



**ANNUAL REPORT  
FOR THE YEAR 2015**

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*Together,  
we provide help for today  
and hope for tomorrow.*

## THE COMPASS

### MISSION, VISION & GOALS

**OUR MISSION:** Together, we provide help for today and hope for tomorrow.

**OUR VISION:** As a Christian community-based volunteer organization, we will serve all persons in our South Mississauga area to meet immediate needs for nutritious food, encourage the enhancement of life skills, and foster a caring community.

#### OUR GOALS:

1. To provide nutritious food choices for those in need.
2. To provide a variety of programs that encourage the enhancement of life skills.
3. To provide assistance in navigating necessary community and health services and supports.
4. To provide a community that offers emotional support, a caring person to listen and a safe place to visit, while honouring the dignity of all.
5. To build a community that offers spiritual support for clients, volunteers and staff.
6. To raise awareness in our churches and the broader community for those in need.
7. To secure sufficient resources (volunteers, staff, facilities and funding) to achieve our mission and vision, and to be good stewards of all of the resources entrusted to us.

#### MEMBER CHURCHES

Chartwell Baptist Church	First United Church Port Credit
St. Christopher's Catholic Church	Lorne Park Baptist Church
St. Stephen's-On-the-Hill United Church	Church of St. Bride Anglican
Clearview Christian Reformed Church	St. Mary Star of the Sea Catholic Church
Clarkson Road Presbyterian Church	Christ Church United Church
Sheridan United Church	St. Andrew's Memorial Presbyterian Church
Trinity-St. Paul Anglican Church	Westedge Community Church

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## CHAIR'S REPORT

### TOGETHER

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Although I am the one to tell the story, it is the Board of Directors, our Program leaders, our many volunteers, and our two employees who together truly create the exciting story we call "The Compass".

During 2015, our Compass food bank helped 777 individual families, of which 325 were new to the Compass in 2015. We distributed 339,000 pounds of food, an average of 6,500 pounds per week. We assisted our clients during more than 10,500 individual visits. In addition to these food bank numbers, there are the numerous people who come to ESL, Tuesday lunch, Men's group, Ontario Employment seminars, Computer Skills, Refresh, summer BBQ's, Thursday breakfast, free haircuts, Good Food Box/Cooking Classes/Women's program, Bible Sharing and Tax preparation. As our formal name, Lakeshore Community Outreach Centre Inc., implies we are much more than a food bank.

Our Intake volunteers talk with each client every six months to see how they are doing. Our Voucher volunteers see our clients once a month.

This was the first full year of operation using our new Governance model wherein committees concerned with Market Operations, Programs, Finance, and Strategic Planning were charged with bringing forth to the Board topics for action. The number of milestones reached is evidence that our model is working. In addition to these committees, we also have a Task Force that has been very active in exploring how we might best plan for our future physical needs.

Consistent with our desire to increase the nutritious content of our market, we now offer milk, eggs, dairy products and fresh vegetables, partially supplied by the Mississauga Food Bank, as well as frozen vegetables, frozen meats, and frozen fish. We also provide fresh vegetables, cheese and crackers, and sweet snacks for people to enjoy while waiting for their turn to shop.

Thanks to a very generous donation, we have been able to renovate one of our washrooms to properly accommodate wheelchairs and have installed a baby change table to assist parents. With the help of our Ward One Councilor, Jim Tovey, the City has created a handicap parking space on Benson Avenue to assist us in better meeting the needs of our clients.

We approached the Mississauga Food Bank about servicing clients in Postal Code "E", because it made geographic sense for those living east of Cawthra to be able to come to The Compass. Our coverage now encompasses the area from the Etobicoke border on the East and to the border with Oakville on the West south of the QEW to Lake Ontario. Our coverage area now covers 10% of the population of Mississauga. Coincident with the enlarged service area, we approached St. Domimic's Roman Catholic Church on Cawthra and as of November they have become one of our supporting churches.

