



Grand Challenges Canada[®]
Grands Défis Canada

Financial Statements

Grand Challenges Canada
March 31, 2022

Independent auditor's report

To the Board of Directors of
Grand Challenges Canada

Opinion

We have audited the financial statements of **Grand Challenges Canada** [the "Organization"], which comprise the statement of financial position as at March 31, 2022, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of management and those charged with governance for the financial statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization 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.

Toronto, Canada
June 23, 2022

Ernst & Young LLP

Chartered Professional Accountants
Licensed Public Accountants



GRAND CHALLENGES CANADA

STATEMENT OF FINANCIAL POSITION

As at March 31

	2022	2021
	\$	\$
ASSETS		
Current assets		
Cash and cash equivalents	43,542,763	34,574,836
Due from University Health Network <i>[note 3]</i>	972,371	1,224,925
Accounts receivable <i>[note 15[b]]</i>	1,212,372	1,220,556
Contributions receivable	985,579	2,640,783
Prepaid expenses and deposits	73,475	122,427
Total current assets	46,786,560	39,783,527
Investments <i>[note 4]</i>	16,677,368	3,037,209
Capital assets, net <i>[note 5]</i>	34,849	59,897
	63,498,777	42,880,633
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	6,762,860	7,437,019
Deferred contributions <i>[note 6]</i>	35,785,561	16,238,954
Total current liabilities	42,548,421	23,675,973
Commitments and contingencies <i>[notes 4, 12, 13 and 14]</i>		
Net assets		
Internally restricted <i>[note 11]</i>	20,950,356	19,204,660
	63,498,777	42,880,633

See accompanying notes

On behalf of the Board:

Director



Director



GRAND CHALLENGES CANADA

STATEMENT OF OPERATIONS

Year ended March 31

	2022	2021
	\$	\$
REVENUE		
Grant <i>[notes 6 and 7]</i>	44,936,774	53,956,331
Interest <i>[note 8]</i>	188,697	193,126
Other <i>[note 9]</i>	6,146,395	12,221,655
Total Revenue	51,271,866	66,371,112
EXPENSES		
Programs		
Issued grants	29,343,090	36,384,166
Innovator write-offs <i>[note 16]</i>	561,861	67,651
Non-grant projects	1,091,896	3,461,771
Donations to GCC Foundation <i>[note 15]</i>	3,624,000	-
	34,620,847	39,913,588
Program support activities	2,758,160	3,718,989
Program support activities – operations		
Personnel	7,391,935	6,062,535
Materials and supplies	179,919	124,737
Equipment and infrastructure	406,842	165,677
Due diligence, travel and results management	390,625	500,689
	8,369,321	6,853,638
Operations		
Personnel	2,466,592	2,872,356
Materials and supplies	282,096	181,883
Equipment and infrastructure	232,912	651,355
Due diligence and travel	164,470	256,941
Fundraising and strategic advisory	53,389	161,751
Unrealized loss on investments	471,416	-
Impairment on investments	106,967	-
Total Expenses	49,526,170	54,610,501
Excess of revenue over expenses for the year	1,745,696	11,760,611

See accompanying notes

GRAND CHALLENGES CANADA

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2022		
	Unrestricted \$	Internally restricted \$	Total \$
Balance, beginning of year	-	19,204,660	19,204,660
Excess of revenue over expenses for the year	1,745,696	-	1,745,696
Interfund transfer <i>[note 11]</i>	(1,745,696)	1,745,696	-
Balance, end of year	-	20,950,356	20,950,356

	2021		
	Unrestricted \$	Internally restricted \$	Total \$
Balance, beginning of year	-	7,444,049	7,444,049
Excess of revenue over expenses for the year	11,760,611	-	11,760,611
Interfund transfer <i>[note 11]</i>	(11,760,611)	11,760,611	-
Balance, end of year	-	19,204,660	19,204,660

