

**PRAIRIE TO PINE REGIONAL  
COUNCIL**

**Non-Consolidated Financial Statements**  
For the year ended December 31, 2021

# **PRAIRIE TO PINE REGIONAL COUNCIL**

## **Non-Consolidated Financial Statements** For the year ended December 31, 2021

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## Independent Auditor's Report

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To the Executive of Prairie to Pine Regional Council

### Opinion

We have audited the non-consolidated financial statements of Prairie to Pine Regional Council (the "Council"), which comprise the non-consolidated statement of financial position as at December 31, 2021, and the non-consolidated statements of operations and changes in net assets, and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of the Council as at December 31, 2021, 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 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 Council 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 these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Council'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 Council or to cease operations, or has no realistic alternative but to do so.

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

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 Council'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 Council'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 non-consolidated 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 Council to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

*BDO Canada LLP*

Chartered Professional Accountants

Winnipeg, Manitoba

May 31, 2022

**PRAIRIE TO PINE REGIONAL COUNCIL**  
**Non-Consolidated Statement of Financial Position**

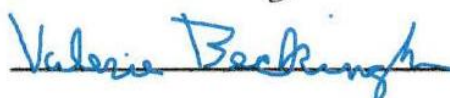
December 31	2021	2020
<b>Assets</b>		
<b>Current Assets</b>		
Cash and bank	\$ 407,662	\$ 432,050
Short-term investments (Note 2)	421,118	726,648
Accounts receivable	4,374	10,407
Prepaid expenses	4,165	5,421
Due from related party (Note 3)	3,857	1,974
Due from Prairie to Pine United Church Development Inc. (Note 4)	9,059	4,982
	850,235	1,181,482
<b>Long-term investments (Note 2)</b>	<b>1,268</b>	<b>3,377</b>
<b>Capital assets (Note 5)</b>	<b>812</b>	<b>19,667</b>
	<b>\$ 852,315</b>	<b>\$ 1,204,526</b>

**Liabilities and Net Assets**

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 9,078	\$ 9,617
Due to related party (Note 3)	745	28,699
Deferred revenue (Note 6)	10,673	46,225
Designated funds (Note 7)	192,833	153,246
	213,329	237,787
<b>Commitments (Note 8)</b>		
<b>Net assets</b>		
Unrestricted	38,986	966,739
Internally restricted net assets (Note 10)		
Project fund	400,000	-
Internal reserves	200,000	-
	638,986	966,739
	<b>\$ 852,315</b>	<b>\$ 1,204,526</b>

Approved by the Regional Council Executive:

 \_\_\_\_\_ Executive Minister

 \_\_\_\_\_ Treasurer

The accompanying notes are an integral part of these non-consolidated financial statements.

## PRAIRIE TO PINE REGIONAL COUNCIL Non-Consolidated Statement of Operations

<b>For the year ended December 31</b>	<b>2021</b>	<b>2021</b>	<b>2020</b>
	<b>Budget</b>	<b>Actual</b>	<b>Actual</b>
<b>Revenue</b>			
The United Church of Canada (Note 3)	\$ 632,000	\$ 641,375	\$ 686,598
Donations	-	92,298	148,579
Amortization of lease inducement	-	30,550	6,445
Rental income	20,000	16,023	18,810
Investment income	-	5,465	8,760
Sales of goods and services	-	315	245
Event fees	25,000	-	3,035
	<b>677,000</b>	<b>786,026</b>	<b>872,472</b>
<b>Expenses</b>			
Allocations and payments to programs	142,600	144,451	136,688
Amortization	20,780	18,855	19,947
Annual meeting	60,000	6,990	8,862
General funds	59,460	31,166	31,568
Office and administration	71,005	69,867	71,940
Staffing costs	417,664	402,863	392,431
	<b>771,509</b>	<b>674,192</b>	<b>661,436</b>
<b>Excess (deficiency) of revenue over expenses before grant</b>	<b>(94,509)</b>	<b>111,834</b>	<b>211,036</b>
<b>Grant to Prairie to Pine United Church Development Inc. (Note 4)</b>	<b>-</b>	<b>(400,000)</b>	<b>-</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (94,509)</b>	<b>\$ (288,166)</b>	<b>\$ 211,036</b>

The accompanying notes are an integral part of these non-consolidated financial statements.

