

PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
FINANCIAL STATEMENTS
AS AT JUNE 30, 2025

PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Prince Edward County Community Foundation:

Opinion

We have audited the financial statements of Prince Edward County Community Foundation (the Organization), which comprise the statement of financial position as at June 30, 2025 and the statements of revenue, expenditures and fund balances and 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 June 30, 2025, 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 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 these 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.

**INDEPENDENT AUDITOR'S REPORT
(CONT'D)**

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.

Wilkinson & Company LLP

BELLEVILLE, Canada
November 25, 2025

Chartered Professional Accountants
Licensed Public Accountants

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**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
STATEMENT OF FINANCIAL POSITION AS AT JUNE 30, 2025**

	2025				2024
	Operating	Unrestricted	Restricted	Total	Total
	Fund	Fund	Fund		
	\$	\$	\$	\$	\$
					(Restated - Note 2)
ASSETS					
CURRENT					
Cash	567,775	49,045	477,000	1,093,820	839,726
Accounts receivable	3,648		7,500	11,148	39,218
Accrued interest	4,250			4,250	21,563
Investments - Note 4	153,468	258,905	9,046,023	9,458,396	9,741,730
Government remittances receivable (payable)	9,345	(2)	517	9,860	8,279
	738,486	307,948	9,531,040	10,577,474	10,650,516
TANGIBLE CAPITAL ASSETS - at cost					
less accumulated amortization - Note 5	5,980			5,980	962
	744,466	307,948	9,531,040	10,583,454	10,651,478
LIABILITIES					
CURRENT					
Funds held on behalf of other parties - Note 6	35,790			35,790	35,699
Accounts payable and accrued liabilities	26,742			26,742	30,017
	62,532	NIL	NIL	62,532	65,716
FUND BALANCES	681,934	307,948	9,531,040	10,520,922	10,585,762
COMMITMENTS - Note 8					
APPROVED ON BEHALF OF THE BOARD					
_____ Director					
	744,466	307,948	9,531,040	10,583,454	10,651,478

The accompanying notes form an integral part of these financial statements

PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
STATEMENT OF REVENUE, EXPENDITURES AND FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	2025				2024
	Operating	Unrestricted	Restricted	Total	Total
	Fund	Fund	Fund		
	\$	\$	\$	\$	\$
					(Restated - Note 2)
REVENUE					
Donations	49,214	91,953	1,259,083	1,400,250	3,818,685
Investment income - Note 9	58,775	32,294	1,151,963	1,243,032	945,057
Philanthropic service and investment management fees	256,620			256,620	180,505
Project management	82,333	31,000		113,333	99,803
Operating subsidy	9,466		8,111	17,577	4,800
Miscellaneous					6,824
	456,408	155,247	2,419,157	3,030,812	5,055,674
EXPENDITURES					
Administrative fees		4,999	250,617	255,616	180,505
Advertising, promotion and communications	10,065	1,500		11,565	12,381
Amortization of tangible capital assets	2,169			2,169	107
Bank charges	1,302			1,302	1,752
Computers, software and services	18,126			18,126	23,966
Consulting fees	260			260	1,687
Fund expense			7,866	7,866	24,007
Investment management fees	43,972			43,972	38,203
Liability insurance	1,761			1,761	1,716
Meals and entertainment					3,183
Meetings, conferences and training	13,422			13,422	4,287
Membership - CFC	2,740	300		3,040	3,380
Office expenses	6,409		900	7,309	3,910
Operating subsidy expense	8,111	9,319	147	17,577	4,800
Professional fees	42,489			42,489	24,664
Rent	9,159			9,159	8,753
Subcontracted services		7,796		7,796	81,598
Wages	202,054	38,538	2,950	243,542	181,953
	362,039	62,452	262,480	686,971	600,852
EXCESS OF REVENUE OVER EXPENDITURES BEFORE THE UNDERNOTED	94,369	92,795	2,156,677	2,343,841	4,454,822
Grants/donations to qualified donees		264,289	2,144,392	2,408,681	1,761,302
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	94,369	(171,494)	12,285	(64,840)	2,693,520
FUND BALANCES - BEGINNING OF YEAR	595,961	283,769	9,706,032	10,585,762	7,892,242
TRANSFERS BETWEEN FUND BALANCES - Note 10	(8,396)	195,673	(187,277)		
FUND BALANCES - END OF YEAR	681,934	307,948	9,531,040	10,520,922	10,585,762

