

EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA
FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

**EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
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SEPTEMBER 30, 2023**

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Emmanuel Relief & Rehabilitation International of Canada

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the accompanying financial statements of Emmanuel Relief & Rehabilitation International of Canada, which comprise the statement of financial position as at September 30, 2023 and the statements of receipts and expenditures and fund balance and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Emmanuel Relief & Rehabilitation International of Canada as at September 30, 2023, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Emmanuel Relief & Rehabilitation International of Canada derives revenue from voluntary contributions and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of Emmanuel Relief & Rehabilitation International of Canada. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenditures, cash flows from operations, current assets, or fund balances. Our audit opinion on the financial statements for the year ended September 30, 2023 was modified accordingly because of the possible effects of this limitation in scope.

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 Emmanuel Relief & Rehabilitation International of Canada 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 qualified opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing Emmanuel Relief & Rehabilitation

International of Canada's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate Emmanuel Relief & Rehabilitation International of Canada or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Emmanuel Relief & Rehabilitation International of Canada's financial reporting process.

Auditor's Responsibility 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 Emmanuel Relief & Rehabilitation International of Canada'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 Entity'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 Emmanuel Relief & Rehabilitation International of Canada 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.

Report on Other Legal and Regulatory Requirements

As required by the Corporations Act (Ontario), we report that, in our opinion, the accounting principles in the Canadian Accounting Standards for Not-for-Profit Organizations have been applied on a basis consistent with that of the preceding period.

BELL CPA & Associates Prof Corp

BELL CPA & ASSOCIATES PROFESSIONAL CORPORATION

Authorized to practice public accounting by The Chartered Professional Accountants of Ontario.

**Brampton, Ontario
February 27, 2024**

**EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
STATEMENT OF FINANCIAL POSITION
AS AT SEPTEMBER 30, 2023**

		2023	2022
ASSETS			
Current assets			
Cash		\$ 86,370	\$ 491,454
Short-term investments		619,745	253,386
HST recoverable and miscellaneous receivables	(Note 3)	12,031	21,000
Due from employees		1,400	3,805
Advances to projects and net assets in the field		315,822	310,755
Prepaid expenses		4,523	16,871
Due from affiliated organizations	(Note 9(c))	9,816	19,171
		<u>1,049,707</u>	<u>1,116,442</u>
Capital assets			
Capital assets (net of accumulated amortization)	(Note 4)	<u>5,349</u>	<u>3,898</u>
		<u>\$ 1,055,056</u>	<u>\$ 1,120,340</u>
LIABILITIES			
Current liabilities			
Accounts payable and accrued liabilities	(Note 6)	\$ 18,759	\$ 20,039
Property Maintenance Reserve	(Note 7)	33,311	17,864
Deferred revenue	(Note 8)	3,130	2,300
		<u>55,200</u>	<u>40,203</u>
FUND BALANCE			
Field Personnel	(Note 2(a))	194,608	244,258
Rehabilitation & Development	(Note 2(b))	255,132	250,259
Relief	(Note 2(c))	74,361	70,837
Spiritual Ministries	(Note 2(d))	217,892	240,763
Other Funds	(Note 2(d))	130,495	117,707
General Fund	(Note 2(e))	127,368	156,313
		<u>999,856</u>	<u>1,080,137</u>
		<u>\$ 1,055,056</u>	<u>\$ 1,120,340</u>