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A very important achievement this year has been the development of a new three year Strategic Plan to guide our Committees and the Board in ensuring that we continue to improve or expand on how we can best serve the needs of our clients and the whole community. Copies of the 2016-2019 Strategic Plan are available for those who wish one.

The "**Walk for The Compass**", in conjunction with the Church of St. Mark-Lutheran has been a very successful fund raiser and we are looking forward to seeing everyone at this year's event on **Saturday September 17<sup>th</sup>**. In addition to the walk, another annual fund raiser is the Trivia Church Challenge at St. Christopher's Catholic Church on **Friday October 28<sup>th</sup>**, which is an opportunity for all Compass Churches to gather in a friendly competition. You can also test your trivia knowledge and skills on the fourth Friday of the month at St. Christopher's in preparation for the Trivia Church Challenge.

I would be remiss if I did not thank members of the Board, all our many volunteers and financial supporters who make The Compass such a special place for so many people. In particular, I would like to acknowledge the time and wisdom Michelle Craig, Mary Charbonneau and Lynda Appleby all provided and thank them again for their efforts as they step down from the Board of Directors. I would also like to thank Pearl Sluman for her behind the scenes contribution, over the last couple of years helping to keep track of our receipts and expenditures ("The Books").

Finally, my last challenging task is to try to properly acknowledge and thank Elisabeth (Lis) McGregor who is taking a well-deserved sabbatical from her volunteer role with The Compass. Lis has been part of The Compass since its very beginning and has selflessly given of herself and her professional guidance to our many clients and volunteers over the past 14 years. To say that we will miss her presence every day would be an understatement. I know Lis, being who she is, will do her best to drop in and encourage and be available, as needed, during her sabbatical. Lis we thank you on behalf of the clients, the volunteers, the staff, and the Board!