**PRAIRIE TO PINE REGIONAL COUNCIL  
Non-Consolidated Statement of Changes in Net Assets**

**For the year ended December 31**

**2021**

**2020**

	<u>Internally Restricted (Note 10)</u>			<b>Total</b>	<b>Total</b>
	<b>Unrestricted</b>	<b>Project Fund</b>	<b>Internal Reserves</b>		
<b>Balance, beginning of year</b>	<b>\$ 966,739</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 966,739</b>	<b>\$ 799,636</b>
<b>Excess (deficiency) of revenue over expenses</b>	<b>(288,166)</b>	<b>-</b>	<b>-</b>	<b>(288,166)</b>	<b>211,036</b>
<b>Allocation to designated funds</b>	<b>(39,587)</b>	<b>-</b>	<b>-</b>	<b>(39,587)</b>	<b>(43,933)</b>
<b>Allocation to internally restricted assets</b>	<b>(600,000)</b>	<b>400,000</b>	<b>200,000</b>	<b>-</b>	<b>-</b>
<b>Balance, end of year</b>	<b>\$ 38,986</b>	<b>\$ 400,000</b>	<b>\$ 200,000</b>	<b>\$ 638,986</b>	<b>\$ 966,739</b>

The accompanying notes are an integral part of these non-consolidated financial statements.

## PRAIRIE TO PINE REGIONAL COUNCIL Non-Consolidated Statement of Cash Flows

For the year ended December 31	2021	2020
<b>Cash Flows from Operating Activities</b>		
Excess (deficiency) of revenue over expenses	\$ (288,166)	\$ 211,036
Adjustments for		
Amortization of capital assets	18,855	19,947
	<b>(269,311)</b>	230,983
Adjustments for non-cash items		
Accounts receivable	6,033	(4,617)
Lease inducement receivable	-	6,445
Prepaid expenses	1,256	(1,260)
Due from related party	(1,883)	2,528
Due to related party	(27,954)	(4,684)
Accounts payable and accrued liabilities	(539)	4,716
Deferred lease inducement	-	(6,445)
Deferred revenue	(35,552)	(800)
Due from Pine United Church Development Inc.	(4,077)	(838)
	<b>(332,027)</b>	226,028
<b>Cash Flows from Investing Activities</b>		
Purchase of investments	-	(710,134)
Redemption of investments	307,639	-
	<b>307,639</b>	(710,134)
<b>Decrease in cash and cash equivalents</b>	<b>(24,388)</b>	(484,106)
<b>Cash and cash equivalents, beginning of year</b>	<b>432,050</b>	916,156
<b>Cash and cash equivalents, end of year</b>	<b>\$ 407,662</b>	<b>\$ 432,050</b>

The accompanying notes are an integral part of these non-consolidated financial statements.



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# PRAIRIE TO PINE REGIONAL COUNCIL

## Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

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### 1. Nature of Operations and Summary of Significant Accounting Policies

#### Nature of Operations

The Prairie to Pine Regional Council (the "Council") is composed of Communities of Faith of The United Church of Canada within the Province of Manitoba and those in the Central Time Zone of Northwestern Ontario (including Atikokan). The Regional Council of the United Church of Canada is a decision making body responsible to serve and support Communities of Faith within its bounds and provide necessary oversight. The Council is a registered charity under the Income Tax Act. It is exempt from income taxes under section 149(1) of the Income Tax Act.

The purpose of the Council is:

- Provide support advice and services to Communities of Faith in the areas of human resources, property, archives, leadership training.
- Provide oversight of Communities of Faith and supporting them in their life and work and ensure compliance with the policies and polity of the United Church.
- To ordain and commission members of the order of ministry, recognize Designated Lay Minister, and celebrate admission and re-admissions into the order of ministry.
- To speak both pastorally and prophetically while providing education and advocacy on issues that affect the health of our communities.