Approved on Behalf of the Board

Director

Director

**EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
STATEMENT OF RECEIPTS AND EXPENDITURES AND FUND BALANCE
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	RESTRICTED FUNDS					GENERAL FUNDS		Total All Funds 2023	Total All Funds 2022		
	Field Personnel	Rehabilitation & Development	Relief	Spiritual Ministries	Other Funds	Total 2023	Total 2022			General Fund 2023	General Fund 2022
RECEIPTS											
Donations	\$ 433,402	\$ 192,473	\$ 75,591	\$ 71,651	\$ -	\$ 773,117	\$ 696,808	\$ 231,725	\$ 194,754	\$ 1,004,842	\$ 891,562
National Affiliates	47,535	10,468	1,279	11,359	-	70,641	56,724	7,225	12,157	77,866	68,881
Other Revenue	-	-	-	-	-	-	-	54,051	74,529	54,051	74,529
Administration Allocation	(64,279)	(34,784)	(15,223)	(14,324)	(7,547)	(136,157)	(115,301)	136,157	115,301	-	-
Foreign Exchange Gain (Loss)	-	787	-	(369)	-	418	(1,045)	1,530	1,128	1,948	83
Grant Revenue	-	73,700	25,000	-	-	98,700	150,667	-	-	98,700	150,667
	<u>416,658</u>	<u>242,644</u>	<u>86,647</u>	<u>68,317</u>	<u>(7,547)</u>	<u>806,719</u>	<u>787,853</u>	<u>430,688</u>	<u>397,869</u>	<u>1,237,407</u>	<u>1,185,722</u>
EXPENDITURES											
Transfer to ERRI	45,942	-	-	-	-	45,942	42,578	-	1,200	45,942	43,778
Transfers to EI UK	15,637	-	-	-	-	15,637	14,892	-	-	15,637	14,892
Transfers to EI Philippines	5,763	14,062	43	1,248	-	21,116	51,215	-	-	21,116	51,215
Transfers to EI Malawi	3,669	91,186	80,580	33,016	-	208,451	145,785	-	-	208,451	145,785
Transfers to EI Brazil	19,040	3,777	-	3,625	-	26,442	36,731	-	-	26,442	36,731
Field office and administration	39,697	38,448	-	10,350	283	88,778	69,944	-	-	88,778	69,944
Direct project costs	1,333	66,105	2,500	48,216	-	118,154	318,899	-	-	118,154	318,899
Travel	66,455	47,306	-	5,085	3,803	122,649	110,685	-	-	122,649	110,685
Staff salaries and expenses	271,318	38,156	-	6,059	-	315,533	299,237	149,261	143,855	464,794	443,092
Amortization	144	-	-	-	-	144	-	2,441	2,660	2,585	2,660
Schedule A Employee Travel & Benefits	-	-	-	-	-	-	-	51,426	19,533	51,426	19,533
Schedule B Administration	-	-	-	-	-	-	-	94,445	95,500	94,445	95,500
Schedule C Advertising & Promotion	-	-	-	-	-	-	-	57,269	63,370	57,269	63,370
	<u>468,998</u>	<u>299,040</u>	<u>83,123</u>	<u>107,599</u>	<u>4,086</u>	<u>962,846</u>	<u>1,089,966</u>	<u>354,842</u>	<u>326,118</u>	<u>1,317,688</u>	<u>1,416,084</u>
Excess (deficiency) of receipts over expenditures	(52,340)	(56,396)	3,524	(39,282)	(11,633)	(156,127)	(302,113)	75,846	71,751	(80,281)	(230,362)
Interfund transfers	2,690	61,269	-	16,411	24,421	104,791	86,409	(104,791)	(86,409)	-	-
Fund balances, beginning of year	<u>244,258</u>	<u>250,259</u>	<u>70,837</u>	<u>240,763</u>	<u>117,707</u>	<u>923,826</u>	<u>1,139,530</u>	<u>156,313</u>	<u>170,971</u>	<u>1,080,137</u>	<u>1,310,499</u>
Fund balances, end of year	\$ <u>194,608</u>	\$ <u>255,132</u>	\$ <u>74,361</u>	\$ <u>217,892</u>	\$ <u>130,495</u>	\$ <u>872,490</u>	\$ <u>923,826</u>	\$ <u>127,368</u>	\$ <u>156,313</u>	\$ <u>999,856</u>	\$ <u>1,080,137</u>

The notes are an integral part of the financial statements.

**EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED SEPTEMBER 30, 2023**

	2023	2022
Cash provided by (used in)		
Operating activities		
Excess receipts over expenditures	\$ (80,281)	\$ (230,362)
Items not involving cash:		
Amortization	<u>2,585</u>	<u>2,660</u>
	(77,696)	(227,702)
Change in non-cash working capital balances	38,719	2,641
Change in related party payable/receivable balances	<u>4,288</u>	<u>(28,723)</u>
	(34,689)	(253,784)
Investing activities		
Purchase of capital assets	<u>(4,036)</u>	<u>-</u>
Cash decrease during the year	<u>(38,725)</u>	<u>(253,784)</u>
Cash - beginning of year	<u>744,840</u>	<u>998,624</u>
Cash - end of year	<u>\$ 706,115</u>	<u>\$ 744,840</u>

Cash is defined as: Cash, Short-term investments

EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
EXPENSE SCHEDULE -
FOR THE YEAR ENDED SEPTEMBER 30, 2023

	2023	2022
EMPLOYEE TRAVEL AND BENEFITS		
Global Gathering 2023	\$ 30,990	\$ -
Staff travel	9,885	6,815
Employee benefits	9,614	10,146
Vehicle expense	511	1,676
Board expense	426	896
	<u>\$ 51,426</u>	<u>\$ 19,533</u>
ADMINISTRATION		
Facilities cost	\$ 40,500	\$ 39,500
Professional fees	14,863	15,199
Bank and Credit card fees	9,699	9,093
Internet and email	8,842	5,981
Insurance	4,074	4,284
Computers and software	4,070	3,754
Fees and dues	3,549	5,142
Telephone	3,353	3,617
Office supplies	2,318	926
Miscellaneous	1,842	6,662
Photocopies	1,335	1,342
	<u>\$ 94,445</u>	<u>\$ 95,500</u>
ADVERTISING AND PROMOTION		
Conference and banquet costs	\$ 27,411	\$ 11,668
Advertising and promotion	25,087	21,396
Church ministries	2,265	5,373
Printing, postage and publications	2,000	7,233
Fundraising	506	17,700
	<u>\$ 57,269</u>	<u>\$ 63,370</u>

EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2023

STATUS AND PURPOSE OF THE ORGANIZATION

Emmanuel Relief and Rehabilitation International of Canada (EIC) was incorporated without share capital by letters patent, in accordance with the provisions of The Ontario Corporations Act, on March 31, 1983. It is a non-profit organization assisting indigenous Christian organizations through programs of emergency relief, rehabilitation, evangelism, and community development.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Capital assets

Capital assets are amortized on the basis of their useful life using the following methods and rates.

	Methods	Rates and duration
Motor vehicles	Straight-line	5 years
Computer software	Straight-line	5 years
Furniture and equipment	Straight-line	5 years

(b) Fund Accounting

The accounts of the organization are maintained in accordance with the principles of fund accounting. Financial resources are classified into funds to comply with activities or objectives specified by the donor or to comply with directives issued by the board. Transfers between funds are made with the approval of the board.

(c) Donated services

The organization benefits greatly from donated services in the form of volunteer time for various activities. The value of the donated services is not recognized in these financial statements.

(d) Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. These estimates include depreciation and are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(e) Recognition of contributions

The organization follows the restricted method in accounting for contributions. Restricted contributions related to general operations are recognized as revenue in the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate designated fund.

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

(f) Cash and cash equivalents

The organization's policy is to disclose bank balances under cash and cash equivalents, including bank overdrafts with balances that fluctuate frequently from being positive to overdrawn and term deposits with a maturity period of three months or less from the date of acquisition. Term deposits that the entity cannot use for current transactions because they are pledged as security are also excluded from cash and cash equivalents.

EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

(g) Financial instruments

Measurement of financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income. Financial assets measured at amortized cost include cash, short-term investments, and accounts receivable. Financial liabilities measured at amortized cost include the accounts payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

Transaction costs

The organization recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

(h) Field Advances

The organization records funds advanced to the field as assets. When expense reports are received from the field, the assets are converted to program expenditures.

2. FUND DESCRIPTIONS

(a) Field Personnel Fund

The Field Personnel Fund reports revenue and expenses and transfers to National Affiliates related to expenditures for personnel and vehicle costs in the field. Interfund transfers in and out of this fund are done on Board approval at the end of a project.

(b) Rehabilitation and Development Fund

The Rehabilitation and Development Fund reports revenue and expenses and transfers to National Affiliates related to field projects that are community development in nature. Interfund transfers in and out of this fund are done on Board approval at the end of a project.

(c) Relief Fund

The Relief Fund reports revenue and expenses and transfers to National Affiliates related to field projects that are for famine relief and emergency aid. Interfund transfers in and out of this fund are done on Board approval at the end of a project.

(d) Spiritual Ministries Fund and Other Funds

The Spiritual Ministries Fund and Other Funds reports revenue and expenses and transfers to National Affiliates related to ministry activity and other field and home projects. Interfund transfers in and out of this fund are done on Board approval at the end of a project.

(e) General Fund

The General fund reports revenue and expenses covering the day-to-day operational expenses of Emmanuel International Canada. Interfund transfers are made to cover deficiencies in projects as approved by the Board. Occasionally when projects are completed, leftover funds may be moved to the General fund to cover expenses.

EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023

3. HST RECOVERABLE AND MISCELLANEOUS AMOUNTS RECEIVABLE

	2023	2022
HST recoverable	\$ 10,836	\$ 16,380
Other receivable	<u>1,195</u>	<u>4,620</u>
	<u>\$ 12,031</u>	<u>\$ 21,000</u>

4. CAPITAL ASSETS

	2023			2022
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Motor vehicles	\$ 45,221	\$ 45,221	\$ -	\$ -
Computer hardware & software	14,643	13,350	1,293	-
Furniture and equipment	<u>23,265</u>	<u>19,209</u>	<u>4,056</u>	<u>3,898</u>
	<u>\$ 83,129</u>	<u>\$ 77,780</u>	<u>\$ 5,349</u>	<u>\$ 3,898</u>

5. CREDIT FACILITIES

The organization has credit facilities in the form of corporate credit cards which total \$10,000 (\$10,000 in 2022), of which \$1,998 was utilized (\$353 utilized in 2022). The balance owing is not overdue and is included in the accounts payable and accrued liabilities set out in the statement of financial position. During the year, the total interest paid was \$nil (\$nil in 2022).