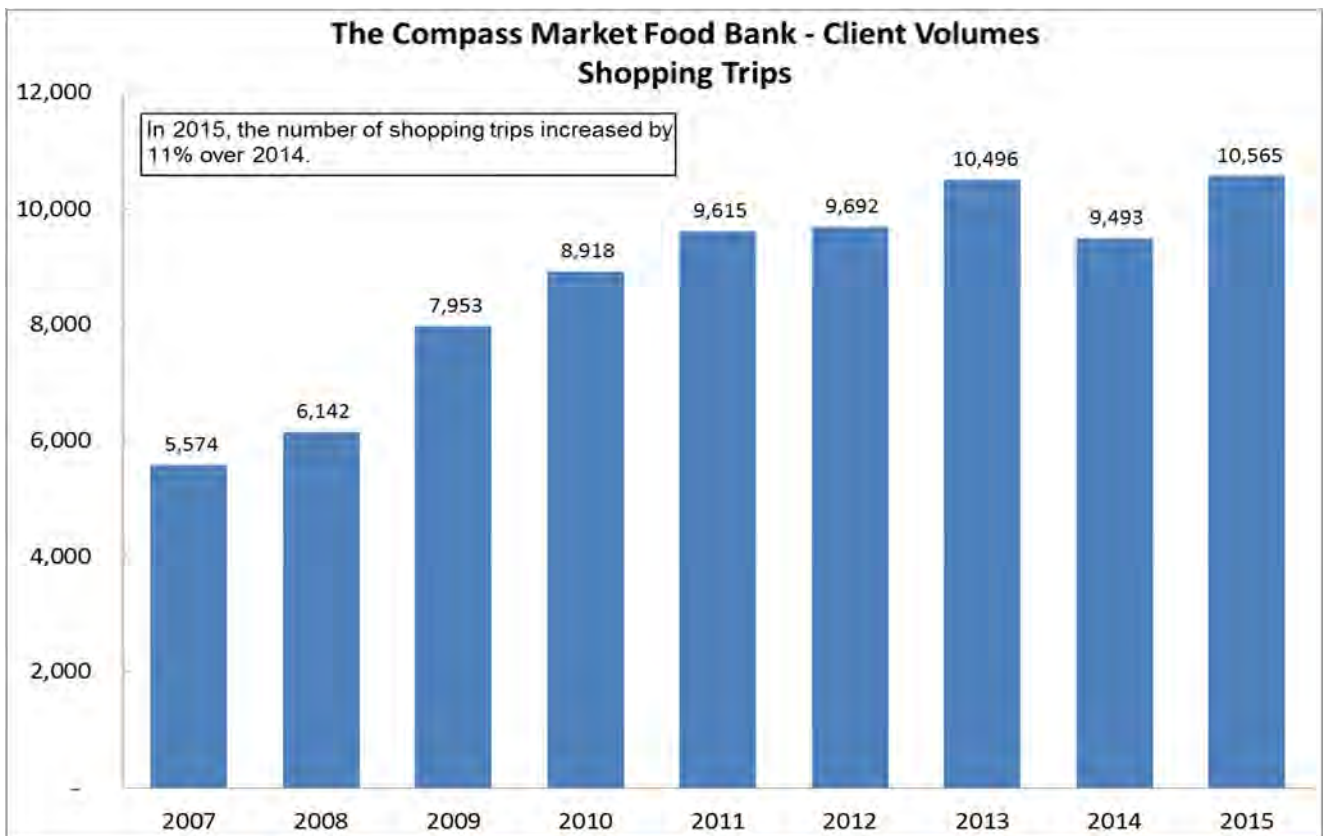
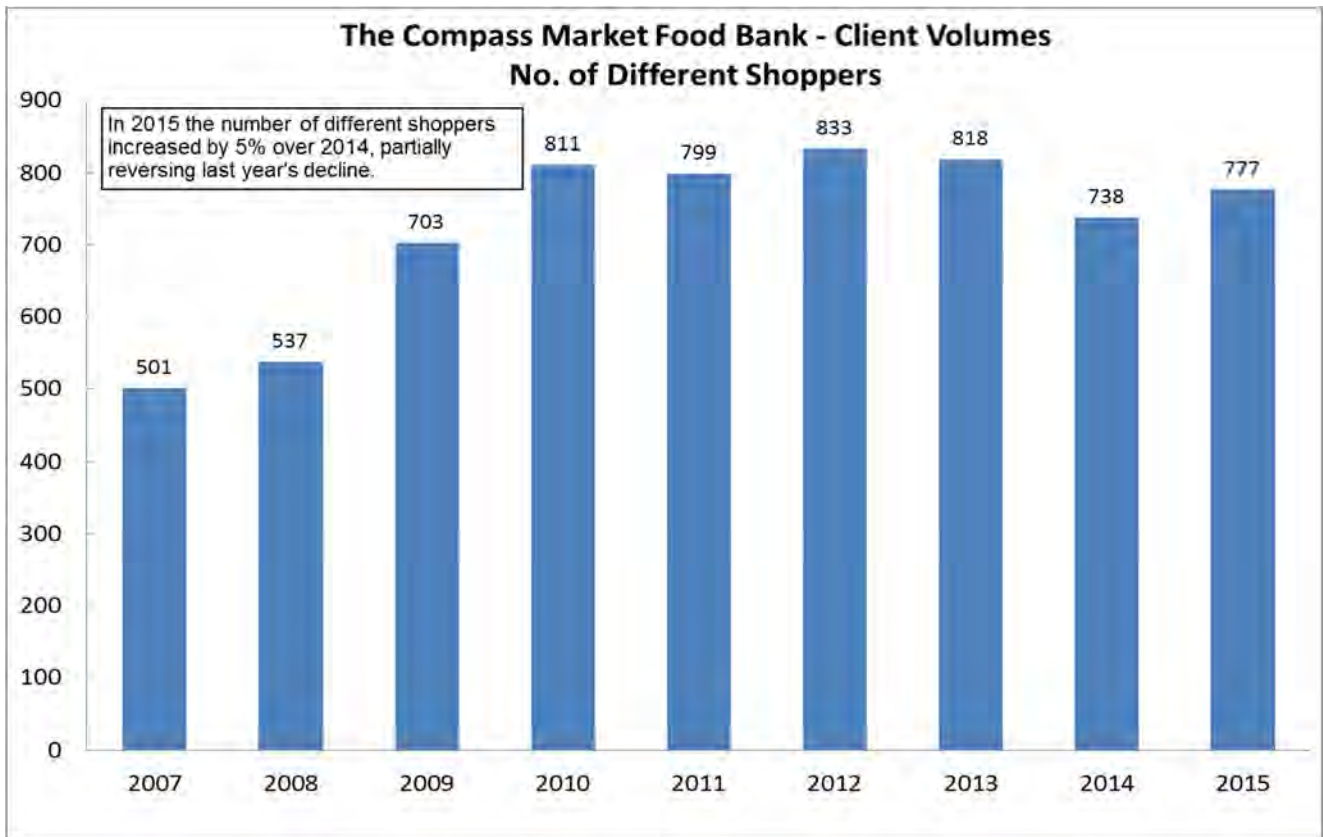
Patrick Cullen  
Chair of the Board