See accompanying notes

GRAND CHALLENGES CANADA

STATEMENT OF CASH FLOWS

Year ended March 31

	2022	2021
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	1,745,696	11,760,611
Add (deduct) non-cash items		
Amortization of capital assets	33,248	92,551
Additions to investments	(14,109,272)	(500,000)
Unrealized loss on investments	471,416	
Impairment to investments	106,967	-
Changes in non-cash working capital balances related to operations		
Decrease (increase) in due from University Health Network	252,554	(74,959)
Increase in accounts receivable	(101,087)	(513,550)
Decrease (increase) in contributions receivable	1,655,204	(2,014,021)
Decrease in prepaid expenses and deposits	48,952	25,525
Decrease in accounts payable and accrued liabilities	(674,159)	(603,221)
Increase in deferred contributions	19,546,607	2,952,180
Cash provided by operating activities	8,976,127	11,125,116
INVESTING ACTIVITIES		
Additions to capital assets	(8,200)	(50,717)
Cash used in investing activities	(8,200)	(50,717)
Net increase in cash during the year	8,967,927	11,074,399
Cash and cash equivalents, beginning of year	34,574,836	23,500,437
Cash and cash equivalents, end of year	43,542,763	34,574,836

See accompanying notes

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

1. PURPOSE OF THE ORGANIZATION

Grand Challenges Canada (the “Organization”) is dedicated to supporting Bold Ideas with Big Impact®. Funded by the Government of Canada and other partners, the Organization funds innovators working in low- and middle-income countries, conflict settings, and Canada. The bold ideas of the Organization supports integrate science and technology, social and business innovation – known as Integrated Innovation®.

The Organization works closely with Global Affairs Canada (“GAC”) and a range of other public, private and philanthropic funders, to catalyze scale, sustainability and impact.. The Organization’s office is hosted in Toronto.

The Organization was incorporated as Grand Challenges Canada on March 19, 2008 under the *Canada Corporations Act* as a corporation without share capital. The Organization continued its incorporation under the *Canada Not-for-profit Corporations Act* on January 29, 2014. The Organization is a not-for-profit organization within the meaning of the *Income Tax Act (Canada)*.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include grants. Contributions are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Project payments

All contractual project payments are subject to the provision of funds by donor partners. They are recorded as an expense when approved and when innovators meet all terms and conditions of the agreements. Refunds on previously disbursed project agreements are credited against the current year expenses when the project is active or to other income when the project is closed.

Non-grant projects

The Organization provides funding for projects in the form of loans receivable, convertible loans and repayable grants (“non-grant projects”). Loans and repayable grants are advanced to borrowers in tranches, subject to the satisfaction of certain terms and conditions, including milestone events. Loans and repayable grants are repayable at maturity or over a repayment period, and may bear interest. Certain loan agreements include a provision that permits the Organization to convert the outstanding principal amount of a loan into authorized equities of the borrower.

The degree of certainty that economic benefits (i.e., interest, repayment of funds or fair value of equities on converted loans) related to non-grant projects will flow to the Organization is insufficient to warrant the recognition of these non-grant project payments as assets when issued. Therefore, non-grant project payments are expensed as they are incurred.

Interest earned or the return of funds from non-grant projects are recognized when funds have been received or are receivable, reasonably estimable and there is reasonable assurance of collection. Equities received on conversion of loans are recorded on the transaction date. Interest received is recorded as interest revenue in the statement of operations. The return of funds and fair value of equities on converted loans are recorded as other revenue in the statement of operations. To the extent the future use of assets arising from the foregoing require approval from the funder or are restricted by the funder, they are recorded as deferred contributions.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Investments reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds that the Organization designates upon purchase to be measured at fair value.

Alternative investments are valued by the investment managers of these investments who perform valuations on the underlying investments on a quarterly basis. The value of these investments is recorded using the most recently available quarterly information from the fund manager adjusted for transactions to the year-end date, which approximates fair value. Because these interests are not readily traded, their estimated values are subject to uncertainty and, therefore, may differ from the values that would have been used had a ready market for such interests existed.