#### Basis of Accounting

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The Council has elected to not consolidate Prairie to Pine United Church Development Inc.

#### Revenue Recognition

The Council follows the deferral method of accounting for contributions.

*Grants* - These revenues are recognized as revenue in the period for which the grant is made based on the approved budget of the Council.

*Interest* - Interest revenue is recognized as income when the Council becomes entitled to such earnings.

*Deferred Contributions* - Contributions restricted for particular purposes are deferred and recognized as revenue when the related expenses are incurred.

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# PRAIRIE TO PINE REGIONAL COUNCIL

## Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

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### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Revenue Recognition (continued)

*Donations* - Donation revenue is recorded when received. Donation revenue received with no specific purposes is unrestricted and will be used at the discretion of the Council. The Council's practice is to allocate these funds as per the donor's request.

*Sales and fee for service* - These revenues are recognized as revenue in the period for which the services have been rendered or goods provided in the case of service charges and fees.

#### Volunteer Services

The Conference receives the benefit of the contribution of significant time by many volunteers. Due to the difficulty in determining the fair value of the time, volunteer services are not recognized in these non-consolidated financial statements.

#### Cash and Cash Equivalents

Cash and cash equivalents consist of cash held in bank accounts and guaranteed investment certificates that mature within 3 months.

#### Capital Assets

Purchased capital assets are recorded at cost.

Leasehold improvements are amortized on a straight-line basis starting in the year of acquisition and will be amortized based on the term of the lease.

Other capital assets are amortized on a straight-line basis starting the year after acquisition over the following term:

Computer equipment	3 years
Office equipment	5 years

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

# PRAIRIE TO PINE REGIONAL COUNCIL

## Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### Post Retirement Benefit Plan

The employees of the Council participate in a defined benefit pension plan administered nationally by The United Church of Canada. Defined contribution plan accounting is applied to this multi-employer contributory defined benefit.

#### Use of Estimates

The preparation of non-consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the non-consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

### 2. Investments

	2021	2020
Conexus CU GIC - 0.60%, maturing March 13, 2022	\$ 150,000	\$ -
Conexus CU GIC - 0.55%, maturing August 18, 2022	100,950	-
Conexus CU GIC - 0.55%, maturing August 18, 2022	151,275	-
Assiniboine CU GIC - 1.00%, maturing March 13, 2022	718	-
Assiniboine CU GIC - 0.75%, maturing May 9, 2022	716	-
Assiniboine CU GIC - 0.30%, maturing September 17, 2022	703	-
Assiniboine CU GIC - 1.00%, maturing September 26, 2023	1,268	1,255
Assiniboine CU GIC - 1.00%, maturing March 13, 2022	-	711
Assiniboine CU GIC - 0.75%, maturing May 9, 2022	-	711
Assiniboine CU GIC - 1.30%, maturing September 7, 2022	-	700
Conexus CU GIC- 1.60%, maturing March 31, 2021	-	150,000
Conexus CU GIC- 1.55%, maturing March 31, 2021	-	250,000
Conexus CU GIC - 0.85%, maturing August 18, 2021	-	150,000
Conexus CU GIC - 0.95%, maturing August 18, 2021	-	100,000
Conexus CU GIC - 0.55%, maturing December 1, 2021	-	60,000
Assiniboine CU GIC - 0.65%, maturing April 5, 2021	-	12,686
Assiniboine CU GIC - 0.65%, maturing April 4, 2021	-	2,064
Assiniboine CU GIC - 0.65%, maturing March 22, 2021	-	1,898
Cash balances on investment accounts	16,756	-
	422,386	730,025
Less due within one year	(421,118)	(726,648)
	\$ 1,268	\$ 3,377

## PRAIRIE TO PINE REGIONAL COUNCIL Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

### 3. Due from Related Parties

The following table summarizes the Council's related party transactions for the year:

	<u>2021</u>	<u>2020</u>
Grants from the United Church of Canada	<b>\$ 641,375</b>	<b>\$ 686,598</b>

These transactions are in the normal course of operations and are measured at the exchange value, which is the amount agreed upon by the two parties.