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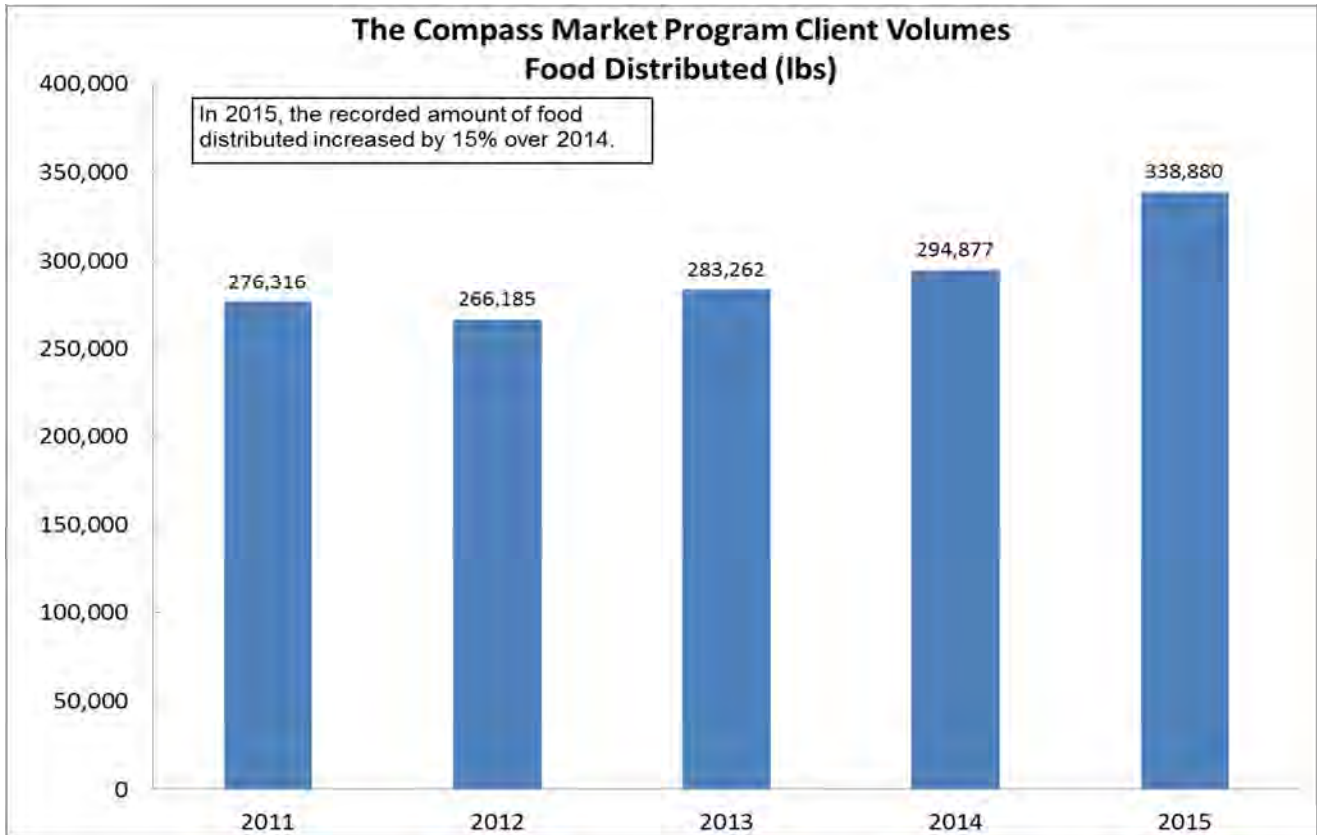
## THE COMPASS BY THE NUMBERS

