

PRAIRIE TO PINE REGIONAL COUNCIL

Non-Consolidated Financial Statements
For the year ended December 31, 2025

PRAIRIE TO PINE REGIONAL COUNCIL

Non-Consolidated Financial Statements

For the year ended December 31, 2025

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Independent Auditor's Report

To the Executive Council 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, 2025, 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, 2025, and results of its 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 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 6, 2026

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

December 31	2025	2024
Assets		
Current Assets		
Cash and bank	\$ 153,625	\$ 420,979
Short-term investments (Note 3)	1,272,043	592,962
Accounts receivable	34,902	24,444
Other receivables	9,915	12,900
Prepaid expenses	1,437	1,178
Due from related party (Note 4)	6,650	17,436
Due from Prairie to Pine United Church Development Inc. (Note 5)	34,833	19,787
	<u>1,513,405</u>	<u>1,089,686</u>
Long-term investments (Note 3)	<u>356,211</u>	<u>556,605</u>
	<u>\$ 1,869,616</u>	<u>\$ 1,646,291</u>
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	\$ 9,496	\$ 13,467
Due to related party (Note 4)	25,285	9,068
Deferred revenue (Note 7)	10,673	10,673
Designated funds (Note 8)	383,706	390,341
	<u>429,160</u>	<u>423,549</u>
Commitments (Note 9)		
Net Assets		
Unrestricted	599,937	395,242
Internally restricted net assets (Note 11)		
Project Fund	588,600	600,000
Internal Reserves	200,000	200,000
Pastoral Relations Discretionary Fund	11,500	12,500
Regional P2P Council Meeting Fund	30,000	15,000
Conflict Resolution Fund	5,000	-
Leadership Training and Special Projects Fund	5,419	-
	<u>1,440,456</u>	<u>1,222,742</u>
	<u>\$ 1,869,616</u>	<u>\$ 1,646,291</u>

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

For the year ended December 31	2025	2025	2024
	Budget	Actual	Actual
Revenue			
The United Church of Canada (Note 4)	\$ 572,000	\$ 587,396	\$ 589,270
Donations	14,000	365,801	429,679
Investment income	14,000	53,508	59,784
Event fees	-	8,456	6,820
Miscellaneous income	-	734	1,000
Sales of goods and services	-	255	317
	<u>600,000</u>	<u>1,016,150</u>	<u>1,086,870</u>
Expenses			
Allocations and payments to programs	156,100	161,820	217,056
Annual meeting	20,000	5,810	4,275
General funds	60,825	62,500	57,541
Office and administration	44,962	50,149	49,719
Staffing costs	505,980	518,157	490,068
	<u>787,867</u>	<u>798,436</u>	<u>818,659</u>
Excess (deficiency) of revenue over expenses	\$ (187,867)	\$ 217,714	\$ 268,211

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

2025

2024

	Unrestricted	Project Fund	Internally Restricted (Note 11)				Total	Total	
			Internal Reserves	Pastoral Relations Discretionary Fund	Regional Council Meeting Fund	Conflict Resolution Fund			Leadership Training and Special Projects Fund
Balance, beginning of year	\$ 395,242	\$ 600,000	\$ 200,000	\$ 12,500	\$ 15,000	\$ -	\$ -	\$ 1,222,742	\$ 954,531
Excess of revenue over expenses	217,714	-	-	-	-	-	-	217,714	268,211
Internal transfers	(13,019)	(11,400)	-	(1,000)	15,000	5,000	5,419	-	-
Balance, end of year	\$ 599,937	\$ 588,600	\$ 200,000	\$ 11,500	\$ 30,000	\$ 5,000	\$ 5,419	\$ 1,440,456	\$ 1,222,742