The amounts due (to) from related parties at year end are as follows:

	<u>2021</u>	<u>2020</u>
Due from Northern Spirit Regional Council	<b>\$ -</b>	<b>\$ 1,974</b>
Due from Living Skies Regional Council	<b>3,857</b>	<b>-</b>
	<b>\$ 3,857</b>	<b>\$ 1,974</b>
Due to Living Skies Regional Council	<b>\$ -</b>	<b>\$ (3,994)</b>
Due to Northern Spirit Regional Council	<b>(98)</b>	<b>-</b>
Due to United Church of Canada	<b>(647)</b>	<b>(24,705)</b>
	<b>\$ (745)</b>	<b>\$ (28,699)</b>

Northern Spirit Regional Council and Living Skies Regional Council are also United Church Regional Councils with similar purposes, goals and policies. These regions share employees and accounting with the Prairie to Pine Regional Council.

United Church of Canada is the governing body for all Regional Council's in Canada and they provide grants and assistance to each region.

## PRAIRIE TO PINE REGIONAL COUNCIL Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

#### 4. Prairie to Pine United Church Development Inc.

The Prairie to Pine United Church Development Inc. was established to promote the welfare and good of the Council by receiving funds allocated for new church development, redevelopment and the support of other Regional Ministries. The Organization is incorporated under The Corporations Act of Manitoba and is a registered not-for-profit organization under the Income Tax Act and was originally called Winnipeg Presbytery Church Development Inc.

The Organization is managed by a Board of Directors appointed from the members of the Organization, and accountable to the Council. The Council has a significant economic interest in the Organization in that the resources of the Organization can be provided to the Council or used for its benefit. In addition, the Council has the authority to direct the Organization by virtue of a resolution at any time and the Council can approve the Organization's activities including the election of Directors or send a direction for any particular activity.

The balance due to the Organization has arisen from transactions in the normal course of operations between the organizations and has no security, repayment terms or interest charged.

The following summarizes the Council's related party transactions for the year:

	<u>2021</u>	<u>2020</u>
Grants received from the Organization	\$ 9,099	5,127
Grants made to the Organization	(400,000)	-

The Organization's financial statements have not been consolidated in the Council's non-consolidated financial statements. Financial statements of the Organization are available on request. Financial summaries of the Organization as at December 31, 2021 and 2020 and for the years then ended are as follows:

	<u>2021</u>	<u>2020</u>
Cash	\$ 64,248	\$ 44,010
Long-term investments	2,213,803	1,799,980
	<u>\$ 2,278,051</u>	<u>\$ 1,843,990</u>

## PRAIRIE TO PINE REGIONAL COUNCIL Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

### 4. Prairie to Pine United Church Development Inc. (continued)

	2021	2020
Grants payable	\$ 2,546	\$ 1,732
Due to related party	9,059	4,982
	11,605	6,714
Net Assets		
Externally restricted	2,266,446	1,837,276
	\$ 2,278,051	\$ 1,843,990
Revenues		
Investment income	\$ 129,378	\$ 105,122
Grants from Prairie to Pine Regional Council	400,000	-
	529,378	105,122
Investment management fees	10,852	9,254
Other grants expended	80,257	155,362
	438,269	(59,494)
Grants expended to Prairie to Pine Regional Council	9,099	5,127
Excess (deficiency) of revenues over expenses	\$ 429,170	\$ (64,621)

### 5. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ -	\$ -	\$ 54,747	\$ 36,498
Computer equipment	3,548	3,548	3,548	3,349
Office equipment	2,099	1,287	2,099	880
	\$ 5,647	\$ 4,835	\$ 60,394	\$ 40,727
Net book value		\$ 812		\$ 19,667

## PRAIRIE TO PINE REGIONAL COUNCIL Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

### 6. Deferred Revenue

	2021	2020
Revenue generation fund	\$ 10,673	\$ 10,673
Winnipeg Presbytery lease commitment	-	35,552
	\$ 10,673	\$ 46,225