- The Compass Market program was open for 148 days in 2015 and we distributed 169 tons of food during the year.
- The volume of food we provide through The Compass Market program, while important, is not as important as the contacts we have with our clients whether it is shopping with our clients (10,565 trips), renewing their vouchers or meeting new clients to find out their needs and enroll them at The Compass.
- In addition to The Compass Market program, our variety of other programs provide us with an opportunity to assist our clients and build stronger relationships, as well as providing our clients with an opportunity to socialize and interact with each other. These programs include:
  - Tuesday Lunch and Thursday Coffee Time (Breakfast) programs
  - Summer BBQs and Special occasion dinners (Easter, Thanksgiving, Christmas)
  - Good Food Box
  - ESL and literacy classes
  - Refresh program
  - Women's group
  - Income tax clinic
  - Cooking classes
  - Computer classes
  - Bible study group
  - Men's group
  - Foot care and haircuts
- We also provide our clients with access to an Employment coordinator, as well as Ontario Works representatives.
- Based on The Compass Market program, in 2015:
  - We served 1,585 different individuals from 777 client households (individuals and families).
  - 27% of these individuals were children (under 18), while 7% were seniors (65+).
  - For those households reporting dietary considerations: 10% identified as diabetic, 5% with milk allergies, 3% with peanut allergies, 2% with wheat allergies and 2% as Halal.
  - 80% of our client households live in private rental housing, 8% report living with family/friends, 6% own their own home, 4% live in social housing and 2% report living either on the street or in emergency shelter.
  - Primary sources of income for our client households was: 29% from social assistance, 24% from provincial disability plan (ODSP), 13% from employment income, 11% from pension, and 11% reported no income.
- All of this important work serving our community is accomplished through the diligent work of our Market Manager and Volunteer Manager, and an army of over 230 dedicated volunteers.

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## TREASURER'S REPORT

### THE COMPASS' FINANCIAL PICTURE SECURING AND USING MONETARY RESOURCES TO SUPPORT OUR MINISTRY A review of 2015 by the Board of Directors

The "Operating Results" on the following page summarizes the financial situation of The Compass' ministries and activities for 2015 compared to 2014, and 2016 budget expectations. The financial statements portray our revenues, expenditures and cash flow, and the available assets. The Auditor's Report as provided by HVGP accompanies the statements.

Since The Compass first began in 2002, we have had many busy and successful years in the support of our clients and in our finances. We continue to respond to identified needs, offering a diverse range of ministries and programs. In our Market, we significantly increased our protein options for our clients, primarily chicken and fish. We have increased our healthy food alternatives such as fresh cheese and vegetables in our hospitality area.

We are truly blessed to have strong support from the churches, our people and the local community. Total revenues reached \$330,000, which is \$32,000 above 2014 and \$20,000 above our budget. Donations from individuals and organizations increased by \$20,000 compared to 2014, however \$5,000 of the increase was received from the 2015 Bite Before Christmas which historically was received in the following year. Annual contributions from the churches increased by \$8,000. Fund-raising initiatives are important to enable us to do the work we do, with the principal sources being the September Compass Walk and The Bite before Christmas campaign. We are thankful for all of the ongoing strong support we receive, enabling us to provide a variety of programs and product offerings to our clients.

