	2,531
Volunteer training and expenses	2,150	-	2,150
	<u>1,070,336</u>	<u>14,035</u>	<u>1,084,371</u>
Income before administration expenses	<u>195,675</u>	<u>(808)</u>	<u>194,867</u>
Administration expenses			
Wages and benefits	139,929	-	139,929
Professional fees	25,150	-	25,150
Office	8,812	-	8,812
Telephone	7,937	-	7,937
Equipment rental and repairs	6,355	-	6,355
Amortization	-	5,881	5,881
Insurance	3,175	-	3,175
Janitorial	2,072	-	2,072
Bank charges	1,868	-	1,868
Staff training, education and recruitment	1,828	-	1,828
	<u>197,126</u>	<u>5,881</u>	<u>203,007</u>
Deficiency of revenue over expenses	<u>\$ (1,451)</u>	<u>\$ (6,689)</u>	<u>\$ (8,140)</u>

Allen & Associates

KIDS KOTTAGE FOUNDATION
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2013

	<u>Kids Kottage Fund</u>	<u>Equipment Fund</u>	<u>Total</u>
Revenue			
Province of Alberta operating grant	\$ 706,308	\$ -	\$ 706,308
Fundraising and donations - net (note 7)	434,430	-	434,430
Investment income	27,435	-	27,435
Amortization of deferred capital contributions	-	12,558	12,558
Sundry revenue	11,621	-	11,621
	<u>1,179,794</u>	<u>12,558</u>	<u>1,192,352</u>
Kids Kottage site expenses			
Wages and benefits	872,346	-	872,346
Program costs	44,482	-	44,482
Program advertising	19,907	-	19,907
Amortization	-	14,574	14,574
Office	11,670	-	11,670
Insurance	10,070	-	10,070
Repairs and maintenance	9,041	-	9,041
Telephone	7,942	-	7,942
Staff training, education and recruitment	7,706	-	7,706
Volunteer training and expenses	2,656	-	2,656
Travel	1,527	-	1,527
	<u>987,347</u>	<u>14,574</u>	<u>1,001,921</u>
Income before administration expenses	<u>192,447</u>	<u>(2,016)</u>	<u>190,431</u>
Administration expenses			
Wages and benefits	131,497	-	131,497
Professional fees	20,500	-	20,500
Amortization	-	10,370	10,370
Office	8,231	-	8,231
Equipment rental and repairs	7,464	-	7,464
Telephone	6,752	-	6,752
Insurance	3,135	-	3,135
Janitorial	1,817	-	1,817
Bank charges	1,681	-	1,681
Staff training, education and recruitment	1,083	-	1,083
	<u>182,160</u>	<u>10,370</u>	<u>192,530</u>
Excess (deficiency) of revenue over expenses	<u>\$ 10,287</u>	<u>\$ (12,386)</u>	<u>\$ (2,099)</u>

KIDS KOTTAGE FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2014

	Kids Kottage Fund	Equipment Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Net assets, beginning of the year	\$ 1,193,160	\$ 10,343	\$ 1,203,503
Deficiency of revenue over expenses	(1,451)	(6,689)	(8,140)
Interfund transfers (note 3)	(3,241)	3,241	-
	<u> </u>	<u> </u>	<u> </u>
Net assets, end of the year	<u><u>\$ 1,188,468</u></u>	<u><u>\$ 6,895</u></u>	<u><u>\$ 1,195,363</u></u>

KIDS KOTTAGE FOUNDATION
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2013

	Kids Kottage Fund	Equipment Fund	Total
	<u> </u>	<u> </u>	<u> </u>
Net assets, beginning of the year	\$ 1,189,063	\$ 16,539	\$ 1,205,602
Excess (deficiency) of revenue over expenses	10,287	(12,386)	(2,099)
Interfund transfers (note 3)	(6,190)	6,190	-
	<u> </u>	<u> </u>	<u> </u>
Net assets, end of the year	<u><u>\$ 1,193,160</u></u>	<u><u>\$ 10,343</u></u>	<u><u>\$ 1,203,503</u></u>