Other investments consist of common and preferred shares in private enterprises, which are recorded at fair market value on the date of conversion and subsequently measured at cost, less any provision for impairment.

Transaction costs are recognized in the statement of operations in the period they are incurred.

Other financial instruments, including accounts and contributions receivable and accounts payable and accrued liabilities, are initially recorded at fair value and subsequently measured at cost, net of any provision for impairment.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short term to maturity of approximately three months or less from the date of purchase. Short-term investments are recorded at cost plus accrued interest, which approximates fair value.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital assets are recorded at cost and amortized over their estimated useful lives on a straight-line basis. The estimated useful life of each asset class is as follows:

Tangible

Computer equipment	3 years
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Intangible

Software	5 years
Website	3 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not contribute to the Organization's ability to provide goods and services. Any impairment results in a write-down of the asset and an expense in the statement of operations. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Net assets

The Organization's net assets consist of the accumulation of revenue over expenditures from operations and include unrestricted and internally restricted amounts for special purposes and reserved amounts as approved by the Board of Directors.

Related entities

The Grand Challenges Canada Foundation (the "Foundation"), a controlled registered charity, is not consolidated. Instead, the Organization has chosen to provide summarized financial information [note 15].

3. DUE FROM UNIVERSITY HEALTH NETWORK

The Organization has an agreement with the University Health Network for human resources and administrative services provided by the University Health Network. The settlement of accounts between the University Health Network and the Organization is done on a regular basis. Amounts are non-interest bearing.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

4. INVESTMENTS

Investments consist of the following:

	2022	2021
	\$	\$
Investment of Operating / Wind-down Reserves	13,528,584	-
Social Impact Investments in private enterprises	2,930,242	3,037,209
Investment in a global health impact fund	218,542	-
	16,677,368	3,037,209

The Organization's Investment of Operating / Wind-down Reserves consist of cash and cash equivalents, fixed income and Canadian, United States and other international equities.

The Organization has invested \$175,000 USD (\$218,542 CAD) in a global health impact fund.

5. CAPITAL ASSETS

Capital assets consist of the following:

	2022		
	Cost	Accumulated	Net book
	\$	amortization	value
	\$	\$	\$
Tangible			
Computer equipment	46,739	37,081	9,658
Intangible			
Software	500,495	500,495	-
Website	222,227	197,036	25,191
	769,461	734,612	34,849

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

5. CAPITAL ASSETS (continued)

	2021		
	Cost \$	Accumulated amortization \$	Net book value \$
Tangible			
Computer equipment	46,739	30,987	15,752
Intangible			
Software	500,495	492,816	7,679
Website	214,027	177,561	36,466
	761,261	701,364	59,897

6. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for expenses in future years. Changes in the deferred contributions balance are as follows:

	2022 \$	2021 \$
Balance, beginning of year	16,238,954	13,286,774
Amounts received during the year	64,009,136	54,596,563
Contributions receivable	474,245	2,311,948
Interest earned on funds received in advance	87,580	134,484
Amounts recognized as revenue during the year		
Grant revenue <i>[note 7]</i>	(44,936,774)	(53,956,331)
Interest <i>[note 8]</i>	(87,580)	(134,484)
Balance, end of year	35,785,561	16,238,954

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

7. GRANT REVENUE

The Organization is funded by numerous funding agreements over varying time periods. Grant revenue recognized in the current year is from the following sources:

	2022	2021
	\$	\$
Global Affairs Canada – Institutional Support Grant	16,159,133	2,090,231
Global Affairs Canada – Maternal, Newborn and Child Health	11,443,098	28,087,986
U.S. Agency for International Development	3,378,867	4,373,256
Department of Health and Social Care – Global Mental Health	3,236,659	2,555,606
Dutch Government Stabilisation and Humanitarian Aid Department	2,446,387	6,264,135
Foreign, Commonwealth & Development Office – UK – Humanitarian	2,059,072	1,989,377
Women and Gender Equality Canada	1,601,077	1,680,608
Norwegian Agency for Development Cooperation	526,742	1,299,226
Bill and Melinda Gates Foundation	454,190	606,953
ELMA Foundation	325,676	335,058
Indigenous Services Canada	255,641	103,144
Department of Foreign Affairs and Trade – Australia	105,248	619,306
J.W. McConnell Family Foundation	25,000	-
Other	2,919,984	3,951,445
	44,936,774	53,956,331

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

8. INTEREST REVENUE

Interest revenue includes interest earned on funds received in advance and from non-grant projects.

	2022	2021
	\$	\$
Interest from funds received in advance <i>[note 6]</i>	87,580	134,484
Interest from non-grant projects <i>[note 10]</i>	101,117	58,642
	188,697	193,126

9. OTHER REVENUE

Other revenue includes repayment of loans from non-grant projects *[note 10]*, and other sources of funding that supported program support activities and operations:

	2022	2021
	\$	\$
Non-grant projects <i>[note 10]</i>	6,019,205	11,554,284
Other contributions	127,190	667,371
	6,146,395	12,221,655

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

10. NON-GRANT PROJECTS

Payments received for non-grant projects include the following:

	2022	2021
	\$	\$
Interest	234,272	156,807
Less amounts related to externally restricted funds	(133,155)	(98,165)
Interest related to unrestricted funds [note 8]	101,117	58,642
Return of investment contribution	5,719,447	11,044,711
Loan repayments	1,070,539	250,739
Preferred shares received on loan conversion	-	500,000
	6,789,986	11,795,450
Less amounts related to externally restricted funds	(770,781)	(241,166)
Other revenue [note 9]	6,019,205	11,554,284

On July 29, 2020, the Organization was required to convert an outstanding loan and interest receivable of \$1,236,164 for 5,000,000 Class A Preferred Shares at a fair market value of \$500,000.

In addition to these non-grant projects, in 2013 the Organization made an investment contribution to the Global Health Investment Fund, a partially guaranteed fund designed to catalyze investment activity that can deliver innovations to address urgent global health challenges and improve livelihoods around the world. Since there was no certainty about the timing of the return on invested capital, no value was attributed to the investment when made in 2013 and the contribution was expensed. During fiscal year 2021–2022, the Organization received \$5,719,447 (2020–2021 – \$11,044,711) from its investment contribution to the Global Health Investment Fund.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

11. INTERNALLY RESTRICTED NET ASSETS

During the year ended March 31, 2022, the Board of Directors approved a transfer of \$1,745,696 from unrestricted net assets to internally restricted net assets.

12. FUNDING COMMITMENTS

The Organization has commitments to make funding payments to various organizations subject to funding being provided by the Government of Canada and other donor partners, and subject to compliance by recipients with the terms and conditions of funding agreements.

Funding payments payable to various organizations are as follows:

	\$
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2023	25,692,838
2024 and future year(s)	9,074,703
	<hr/> 34,767,541 <hr/>

13. LEASE COMMITMENTS

The future minimum annual lease payment for operating leases is as follows:

	\$
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2023	221,966
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14. CONTINGENCIES

The Organization is required to adhere to the terms and conditions under its funding agreements and is routinely subject to external audits in respect of these agreements. Where a potential liability is likely and able to be estimated, management has recorded its best estimate of the liability. When indeterminable, no liability is recorded. Any additional losses will be recorded in the year during which the liability is able to be estimated or adjustments to the amount recorded are determined to be required.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

15. RELATED ENTITIES

[a] The Foundation was incorporated as a corporation without share capital under the *Canada Not-for-profit Corporations Act* and is a registered charity within the meaning of the *Income Tax Act* (Canada). The purpose of the Foundation is to receive donations that will be used to relieve poverty and promote health consistent with its charitable purposes.