Our overall operating expenditures of \$303,500 were \$34,800 more than in 2014, but below budget by \$22,400. The expenditure increase in 2015 compared to 2014 was primarily due to spending more on food for clients, and staffing costs. Compared to our budget, we underspent on food for our clients since The Mississauga Food Bank provided us with a significant portion of our protein options, eggs, and fresh fruit and vegetables in 2015.

#### Continuity and initiatives in our 2016 budget

As always, forecasting our revenues is a challenge. We have budgeted a conservative 4% decrease in revenues. We plan for our existing client services to carry on throughout 2016, with the potential to introduce some new ones.

For yet another year, uncertain economic times will challenge our clients; and we believe that the demands on our Market will be at least at the current level. Our expenditure budget reflects a 11% increase over 2015 spending. This budget includes provision for \$25,000 to supply protein products such as chicken, beef and fish for our clients. The budget of \$8,000 for nutritious snack options in Hospitality such as cheese and crackers, and fresh fruit & vegetable servings reflects an increase of \$4,000 from the actual spend in 2015. In order to properly store an increased amount of fresh and frozen products, and to better support our meal programs, an additional \$13,500 has been budgeted for additional refrigeration and freezer storage, and food warming. Other costs are budgeted to be similar to the budget for 2015.

Overall, the 2016 budget shows a deficit of \$37,350 – a level well within our capacity to absorb.

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**LAKESHORE COMMUNITY OUTREACH CENTRE INC.**  
operating as THE COMPASS

**OPERATING RESULTS**

For the years ending December 31

	2014	2015		2016
	Actual	Budget	Actual	Budget
<b>Operating revenues</b>				
Contributions by supporting churches	\$ 89,140	\$ 100,000	\$ 97,067	\$ 94,000
Donations from individuals and organizations	136,838	140,000	156,422	158,600
Proceeds from fund-raising events	62,079	60,500	65,916	54,650
Grants	4,965	4,000	6,054	5,000
Other revenues: Tax rebates	3,038	3,000	3,160	3,100
Other revenues: Interest	1,927	2,000	1,460	1,500
	<u>297,987</u>	<u>309,500</u>	<u>330,079</u>	<u>316,850</u>
<b>Operating expenditures</b>				
Food and supplies for clients	47,819	78,000	69,137	86,400
Bus tickets for clients	12,380	12,500	14,792	12,500
Women's program	8,289	3,500	85	2,750
Men's program	1,829	2,000	2,611	2,750
Good Food Boxes	5,196	6,000	3,121	3,000
Other client programs	4,589	12,150	10,030	12,350
Publicity	1,647	3,000	715	3,000
Administration: office, training, miscellaneous	8,513	12,900	9,026	17,000
Professional Fees: Audit	3,085	3,000	3,118	3,300
Fundraising	-	-	1,781	500
Occupancy: rent, cleaning, utilities, insurance	85,533	88,250	93,234	94,300
Alterations, equipment and furnishings	5,048	6,000	1,866	1,000
Staff members' compensation and benefits	84,820	98,694	94,047	101,850
<b>Total</b>	<u>268,748</u>	<u>325,994</u>	<u>303,563</u>	<u>340,700</u>
<b>Excess of Operating revenues over expenditures, or (deficit)</b>	<u>29,239</u>	<u>(16,494)</u>	<u>26,516</u>	<u>(23,850)</u>
<b>Capital Fund expenditures</b>				
Renovation of premises (washroom renovation)	-	-	11,537	-
Equipment and furnishings (freezers, fridges)	-	-	8,264	13,500
Less: Donations received for renovation of washroom	-	-	(10,500)	-
	<u>-</u>	<u>-</u>	<u>9,301</u>	<u>13,500</u>
<b>Excess (deficiency) of revenues over expenditures</b>	<u>\$ 29,239</u>	<u>\$ (16,494)</u>	<u>\$ 17,215</u>	<u>\$ (37,350)</u>

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LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)  
Financial Statements  
Year ended December 31, 2015

LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)  
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Year ended December 31, 2015

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## INDEPENDENT AUDITOR'S REPORT

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To the Directors of  
Lakeshore Community Outreach Centre Inc.