The accompanying notes form an integral part of these financial statements

PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JUNE 30, 2025

	2025 \$	2024 \$ (Restated - Note 2)
OPERATING ACTIVITIES		
Excess of revenue over expenditures (expenditures over revenue) for year	(64,840)	2,693,520
Adjustment for items which do not affect cash -		
Amortization of tangible capital assets	2,169	107
Gain on sale of portfolio investments	(150,876)	(12,747)
Change in unrealized gain on portfolio investments	(504,096)	(524,482)
	(717,643)	2,156,398
Net change in non-cash working capital balances related to operations:		
Accounts receivable	28,070	(33,189)
Accrued interest	17,313	(20,844)
Government remittances receivable	(1,581)	1,756
Funds held on behalf of other parties	91	(1,098)
Accounts payable and accrued liabilities	(3,275)	(12,118)
CASH FLOWS PROVIDED FROM (USED IN) OPERATING ACTIVITIES	(677,025)	2,090,905
INVESTING ACTIVITIES		
Purchase of tangible capital assets	(7,187)	(1,069)
Purchase of portfolio investments	(1,569,872)	(5,396,224)
Proceeds from disposition of portfolio investments	2,504,455	1,317,428
CASH FLOWS PROVIDED FROM (USED IN) INVESTING ACTIVITIES	927,396	(4,079,865)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS FOR YEAR	250,371	(1,988,960)
CASH AND CASH EQUIVALENTS - BEGINNING OF YEAR	845,788	2,834,748
CASH AND CASH EQUIVALENTS - END OF YEAR	1,096,159	845,788
REPRESENTED BY:		
Cash	1,093,820	839,726
Cash - Investments - Note 4	2,339	6,062
	1,096,159	845,788

The accompanying notes form an integral part of these financial statements

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

1. NATURE OF ORGANIZATION

Prince Edward County Community Foundation is a not-for-profit organization, incorporated under the laws of Ontario, without share capital.

The Organization works with private donors, communities and charitable organizations to stimulate charitable giving, establish permanent endowment funds and support initiatives which make an ongoing difference in all areas of Prince Edward County.

The Organization is a registered charity under the Income Tax Act of Canada, and accordingly, is not subject to income tax.

2. RESTATEMENT OF PRIOR PERIOD

Effective July 1, 2024, the Organization changed the revenue recognition policy from deferred method to restricted fund method and the fund classification used on the financial statements. This is the reason for the restatement and there was no new information that came forth during this audit that caused the restatement. As a result of this change, unrestricted and restricted funds held on behalf of other parties that were previously reported as a liabilities are now reported as their own fund balance.

In order to update the fund classification, the financial statements for the fiscal year ending June 30, 2024 has been restated as follows:

	2024 As previously Reported \$	2024 Revision \$	2024 Restated \$
Statement of Financial Position			
Cash	644,496	195,230	839,726
Cash held on behalf other funds	195,230	(195,230)	
Funds held on behalf of other parties	(9,672,120)	9,636,421	(35,699)
Deferred contributions	(30,500)	30,500	

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

2. RESTATEMENT OF PRIOR PERIOD (Cont'd)

	2024 As previously Reported \$	2024 Revision \$	2024 Restated \$
Statement of Revenue, Expenditures and Fund Balances			
Donations	184,833	3,633,852	3,818,685
Investment income	121,063	823,994	945,057
Philanthropic service and investment management fees	172,225	8,280	180,505
Grants	81,393	(81,393)	
Project management	37,925	61,878	99,803
Miscellaneous	2,809	4,015	6,824
Admin fee expense		(180,505)	(180,505)
Advertising, promotion and communication	(18,641)	6,260	(12,381)
Bank charges	(1,859)	107	(1,752)
Consulting fees	(1,782)	95	(1,687)
Fund management fees	(548)	548	
Grant/donations to other parties	(42,581)	42,581	
Fund expense		(24,007)	(24,007)
Investment management fees	(34,453)	(3,750)	(38,203)
Meals and entertainment	(7,337)	4,154	(3,183)
Office expenses	(5,015)	1,105	(3,910)
Operating subsidy expense		(4,800)	(4,800)
Professional fees	(28,014)	3,350	(24,664)
Wages	(201,222)	19,269	(181,953)
Grants/donations to qualified donees	(94,827)	(1,666,475)	(1,761,302)
<hr/>			
EXCESS OF REVENUE OVER EXPENDITURES FOR YEAR	109,531	2,583,989	2,693,520
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FUND BALANCES - BEGINNING OF YEAR	809,310	7,082,932	7,892,242
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**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

3. ACCOUNTING POLICIES

Outlined below are those accounting policies adopted by the Organization considered to be particularly significant:

(a) Basis of Accounting

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations.