KIDS KOTTAGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2014

	<u>Kids Kottage Fund</u>	<u>Equipment Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	\$ 361,948	\$ -	\$ 361,948
Short term GICs	306,825	-	306,825
Accounts receivable (note 2)	11,385	-	11,385
Government remittances recoverable	11,790	-	11,790
Prepaid expenses	31,005	-	31,005
	<hr/>	<hr/>	<hr/>
Total current assets	722,953	-	722,953
Long Term GICs	617,393	-	617,393
Equipment (note 3)	-	48,375	48,375
	<hr/>	<hr/>	<hr/>
	\$ 1,340,346	\$ 48,375	\$ 1,388,721
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 93,580	\$ -	\$ 93,580
Deferred revenue (note 5)	27,595	-	27,595
Deferred contributions (note 6)	30,703	-	30,703
	<hr/>	<hr/>	<hr/>
Total current liabilities	151,878	-	151,878
Deferred Capital Contributions (note 3)	-	41,480	41,480
	<hr/>	<hr/>	<hr/>
Total liabilities	151,878	41,480	193,358
Net Assets			
Unrestricted	1,188,468	-	1,188,468
Invested in equipment	-	6,895	6,895
	<hr/>	<hr/>	<hr/>
	1,188,468	6,895	1,195,363
	<hr/>	<hr/>	<hr/>
	\$ 1,340,346	\$ 48,375	\$ 1,388,721
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

KIDS KOTTAGE FOUNDATION
STATEMENT OF FINANCIAL POSITION
MARCH 31, 2013

	<u>Kids Kottage Fund</u>	<u>Equipment Fund</u>	<u>Total</u>
ASSETS			
Current Assets			
Cash	\$ 369,890	\$ -	\$ 369,890
Short term GICs	419,240	-	419,240
Accounts receivable (note 2)	15,400	-	15,400
Government remittances recoverable	9,252	-	9,252
Prepaid expenses	21,038	-	21,038
	<hr/>	<hr/>	<hr/>
Total current assets	834,820	-	834,820
Long Term GICs	497,483	-	497,483
Equipment (note 3)	-	65,050	65,050
	<hr/>	<hr/>	<hr/>
	\$ 1,332,303	\$ 65,050	\$ 1,397,353
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
LIABILITIES AND NET ASSETS			
Current Liabilities			
Accounts payable	\$ 106,534	\$ -	\$ 106,534
Deferred revenue (note 5)	27,520	-	27,520
Deferred contributions (note 6)	5,089	-	5,089
	<hr/>	<hr/>	<hr/>
Total current liabilities	139,143	-	139,143
Deferred Capital Contributions (note 3)	-	54,707	54,707
	<hr/>	<hr/>	<hr/>
Total liabilities	139,143	54,707	193,850
	<hr/>	<hr/>	<hr/>
Net Assets			
Unrestricted	1,193,160	-	1,193,160
Invested in equipment	-	10,343	10,343
	<hr/>	<hr/>	<hr/>
	1,193,160	10,343	1,203,503
	<hr/>	<hr/>	<hr/>
	\$ 1,332,303	\$ 65,050	\$ 1,397,353
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

KIDS KOTTAGE FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2014

	2014	2013
Cash provided by (used in) operating activities		
Deficiency of revenue over expenditures	\$ (8,140)	\$ (2,099)
Items not affecting cash		
Amortization of equipment	19,916	24,944
Amortization of capital contributions	(13,227)	(12,558)
	(1,451)	10,287
Net change in non-cash working capital (note 10)	(21,369)	(56,514)
	(22,820)	(46,227)
Financing activities		
Increase (decrease) in deferred contributions	25,614	(38,881)
Investing activities		
Purchase of equipment	(3,241)	(16,280)
Capital contributions applied	-	10,090
Purchase of investments	(434,908)	(502,815)
Proceeds on sale or redemption of investments	427,413	599,732
	(10,736)	90,727
Increase in cash	(7,942)	5,619
Cash, beginning of the year	369,890	364,271
Cash, end of the year	\$ 361,948	\$ 369,890
Cash is composed of:		
Cash in bank and broker accounts	\$ 115,176	\$ 52,818
Investment savings accounts	246,772	317,072
	\$ 361,948	\$ 369,890

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

1. Significant Accounting Policies

The Kids Kottage Foundation is a not-for-profit organization working to promote the health and well-being of Canadian children and their families.

The Foundation receives an operating grant from the Province of Alberta to cover approximately 80% of the wages and benefits for client care staff. All other costs are funded through extensive community fundraising efforts. Should the grant from the Province be cancelled or significantly reduced, it is unlikely that, once existing reserves are exhausted, the Foundation would be able to cover the shortfall with community fundraising and it would be forced to cut back or cancel services.

The Foundation is incorporated under the Alberta Societies Act and is a registered charity under the Income Tax Act. As such, the Foundation is exempt from income taxes.

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Fund Accounting

Revenue and expenses related to the operation of the Kids Kottage, along with related fundraising and administrative activities, are reported in the Kids Kottage Fund.

The Equipment Fund reports assets, liabilities, revenues and expenses related to the Foundation's equipment.

(b) Revenue Recognition

The Foundation follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized in the year it is earned.

(c) Cash

The Foundation defines cash as funds held in bank and broker accounts and readily convertible investments such as investment savings accounts and money market funds.