The Organization has the ability to elect the majority of the Foundation's directors. As such, the Foundation is a controlled not-for-profit charitable entity.

The Foundation prepares its financial statements in accordance with Part III of the *CPA Canada Handbook – Accounting*, which sets out generally accepted accounting principles for not-for-profit organizations in Canada.

[b] The Organization provides the Foundation with office space at no cost. Certain other costs are paid by the Organization and are reimbursed by the Foundation. As at March 31, 2022, \$114,788 (2021 – nil) was due from the Foundation. Amounts due to/from the Foundation are unsecured with no fixed terms of repayment.

[c] The summarized financial statements of the Foundation are as follows:

	2022	2021
	\$	\$
Total assets	3,737,825	99,960
Total liabilities	(3,241,788)	(99,960)
Fund balance	496,037	-
Total revenue	614,035	40
Total expenses	(117,998)	(40)
Excess of revenue over expenses for the year	496,037	-

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

16. INNOVATOR WRITE-OFFS

Beginning December 1, 2020, the Organization is required by a funder agreement to disclose any write-offs of receivables resulting from at least three categories; those are innovator bankruptcy, mismanagement of funds, or fraudulent activities. The Organization has written off a total of \$498,673 in the following categories, and recorded allowance for doubtful accounts of \$63,188 during the year ended March 31, 2022.

Innovators' write-offs for the years ended March 31, 2022 and 2021 are as follows:

	2022	2021
	\$	\$
Innovators' ineligible expenses	379,890	63,539
Innovators' underspend not refunded	118,783	1,536
Allowance for doubtful accounts	63,188	-
Innovators' fraudulent activities	-	2,576
	561,861	67,651

17. FINANCIAL INSTRUMENTS RISKS

The Organization is exposed to various financial and market risks through investments and transactions in financial instruments. Most of these risks are related to investments. To manage, monitor and limit the risks related to investments, the Organization has determined an investment strategy and asset mix that reflects a total investment return consistent with capital preservation, risk tolerance and liquidity needs of the Organization. An investment policy was established to monitor and limit risks across asset classes, as well as the total portfolio. If the measured risk of the portfolio exceeds the limits set by the policy, actions will be taken to reduce the portfolio's risk.

Foreign currency risk

The Organization is exposed to currency risk with respect to the underlying investments of its pooled funds that are denominated in foreign currencies, because the fair value and future cash flows will fluctuate due to the changes in the relative value of foreign currencies against the Canadian dollar. The Organization mitigates its foreign currency risk exposure by investing in pooled funds, which hedge underlying foreign currency exposure to the Canadian dollar.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

17. FINANCIAL INSTRUMENTS RISKS (continued)

Credit risk

The Organization is exposed to credit risk in connection with its fixed income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. To manage this risk, the Organization only invests in high quality securities.

Interest rate risk

The Organization is exposed to interest rate risk with respect to its investments in pooled funds that hold fixed income securities, because the fair value will fluctuate due to changes in market interest rates. Duration is the most common measure of the sensitivity of the price of a fixed income instrument to a change in interest rates. The Organization's portfolio managers limit the duration of the fixed income holdings in their portfolios in order to accommodate possible changes in interest rate.

Other price risk

The Organization is exposed to other market risks, including, but not limited to, changes in market prices in connection with its investments in securities, underlying investments within pooled funds, private equity and alternative investments. The Organization manages this risk by monitoring against its benchmark asset mix, which reflects the Organization's risk appetite.

18. COVID-19

The outbreak of the coronavirus disease ("COVID-19") pandemic resulted in governments worldwide enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods and social distancing, caused material disruption to innovations funded by the Organization globally, resulting in an economic shutdown. The Organization enhanced the outsourcing of routine spot check audits, which are normally conducted by the Organization staff, to external audit firms due to travel bans.

GRAND CHALLENGES CANADA

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

19. COMPARATIVE FINANCIAL STATEMENTS

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