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	2025	2024
Cash flows provided by (used in):		
Cash Flows from Operating Activities		
Excess of revenue over expenses	\$ 217,714	\$ 268,211
Adjustments for non-cash items		
Accounts receivable	(10,458)	(12,513)
Other receivables	2,985	3,600
Prepaid expenses	(259)	836
Due from related party	10,786	2,017
Due to related party	16,217	775
Accounts payable and accrued liabilities	(3,971)	(1,079)
Designated funds	(6,635)	69,224
Due from Prairie to Pine United Church Development Inc.	(15,046)	(3,920)
	<u>211,333</u>	<u>327,151</u>
Cash Flows from Investing Activities		
Proceeds of disposal of investments	545,191	888,448
Purchase of investments	(1,023,878)	(938,640)
	<u>(478,687)</u>	<u>(50,192)</u>
Increase (decrease) in cash and cash equivalents	(267,354)	276,959
Cash and cash equivalents, beginning of year	420,979	144,020
Cash and cash equivalents, end of year	\$ 153,625	\$ 420,979

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

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

For the year ended December 31, 2025

1. 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 Ministers, 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.

2. Summary of Significant Accounting Policies

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.

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

For the year ended December 31, 2025

2. 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 Council 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.

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

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

For the year ended December 31, 2025

2. Summary of Significant Accounting Policies (continued)

Financial Instruments

Arm's length financial instruments are recorded at fair value at initial recognition.

Related party financial instruments quoted in an active market or those with observable inputs significant to the determination of fair value or derivative contracts are recorded at fair value at initial recognition. All other related party financial instruments are recorded at cost at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

Post Retirement Benefit Plan

The employees of the Council participate in a contributory, multi-employer pension plan administered nationally by The United Church of Canada, where benefits are based upon career contributions. Defined contribution plan accounting is applied to this pension plan.

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.

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

For the year ended December 31, 2025

3. Investments

	2025	2024
Conexus CU GIC - 4.05%, maturing August 21, 2026	\$ 163,395	\$ 157,035
Conexus CU GIC - 3.30%, maturing December 22, 2026	168,986	163,587
Conexus CU GIC - 3.40%, maturing January 9, 2026	300,000	-
Conexus CU GIC - 2.90%, maturing March 3, 2026	164,100	-
Conexus CU GIC - 2.80%, maturing March 28, 2026	152,563	-
Conexus CU GIC - 3.05%, maturing August 21, 2027	104,997	-
Conexus CU GIC - 2.85%, maturing November 28, 2026	300,000	-
Conexus CU GIC - 4.37%, maturing March 3, 2025	-	157,229
Conexus CU GIC - 4.45%, maturing March 15, 2025	-	102,519
Conexus CU GIC - 4.70%, maturing March 28, 2025	-	203,021
Conexus CU GIC - 4.10%, maturing August 21, 2025	-	104,997
Assiniboine CU GIC - 3.65%, maturing April 5, 2027	13,235	12,769
Assiniboine CU GIC - 3.65%, maturing April 4, 2027	2,153	2,078
Assiniboine CU GIC - 2.40%, maturing March 13, 2028	728	-
Assiniboine CU GIC - 2.25%, maturing May 9, 2028	732	-
Assiniboine CU GIC - 2.50%, maturing September 17, 2028	759	-
Assiniboine CU GIC - 3.65%, maturing March 22, 2027	1,979	1,909
Assiniboine CU GIC - 2.80%, maturing September 26, 2028	1,367	1,329
Assiniboine CU GIC - 0.10%, maturing March 13, 2025	-	727
Assiniboine CU GIC - 0.50%, maturing May 9, 2025	-	729
Assiniboine CU GIC - 2.50%, maturing September 17, 2025	-	740
Scotia Wealth GIC - 4.37%, maturing December 21, 2026	23,000	23,000
Scotia Wealth GIC - 4.26%, maturing December 22, 2028	25,500	25,500
Scotia Wealth GIC - 4.35%, maturing December 21, 2027	23,000	23,000
Scotia Wealth GIC - 4.51%, maturing December 22, 2025	-	23,000
Scotia Wealth fixed income investments	181,760	95,729
Scotia Wealth equity investments	-	50,669
	1,628,254	1,149,567
Less due within one year	(1,272,043)	(592,962)
	\$ 356,211	\$ 556,605

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

For the year ended December 31, 2025

4. Due from Related Parties

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

	2025	2024
Grants from the United Church of Canada	<u>\$ 587,396</u>	<u>\$ 589,270</u>