We have audited the accompanying financial statements of Lakeshore Community Outreach Centre Inc. (Operating as The Compass), which comprise the statement of financial position as at December 31, 2015, and the statements of operations, changes in net assets 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 organization'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 organization'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, except as noted in the following paragraph, that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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**INDEPENDENT AUDITOR'S REPORT (continued)**

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*Basis for Qualified Opinion*

Lakeshore Community Outreach Centre Inc., in common with many charitable organizations, derives revenue from donations, contributions and fundraising the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, current assets and net assets.

*Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2015 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.

Huffman Valvano Grover Philipp LLP

Mississauga, Ontario  
March 17, 2016

Licensed Public Accountants



LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)

Statement of Operations

Year ended December 31

	2015	2014
<b>REVENUE</b>		
Donations from individuals and organizations	\$ 156,422	\$ 136,838
Contributions by supporting churches	97,067	89,140
Fund-raising events	65,916	62,079
Grants	6,054	4,965
Property tax rebates and other	3,160	3,038
Investment income	1,460	1,927
	<u>330,079</u>	<u>297,987</u>
<b>EXPENDITURES</b>		
Staff compensation and benefits	94,047	84,820
Occupancy	93,234	85,533
Food and supplies for clients	69,137	47,819
Bus tickets for clients	14,792	12,380
Other client programs	13,151	9,785
Administration	9,026	8,513
Alterations, equipment and furnishings	1,866	5,048
Professional fees	3,118	3,085
Women and men's programs	2,696	10,118
Fundraising expenses	1,781	-
Publicity	715	1,647
	<u>303,563</u>	<u>268,748</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES BEFORE OTHER INCOME (EXPENSES)</b>	<u>26,516</u>	<u>29,239</u>
<b>OTHER INCOME (EXPENSES)</b>		
Donations received for capital assets	10,500	-
Capital asset expenditures (Note 3)	<u>(19,801)</u>	<u>-</u>
	<u>9,301</u>	<u>-</u>
<b>EXCESS OF REVENUE OVER EXPENDITURES FOR THE YEAR</b>	<u>\$ 17,215</u>	<u>\$ 29,239</u>

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)  
Statement of Changes in Net Assets  
Year ended December 31

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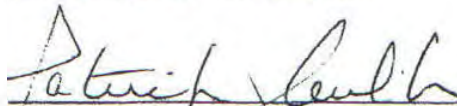
	<u>Operating</u>	<u>Internally restricted reserve</u>	<u>Total 2015</u>	<u>Total 2014</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 109,506	\$ 130,446	\$ 239,952	\$ 210,713
Excess of revenue over expenditures	26,516	-	26,516	29,239
Capital contributions	-	10,500	10,500	-
Capital expenditures	-	(19,801)	(19,801)	-
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 136,022</u>	<u>\$ 121,145</u>	<u>\$ 257,167</u>	<u>\$ 239,952</u>

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)  
Statement of Financial Position  
December 31

	2015	2014
<b>ASSETS</b>		
CURRENT		
Cash	\$ 136,839	\$ 125,655
Guaranteed investment certificates (Note 2)	110,000	110,000
Accounts receivable	12,530	5,995
Advances and deposits	8,663	8,035
TOTAL ASSETS	<u>\$ 268,032</u>	<u>\$ 249,685</u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT		
Accounts payable and accrued liabilities	\$ 10,865	\$ 9,733
NET ASSETS		
Operating	136,022	109,506
Internally restricted reserve	121,145	130,446
Total Net Assets	<u>257,167</u>	<u>239,952</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 268,032</u>	<u>\$ 249,685</u>

ON BEHALF OF THE BOARD

 Director

 Director

See accompanying notes



LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)  
Statement of Cash Flows  
Year ended December 31