(d) Equipment

Equipment is recorded at cost and amortized on a straight line basis over its estimated useful life. The estimated useful lives for the major classes of equipment are as follows:

Computer equipment	2 years
Kottage equipment	5 years
Office equipment	5 years
Leasehold improvements	5 years

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

1. **Significant Accounting Policies** - continued

(e) Deferred Capital Contributions

Capital contributions received are deferred and amortized into revenue in the equipment fund over the amortization period of the related assets.

(f) Financial Assets And Liabilities

Unless otherwise disclosed, the Foundation measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value.

(g) Contributed Materials And Services

The Foundation could not fulfill its mandate without generous donations of supplies by a number of benefactors and, especially, the many hours of work provided by volunteers. However, it is virtually impossible to place a monetary value on all of these contributions. Therefore, they are not recognized in these financial statements.

(h) Allocation Of Expenses

The Foundation operates three general programs - client services (site expenses), fundraising and administration. The costs of each program includes all costs directly related to that program, such as wages and benefits, training, premises, and supplies. In addition, the Foundation incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The Foundation allocates certain of its general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. Corporate governance and general management expenses are not allocated; other general support expenses are allocated on the following bases:

- (i) Administration and support staff wages and benefits - proportionately based on the standard hours each position is expected to devote to client service, fundraising and general management.
- (ii) Other support costs (advertising, telephone, office) - where possible, costs are charged directly to the program that incurs them. Costs that cannot be specifically allocated are split evenly between the programs to which they relate.

(i) Use Of Accounting Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities as at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

2. Accounts Receivable

	2014	2013
Pledges included in fundraising revenue	\$ 5,400	10,400
Event ticket and auction item sales	5,985	5,000
	\$ 11,385	\$ 15,400

3. Equipment

March 31, 2014			
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 36,213	\$ 31,145	\$ 5,068
Kottage equipment	16,444	7,031	9,413
Office equipment	11,162	10,402	760
Leasehold improvements	53,731	20,597	33,134
	\$ 117,550	\$ 69,175	\$ 48,375

March 31, 2014			
<u>Deferred Capital Contributions</u>	Capital Contributions	Accumulated Amortization	Deferred Capital Contributions
Kottage equipment	\$ 13,534	\$ 5,188	\$ 8,346
Leasehold improvements	53,731	20,597	33,134
	\$ 67,265	\$ 25,785	\$ 41,480

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

3. **Equipment** - continued

	March 31, 2013		
	Cost	Accumulated Amortization	Net Book Value
Computer equipment	\$ 32,972	\$ 26,989	\$ 5,983
Kottage equipment	16,444	3,742	12,702
Office equipment	11,162	8,677	2,485
Leasehold improvements	53,731	9,851	43,880
	\$ 114,309	\$ 49,259	\$ 65,050

	March 31, 2013		
Deferred Capital Contributions	Capital Contributions	Accumulated Amortization	Deferred Capital Contributions
Kottage equipment	\$ 13,534	\$ 2,707	\$ 10,827
Leasehold improvements	53,731	9,851	43,880
	\$ 67,265	\$ 12,558	\$ 54,707

Funding Of Equipment Purchases

	2014	2013
Cost of additions	\$ 3,241	\$ 16,280
Capital contributions for kitchen renovations	-	(10,340)
Excess contributions used to purchase supplies	-	250
	\$ 3,241	\$ 6,190

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

4. Line Of Credit

The Foundation's bank provides overdraft protection on its bank accounts to a maximum of \$65,000, secured by a general security agreement and a GIC with a carrying value of \$82,217. Overdraft interest is charged at the bank prime rate plus 1.0%. At March 31, 2014, no accounts were overdrawn.

5. Deferred Revenue

Deferred revenue represents fundraising revenue received in advance of the related fundraising event.

6. Deferred Contributions

Deferred contributions are externally restricted contributions to specific programs which have not yet been expended on the programs for which they are intended.

7. Fundraising And Donations

	<u>2014</u>	<u>2013</u>
Contributions received	\$ 850,181	\$ 777,161
Province of Alberta Community Spirit Grant	15,974	18,396
Allocated to deferred revenue	(75)	(2,520)
	<u>866,080</u>	<u>793,037</u>
Gross fundraising and donation revenue		
Fundraising expenses		
Direct cost of fundraising events	175,501	177,818
Fundraising wages and benefits	134,769	126,601
Fundraising administration	56,859	54,188
	<u>367,129</u>	<u>358,607</u>
Net contribution to program costs	<u>\$ 498,951</u>	<u>\$ 434,430</u>

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

8. Special Programs

The Foundation has partnered with the Elves Special Needs Society to offer an FASD Respite Care Program to provide respite to parents of children with FASD. The Foundation receives funding for the program and passes it on to the partnership.