### 7. Designated Funds

	2021	2020
Trusts		
Archives Sale of Property Fund	\$ 65,495	\$ 66,514
Archives Project - Winnipeg Foundation	20,000	20,000
McArthur Estate	9,932	9,932
Necchi	3,250	3,250
Oral History Archive Trust	4,257	4,257
	102,934	103,953
Special Funds		
Archives Donation Fund	8,860	4,700
Archives Special Funds	863	863
Bursary Fund	2,988	4,803
Education & Students 2015	1,000	1,000
Effective Leadership events 2013-2015	685	685
Overview & Visioning event 2014	2,500	2,500
Ministry and Personnel - future projects	5,234	5,234
Keewatin	34,754	12,493
Youth Events	14,695	14,695
Youth Leadership Development	2,320	2,320
Pastoral Relations Discretionary Fund	16,000	-
	89,899	49,293
	\$ 192,833	\$ 153,246

The Council administers funds for various projects and groups operating within the Region. Amounts received and expended on behalf of these projects and groups are recorded directly to these accounts.

The Council also administers funds for various projects and groups operating within the Prairie to Pine Region communities of faith. Amounts received and expended on behalf of these projects and groups are recorded directly to these accounts.

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## PRAIRIE TO PINE REGIONAL COUNCIL Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

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### 8. Commitments

The Council has an operating lease for its building beginning on December 1, 2021 for a period of 5 years ending December 31, 2026. The following are the future minimum lease payments:

2022	\$	30,000
2023		30,000
2024		30,000
2025		30,000
2026		30,000
		<hr/>
	\$	150,000

### 9. Pension Plan

Retirement benefits for employees of the Council are provided through the pension plan of The United Church of Canada (the "Plan"). The Plan is a multi-employer pension plan which provides pensions for members of the Ministry Personnel and lay employees of the Offices of the General Council, Regional Council, or Community of Faith of The United Church of Canada. The Plan is a contributory defined benefit pension plan which is financed by contributions from participating employers and employees, and by the investment earnings of the Plan. The Plan is registered under the Pension Benefits Act, (Ontario), Registration #0355230.

At the date of the last actuarial valuations and publicly available financial information, there were no unfunded liabilities related to either past service or to amendments to the Plan.

During the year, the Council made employer contributions to the plan of approximately \$27,506 (\$17,881 in 2020).

### 10. Internally Restricted Net Assets

The Executive Committee restricted net assets that can only be used for the following specific purposes:

Net assets restricted for Project Fund provide net assets to fund granting activities by the Council made to Communities of Faith within the Region.

Net assets restricted for short and long-term internal reserves provide net assets to fund operations in future years when the Council is experiencing fiscal challenges due to unanticipated revenue losses or unanticipated operating expenses.

During the year, the Executive Committee has restricted net assets in the amount of \$400,000 for the Project Fund and \$200,000 for internal reserves.



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# PRAIRIE TO PINE REGIONAL COUNCIL

## Notes to Non-Consolidated Financial Statements

**For the year ended December 31, 2021**

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### 11. Financial Instrument Risk

The Council is exposed to different types of risk in the normal course of operations. The Council's objective in risk management is to optimize the risk return trade-off, within set limits, by applying integrated risk management and control strategies, policies and procedures throughout the Council's activities.

#### Credit Risk

Credit risk is the risk that one party to a financial instrument fails to discharge an obligation and causes financial loss to another party. Financial instruments which potentially subject the Council to credit risk consist principally of accounts receivable.

The Council is not exposed to significant credit risk as the receivable is spread among a broad client base and payment in full is typically collected when it is due. The Council establishes an allowance for doubtful accounts that represents its estimate of potential credit losses. The allowance for doubtful accounts is based on management's estimates and assumptions regarding current market conditions, customer analysis and historical payment trends. These factors are considered when determining whether past due accounts are allowed for or written off. The risk has not changed in the year.

#### Market Risk

Market risk is the risk the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. The Council is not exposed to significant market risk.

#### Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. The Council is not exposed to significant interest rate risk. Its cash is held in short-term or variable rate products.

#### Foreign Currency Risk

The Council is not exposed to significant foreign currency risk as it does not have any financial instruments denominated in foreign currency and the number of transactions in foreign currency are minimal.