(b) Accounting Estimates

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. The most significant management estimates relate to the valuation of deferred contributions. Actual results could differ from these estimates.

(c) Fund Accounting

The Organization follows the restricted fund method of accounting for contributions.

- (i) The Operating Fund is an unrestricted fund that accounts for the Organization's day-to-day operating and administrative activities.
- (ii) The Unrestricted Fund is for disbursements made to meet the ever-changing community needs.
- (iii) The Restricted Fund is for disbursements to the donor's field of interest, specified charity, annual donor choices or for scholarships/bursaries.

Administrative fees and investment management fees are allocated between the Organization's operating funds, unrestricted funds, restricted funds, and funds held on behalf of other parties based on the respective funds' average quarterly balance during the year.

(d) Contributed Services

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

3. ACCOUNTING POLICIES (Cont'd)

(e) Investments

Investments are acquired substantially for their income earning potential and are initially recorded at their acquisition cost, which is their fair value. Investments are subsequently adjusted to fair value as at the date of the statement of financial position, and the corresponding unrealized gains and losses are recorded in the liability funds held on behalf of other parties in the statement of financial position.

(f) Tangible Capital Assets

Tangible capital assets are stated at acquisition cost. Gains or losses on the disposal of individual assets are recognized in the Statement of Revenue, Expenditures and Fund Balances in the year of disposal. Amortization of tangible capital assets, which is based on estimated useful life, is calculated on the following bases and at the rates set out below:

Asset	Basis	Rate
Equipment	Declining balance	20%
Computer equipment	Declining balance	20%

(g) Revenue Recognition

Unrestricted donations are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted donations are recognized as revenue in the year in which the related expenses are recognized.

Unrestricted investment income, earned on funds held and managed on behalf of other parties, is recognized as revenue according to the fund agreements.

The Organization is funded primarily by government and specific private sector grants in support of well defined programs. Operating grants are recorded as revenue in the period in which they relate. Grants approved but not received at the end of the accounting period are accrued. Where a portion of the grant relates to a future period, it is deferred and recognized in that subsequent period. These financial statements reflect agreed arrangements approved by the Board.

Pursuant to the related agreements, if the Organization does not meet the requirements set in the agreement, the funders are entitled to seek refunds.

Unrestricted philanthropic service fees and investment management fees, earned on funds held and managed on behalf of other parties, are recognized as revenue quarterly at the rates specified in the fund agreements.

Unrestricted project management is recognized as revenue as earned.

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

3. ACCOUNTING POLICIES (Cont'd)

(h) Web-based Subscriptions

Payments for web-based subscriptions are accounted for using the simplification approach under Accounting Guideline AcG-20 and recognized as an expense as services are received.

(i) Cash and Equivalents

Cash and equivalents, primarily on behalf of the managed funds, consist of cash on deposit and bank term deposits in money market instruments with maturity dates of less than three months from the date they are acquired.

(j) Financial Instruments

(i) Measurement of Financial Instruments

The Organization initially measures its financial assets and liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures all its financial assets and financial liabilities at amortized costs, except for equities quoted in an active market and funds held on behalf of other parties, which are subsequently measured at fair value. Changes in fair value are recognized in funds held on behalf of other parties' liability.

Financial assets measured at fair value include investments.

Financial assets measured at amortized cost include cash, accounts receivable, accrued interest and government remittances receivable.

Financial liabilities measured at amortized cost include funds held on behalf of other parties and accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is reflected in excess (deficiency) of revenue over expenditures. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in excess (deficiency) of revenue over expenditures up to the amount previously recognized as impaired.

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

4. INVESTMENTS

The book values and fair market values of investments as at June 30 are as follows:

	2025		2024	
	Book Value \$	Market Value \$	Book Value \$	Market Value \$
Cash	2,339	2,339	6,062	6,062
Mutual fund	8,279,520	9,350,557	8,068,727	8,635,668
Guaranteed investment certificates	105,500	105,500	1,100,000	1,100,000
Balance - End of year	8,387,359	9,458,396	9,174,789	9,741,730

The guaranteed investment income certificate holds an effective interest rate of 4.25% and matures in June 2027.

During the year, the Organization sold investments for cash consideration of \$2,504,455 (2024 - \$1,317,428), resulting in a realized gain on disposal of \$150,876 (2024 - \$12,747). During the year, the Organization recognized a current year change in unrealized gain on portfolio investments of \$504,095 (2024 - \$524,482).