The Basic Shelf is a program operated by the Foundation to teach parents to cook and shop for food on a limited budget. It is funded by special grants from various local organizations.

The Foundation also receives funding for the Community Mapping Project. These funds are passed on to the Project as required.

	<u>2014</u>	<u>2013</u>
FASD Respite Care grants received	\$ 108,150	\$ 108,243
Basic Shelf program grants received	41,000	9,000
Allocated from (to) deferred contributions	(25,614)	28,541
	<hr/>	<hr/>
Gross special program revenue	123,536	145,784
	<hr/>	<hr/>
Direct Program Expenditures		
Contribution to FASD Respite Care Partnership	108,150	108,243
Basic Shelf Program	14,585	36,115
Community Mapping project	801	1,426
	<hr/>	<hr/>
Direct program expenditures	123,536	145,784
	<hr/>	<hr/>
Net cost of special programs	\$ -	\$ -
	<hr/> <hr/>	<hr/> <hr/>

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

9. Expense Allocation

Fundraising Expenses

Direct fundraising expenses are not allocated to other programs.

General Support Expenses

General support expenses have been allocated as follows:

	2014			
	Site Expenses	Fundraising Expenses	Administration Expenses	Total
Wages and benefits	\$ 38,649	\$ 66,300	\$ 61,247	\$ 166,196
Advertising	19,118	19,118	-	38,236
Office	8,121	9,119	12,102	29,342
Telephone	-	7,937	7,937	15,874
	\$ 65,888	\$ 102,474	\$ 81,286	\$ 249,648

	2013			
	Site Expenses	Fundraising Expenses	Administration Expenses	Total
Wages and benefits	\$ 37,434	\$ 62,006	\$ 51,196	\$ 150,636
Advertising	19,907	19,907	-	39,814
Office	6,062	9,549	12,006	27,617
Telephone	-	6,752	6,752	13,504
	\$ 63,403	\$ 98,214	\$ 69,954	\$ 231,571

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

10. Net Change In Non-Cash Working Capital

	2014	2013
Decrease (increase) in:		
Accounts receivable	\$ 4,015	\$ 30,672
Government remittances recoverable	(2,538)	(2,681)
Prepaid expenses	(9,967)	(13,352)
Increase (decrease) in:		
Accounts payable	(12,954)	(73,673)
Deferred revenue	75	2,520
	\$ (21,369)	\$ (56,514)

11. Financial Risks And Concentrations Of Risk

The Foundation's financial assets and liabilities are exposed to certain risks. Unless otherwise noted, it is management's opinion that the Foundation is not exposed to significant liquidity, credit, interest rate, currency or market risks. The Foundation's risk exposure has not changed significantly from the prior year.

Liquidity Risk

Liquidity risk is the risk that the Foundation will not be able to meet its obligations on a timely basis or at a reasonable cost.

The Foundation's cash requirements are met by government funding and community fundraising. Unexpended funds are invested in GICs and high interest savings accounts until they are required.

As explained in note 1, the Foundation's operations are funded by the Province of Alberta supplemented by community fundraising. The Foundation's ability to continue operating is dependant upon maintaining both sources of funding. Should provincial funding be significantly reduced, the Foundation would need to find an alternate source of stable funding. Similarly, a significant reduction in the proceeds from community fundraising would force the Foundation to seek additional government or other institutional funding. The Foundation has sufficient reserves to enable it to continue operating temporarily while searching for alternative funding sources.

KIDS KOTTAGE FOUNDATION
NOTES TO THE FINANCIAL STATEMENTS
MARCH 31, 2014

11. **Financial Risks And Concentrations Of Risk** - continued

Credit Risk

Credit risk refers to the risk that a counterparty may default on its contractual obligations, resulting in a financial loss.

Operating cash is held at a major Canadian chartered bank, GICs are held by a variety of Canadian banks and trust companies. Cash held for investment purposes is deposited with the Foundation's broker and the investment savings accounts are held by Canadian trust companies. The Foundation is exposed to risk to the extent that these deposits exceed the amounts guaranteed by the Canada Deposit Insurance Corporation and the Canadian Investor Protection Fund.

The Foundation's policy is not to record accounts receivable unless collection is reasonably assured.

Interest Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-interest instruments subject the Foundation to a fair value risk, floating-rate instruments subject the Foundation to a cash flow risk.

The Foundation owns a number of GICs with fixed interest rates. Short term GICs (those which mature within the next 12 months) bear interest at effective rates between 1.10% and 2.15% per annum. Long term GICs with maturity dates between August 2015 and August 2017 bear interest at effective rates between 1.75% and 2.42% per annum.