	2015	2014
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenditures	\$ 17,215	\$ 29,239
Change in non-cash working capital items		
Accounts receivable	(6,535)	10,620
Advances and deposits	(628)	(2,361)
Accounts payable and accrued liabilities	1,132	6,123
<b>INCREASE IN CASH</b>	11,184	43,621
<b>CASH - BEGINNING OF YEAR</b>	235,655	192,034
<b>CASH - END OF YEAR</b>	\$ 246,839	\$ 235,655
<b>CASH AND CASH EQUIVALENTS</b>		
Cash in bank	\$ 136,839	\$ 125,655
Guaranteed investment certificates	110,000	110,000
	\$ 246,839	\$ 235,655

See accompanying notes

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Notes to Financial Statements

December 31, 2015

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ORGANIZATION

Lakeshore Community Outreach Centre Inc., operating as The Compass, is incorporated in the Province of Ontario as a corporation without share capital. The organization is a registered charitable organization and is exempt from income taxes under the Income Tax Act.

The mission of the organization is to help people in southern Mississauga who are experiencing economic, social or emotional challenges. The organization assists in the relief of poverty by providing food and other basic supplies to persons in need, conducts varied programs for them and serves as a venue for fellowship, encouragement and support.

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I. SIGNIFICANT ACCOUNTING POLICIES

The organization follows accounting principles generally accepted in Canada in preparing its financial statements. The significant accounting policies used are as follows:

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized when received.

Investment income is recorded when earned.

Government grants pertaining to specific projects are recognized as revenue as the related project expenses are incurred.

(b) Capital assets

Capital assets are recorded as expenses in the year they are acquired.

LAKESHORE COMMUNITY OUTREACH CENTRE INC.

(OPERATING AS THE COMPASS)

Notes to Financial Statements

December 31, 2015

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1. SIGNIFICANT ACCOUNTING POLICIES (continued)

(c) Donated goods and services

The organization receives extensive contributions of food and supplies which in turn it distributes to its clients. Due to the difficulty in determining their fair value, donated goods are not recognized in these financial statements.

Volunteers contribute many hours each year in carrying out the organization's activities. Accomplishing the organization's objectives would not be possible without their dedication. Because of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

(d) Measurement uncertainty

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. These estimates are reviewed periodically and are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

(e) Financial instrument classification

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.

Financial assets measured at amortized cost include cash and guaranteed investment certificates.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

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LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)  
Notes to Financial Statements  
December 31, 2015

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2. GUARANTEED INVESTMENT CERTIFICATES

Short term investments are comprised of cashable guaranteed investment certificates (GIC's) maturing at various dates from February 2016 to December 2016 at interest rates of 1.25% to 1.4%. Market value approximates carrying value.

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3. CAPITAL ASSETS

The organization's capital assets consist of leasehold improvements, furniture and equipment, and software. The capital assets expensed in the year was \$19,801, of which \$10,500 had been received as a donation. In 2014, the amount of capital assets expensed were Nil.

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4. INTERNALLY RESTRICTED FUNDS

The board of directors has established an internally restricted fund as a contingency to sustain current services to clients and capital expenditures.

Additions and expenditures from this internally restricted fund must be approved by the board of directors.

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5. CONTRACTUAL OBLIGATION

The organization's obligations, under two property lease agreements, exclusive of occupancy costs are:

2016	\$ 68,247
2017	68,247
2018	<u>51,186</u>
	<u>\$ 187,680</u>

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6. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures



LAKESHORE COMMUNITY OUTREACH CENTRE INC.  
(OPERATING AS THE COMPASS)  
Notes to Financial Statements  
December 31, 2015

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6. FINANCIAL INSTRUMENTS (continued)

provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency risk

The organization is not exposed to any currency risk.

(ii) Interest rate risk

The organization manages its GIC's to ensure funds are available when needed. The investment policy is primarily directed to reduce risk and interest earned is of secondary importance.

(iii) Other price risk

The organization is not exposed to price risk.

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