5. TANGIBLE CAPITAL ASSETS

	2025		2024	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Equipment	1,069	299	1,069	107
Computer equipment	7,187	1,977		
	8,256	2,276	1,069	107
Cost less accumulated amortization	\$ 5,980		\$ 962	

During the year, property, plant and equipment was acquired for cash consideration at an aggregate cost of \$7,187 (2024 - \$1,069).

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

6. FUNDS HELD ON BEHALF OF OTHER PARTIES

Asset balances held for other parties are included as investment assets of the Organization, with an offsetting current liability amount as these funds may be withdrawn at any time.

7. WEB-BASED SUBSCRIPTIONS

During the year, total web-based subscriptions of \$13,869 (2024 - \$18,815) were expensed, which is included in computer expenses on the statement of revenue, expenditures and fund balances, as described in Note 3(h) to these financial statements.

8. LEASE COMMITMENTS

The Organization has entered into an agreement to lease office space. This operating lease expires in January 2026. The minimum rental payment required under this lease agreement over the next year is as follows:

	\$
2026	5,299

9. INVESTMENT INCOME

Investment income net of investment counsel fees is reported as follows:

	2025 \$	2024 \$
Interest income	31,110	92,735
Dividend income	562,391	318,946
Realized capital gain	150,876	12,747
Change in unrealized capital gain	504,096	524,482
Management fees	(5,441)	(3,853)
	1,243,032	945,057

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

10. TRANSFERS BETWEEN FUND BALANCES

During the year, the Organization temporarily transferred the following between the Operating Fund, the Unrestricted Fund and the Restricted Fund

- \$8,396 (2024 - \$Nil) from the Operating Fund to the Unrestricted Fund;
- \$8,396 (2024 - \$Nil) from the Unrestricted Fund to the Operating Fund;
- \$187,277 (2024 - \$Nil) from the Unrestricted Fund to the Restricted Fund; and
- \$187,277 (2024 - \$Nil) from the Restricted Fund to the Unrestricted Fund.

11. RELATED PARTY TRANSACTIONS

Directors and key management personnel are related parties of the Organization due to their authority for planning, directing and controlling activities of the Organization. During the year, the Organization received donations from these parties totalling \$3,413 (2024 - \$1,596).

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

12. FINANCIAL RISKS AND CONCENTRATION OF RISK

The risks that arise from transacting financial instruments include interest rate risk, liquidity risk and market (other price) risk. Price risk arises from changes in interest rates, foreign currency exchange rates and market prices.

(a) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as a result of market factors. Market factors include three types of risk: interest rate risk, currency risk and equity risk.

(b) Interest Rate Risk

Interest rate risk is the potential for financial loss caused by fluctuations in fair value or future cash flows of financial instruments because of changes in market interest rates. Management mitigates interest rate risk by holding diversified funds and any losses within managed funds reduce the related liability account.

The Organization is exposed to interest rate risk through its interest-bearing investments within the balanced fund as disclosed in Note 4 to these financial statements. As prevailing interest rates increase or decrease, the market value of the interest-bearing investments will change.

**PRINCE EDWARD COUNTY COMMUNITY FOUNDATION
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025**

12. FINANCIAL RISKS AND CONCENTRATION OF RISK (Cont'd)

(c) Currency Risk

Currency risk relates to the Organization operating in different currencies and converting non-Canadian earnings at different points in time at different foreign exchange levels when adverse changes in foreign currency exchange rates occur.

The Organization is not exposed to this risk as it does not deal in other currencies.

(d) Equity Risk

Equity risk is the uncertainty associated with the valuation of assets arising from changes in equity markets. The Organization is exposed to equity risk as it holds equity investments as described in Note 4 to these financial statements.

The risk is mitigated through the holding of diversified mutual funds and any losses within managed funds reduce the related liability account.

(e) Liquidity Risk

Liquidity risk is the risk that the Organization will not be able to meet all cash outflow obligations as they come due.

The Organization's exposure to liquidity risk is dependent on the receipt of funds from its operations. The Organization mitigates this risk by monitoring cash activities and expected outflows. Management is of the opinion that the Organization will be able to meet all of its cash flow obligations as they come due and is not subject to significant liquidity risk.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure this risk.

(f) Credit Risk

Credit risk is the risk of financial loss to the Organization if a debtor fails to make payments of interest and principal when due.

The Organization is exposed to this risk relating to its fixed income instruments in its investment portfolio. This risk is mitigated through the Organization's investment policy which is risk adverse and any losses within managed funds reduce the related liability account.

Accounts receivable are short term in nature and are not subject to material credit risk. The maximum exposure to credit risk and concentration of this risk is limited to the carrying value of these instruments.

There have been no significant changes from the previous period in the exposure to risk or policies, procedures and methods used to measure this risk.