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:

	2025	2024
Due from Northern Spirit Regional Council	\$ 4,394	\$ 7,045
Due from Living Skies Regional Council	<u>2,256</u>	<u>10,391</u>
	<u>\$ 6,650</u>	<u>\$ 17,436</u>
Due to United Church of Canada	<u>(25,285)</u>	<u>(9,068)</u>

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 Councils 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, 2025

5. Prairie to Pine United Church Development Inc.

The Prairie to Pine United Church Development Inc. (CDI) 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 CDI 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 CDI is managed by a Board of Directors appointed from the members of the CDI, 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 from 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>2025</u>	<u>2024</u>
Grants received from the Organization	\$ 15,046	19,787

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, 2025 and 2024 and for the years then ended are as follows:

	<u>2025</u>	<u>2024</u>
Cash	\$ 46,520	\$ 45,196
Long-term investments	2,555,244	2,322,196
	<u>\$ 2,601,764</u>	<u>\$ 2,367,392</u>

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

For the year ended December 31, 2025

5. Prairie to Pine United Church Development Inc. (continued)

	2025	2024
Grants payable	\$ 17,961	\$ 8,975
Due to related party	34,833	19,787
	52,794	28,762
Net Assets		
Externally restricted	2,548,970	2,338,630
	\$ 2,601,764	\$ 2,367,392
Revenues		
Investment income	\$ 363,348	\$ 281,109
Expenses		
Investment management fees	11,782	12,088
Other grants expended	126,180	152,471
	225,386	116,550
Grants expended to Prairie to Pine Regional Council	15,046	19,787
Excess of revenues over expenses	\$ 210,340	\$ 96,763

6. Capital Assets

	2025		2024	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Office equipment	\$ 2,099	\$ 2,099	\$ 2,099	\$ 2,099
Net book value		\$ -		\$ -

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

For the year ended December 31, 2025

7. Deferred Revenue

	2025	2024
Unspent grants received for the promotion of the programs of the United Church of Canada	\$ 10,673	\$ 10,673

8. Designated Funds

	2025	2024
Trusts		
Archives Sale of Property Fund	\$ 197,951	\$ 211,654
Archives Project - Winnipeg Foundation	2,500	2,500
McArthur Estate	9,932	9,932
Neechi	6,175	3,250
Oral History Archive Trust	4,257	4,257
	220,815	231,593
Special Funds		
Archives Special Funds	863	863
BIRS	8,145	500
Bursary Fund	7,793	2,093
Education & Students 2015	-	1,000
Effective Leadership events 2013-2015	-	685
Keewatin	128,858	128,858
Ministry and Personnel - future projects	-	5,234
Overview & Visioning event 2014	-	2,500
Youth Events	14,912	14,695
Youth Leadership Development	2,320	2,320
	162,891	158,748
	\$ 383,706	\$ 390,341

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.

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

For the year ended December 31, 2025

9. Commitments

The Council has an operating lease for its buildings ending December 31, 2026. The following are the future minimum lease payments:

2026	\$ <u>30,000</u>
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10. 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 \$36,710 (\$35,353 in 2024).

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

For the year ended December 31, 2025

11. 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.

Net assets restricted for Pastoral Relations Discretionary Fund provide net assets to support ministry personnel in emergency circumstances.

Net assets restricted for Regional Council Meeting Fund provide net assets to support expenses expected to be incurred for future in-person Regional Council Meetings planned every three years.

Net assets restricted for Conflict Resolution Fund provide net assets to support the training of regionally appointed Conflict Resolution Facilitators and to provide funding for honoraria and reimbursement of expenses for a facilitator who is engaged by the region to provide services in conflict resolution.

Net assets restricted for Leadership Training and Special Projects fund provide net assets to support the work of the Pastoral Relations Committee and its support committees to provide seed money or funds to enhance budget if required.

12. 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.

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

For the year ended December 31, 2025

12. Financial Instrument Risk (continued)

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 as its cash and cash equivalents are held in short-term investments or variable rate products. The risk has not changed in the year.

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.