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2023	2022
Accounts Payable	\$ 2,348	\$ 4,397
Accrued Liabilities	14,412	13,642
Last Month Rent Deposit	<u>2,000</u>	<u>2,000</u>
	<u>\$ 18,760</u>	<u>\$ 20,039</u>

7. PROPERTY MAINTENANCE RESERVE

The lessor for the office space used by EIC has agreed to a maximum total expense for EIC. EIC pays for all utilities, property tax, performs and/or subcontracts repairs and maintenance as needed, and is free to sublease space. At the end of the year, a combination of factors, including additional subleases and property tax rebates, has led to \$33,311 (\$17,864 in 2022) having been collected to date more than the amount paid to the lessor. The lessor has agreed that EIC should hold the funds to cover future costs instead of remitting the funds to the lessor. This amount has been shown separately on the financial statements.

**EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
NOTES TO THE FINANCIAL STATEMENTS
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8. CHANGES IN DEFERRED REVENUE

During the year, the following changes occurred in the deferred revenue balance.

	2023		2022
Deferred revenue, beginning of year	\$ 2,300	\$	-
2022 Donations and ticket revenue collected for gala	(2,300)		2,300
2023 Donations and tickets revenue collected for the gala	3,130		-
Deferred revenue, end of year	<u>\$ 3,130</u>	\$	<u>2,300</u>

9. RELATED PARTY TRANSACTIONS

(a) Related parties

The organization is affiliated with National Affiliates around the globe who all use the name Emmanuel International. These National Affiliates are: Emmanuel Relief and Rehabilitation International (ERRI), EI Malawi, EI Brazil, EI United Kingdom, EI Philippines, and EI United States. The organization has partnership agreements with these National Affiliates to complete projects overseas.

(b) Administration Allocation

During the year, in addition to administration levies charged to projects, the organization charged administration levies totaling \$63,189 (2022 - \$47,578) to its affiliates for project administration services rendered. The breakdown of this amount is as follows:

\$ 2,577 (2022 - \$ 2,457) was received from EI UK projects
 \$38,590 (2022 - \$21,179) was received from EI Malawi projects
 \$19,535 (2022 - \$18,855) was received from EI Philippines projects
 \$ 4,252 (2022 - \$ 5,087) was received from EI Brazil projects

These amounts have been recorded at the exchange amount and have been agreed on between the two organizations and are shown on the income statement along with administration levies charged to the organization's own projects.

(c) Due from (to) affiliated organization

Affiliated organizations include Emmanuel International national offices in various countries. Amounts receivable from (payable to) affiliated organizations are non-interest bearing with no fixed terms of repayment. The outstanding amounts are as follows:

	2023		2022
ERRI	\$ 6,500	\$	9,245
EI Malawi	-		5,449
EI United Kingdom	-		330
EI United States	3,316		4,147
	<u>\$ 9,816</u>	\$	<u>19,171</u>

(d) Transfers to National Affiliates

The organization transfers funds periodically to national affiliates for various projects that the national affiliates administer. These funds are used for projects, as directed by the organization.

**EMMANUEL RELIEF & REHABILITATION INTERNATIONAL OF CANADA/
NOTES TO THE FINANCIAL STATEMENTS
SEPTEMBER 30, 2023**

10. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date.

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. The organization is aware of its currency risk because of the fact that it has expenditures in various foreign currencies. The organization does not attempt to hedge currency risk through the purchase of financial instruments.

(ii) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will change due to changes in market interest rates. The organization manages its investment portfolio based on its cash flow needs and with a view to optimizing its interest income.

(iii) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices, whether those changes are caused by factors specific to the individual instrument or its issuers or factors affecting all instruments traded in the market. Market risk is the combination of currency risk, interest rate risk and other price risk. The organization's exposure to currency risk and interest rate risks are noted above. The organization's exposure to other price risks is minimal because their short term investments are guaranteed.

(iv) Credit risk

Credit risk is the risk that a third party will default on its obligation to the organization, causing the organization to incur a loss. Financial instruments which may subject the organization to credit risk consist of bank balances and accounts receivable. The maximum exposure to credit risk at the reporting date is the carrying amount of those instruments. The organization does not anticipate non-performance by counter-parties.

(v) Liquidity risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable. At this time, the organization has more than adequate current assets to meet its ongoing payment obligations, therefore liquidity risk is minimal.

(vi) 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 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 entity is not exposed to other price risk as it does not hold investments in quoted shares.