
**THE LUTHERAN COLLEGIATE
BIBLE INSTITUTE**

FINANCIAL STATEMENTS

FOR THE YEAR ENDED JUNE 30, 2025

INDEPENDENT AUDITORS' REPORT

To the Board of Regents of
The Lutheran Collegiate Bible Institute

Qualified Opinion

We have audited the accompanying financial statements of The Lutheran Collegiate Bible Institute, which comprise the statement of financial position as at June 30, 2025 and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, along with the summary of significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* paragraph, the financial statements present fairly, in all material respects, the financial position of The Lutheran Collegiate Bible Institute 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 Qualified Opinion

In common with many charitable organizations, the institute derives revenue from the general public in the form of donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of revenue was limited to the amounts recorded in the records of the institute and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses for the year, assets and fund balances.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of The Lutheran Collegiate Bible Institute 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 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 Lutheran Collegiate Bible Institute's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate The Lutheran Collegiate Bible Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing The Lutheran Collegiate Bible Institute's financial reporting process.

Auditors' 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 auditors' 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 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 Lutheran Collegiate Bible Institute'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 Lutheran Collegiate Bible Institute's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause The Lutheran Collegiate Bible Institute 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.

Heagy LLP

CHARTERED PROFESSIONAL ACCOUNTANTS
Saskatoon, SK
November 24, 2025

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30

	Current Fund \$	Capital Fund \$	Trust Fund \$	Total 2025 \$	Total 2024 \$
ASSETS (note 7)					
CURRENT ASSETS					
Cash	91,896	130,000	748	222,644	151,712
Short-term investments (note 4)	195,000	-	-	195,000	-
Accounts receivable (note 3)	54,223	-	-	54,223	35,815
Inventory	3,150	-	-	3,150	3,150
Prepaid expenses	60,222	-	-	60,222	33,798
	404,491	130,000	748	535,239	224,475
LONG-TERM INVESTMENTS (note 4)	94,080	-	979,325	1,073,405	910,532
OTHER INVESTMENTS (note 5)	59,401	-	-	59,401	57,901
TANGIBLE CAPITAL ASSETS (notes 6 and 9)	-	1,048,901	-	1,048,901	948,864
	557,972	1,178,901	980,073	2,716,946	2,141,772
LIABILITIES					
CURRENT LIABILITIES					
Accounts payable and accrued liabilities	291,684	-	-	291,684	241,702
Government remittances payable	40,847	-	-	40,847	33,147
Deferred revenue	52,976	-	-	52,976	76,621
Current portion of long- term debt	45,500	-	10,000	55,500	46,900
Interfund balance	(90,050)	-	90,050	-	-
	340,957	-	100,050	441,007	398,370
LONG-TERM DEBT (note 9)	451,383	-	-	451,383	502,427
	792,340	-	100,050	892,390	900,797
FUND BALANCES					
FUND BALANCES	(234,368)	1,178,901	880,023	1,824,556	1,240,975
	557,972	1,178,901	980,073	2,716,946	2,141,772

SIGNED ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED

JUNE 30

	Current Fund \$	Capital Fund \$	Trust Fund \$	Total 2025 \$	Total 2024 \$
BALANCE (DEFICIT) - BEGINNING OF YEAR	(525,031)	948,864	817,142	1,240,975	1,293,978
Excess (deficiency) of revenue over expenses for the year	438,644	45,373	99,564	583,581	(53,003)
	(86,387)	994,237	916,706	1,824,556	1,240,975
Interfund transfers - Interfund transfer (note 13)	36,683	-	(36,683)	-	-
Purchase of tangible capital assets	(184,664)	184,664	-	-	-
	(147,981)	184,664	(36,683)	-	-
BALANCE (DEFICIT) - END OF YEAR	(234,368)	1,178,901	880,023	1,824,556	1,240,975
FUND BALANCES CONSIST OF:					
Unrestricted	(234,368)	-	-	(234,368)	(525,031)
Invested in tangible capital assets	-	1,048,901	-	1,048,901	948,864
Externally restricted (note 8)	-	130,000	880,023	1,010,023	817,142
	(234,368)	1,178,901	880,023	1,824,556	1,240,975

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

STATEMENT OF REVENUE AND EXPENSES

FOR THE YEAR ENDED

JUNE 30

	Current Fund \$	Capital Fund \$	Trust Fund \$	Total 2025 \$	Total 2024 \$
REVENUE					
Donations and bequests	1,088,641	130,000	5,200	1,223,841	614,680
Min. of Education grant	836,000	-	-	836,000	821,368
Dining and other meals	299,865	-	-	299,865	260,748
Tuition and other fees	265,027	-	-	265,027	289,600
Room rentals	229,824	-	-	229,824	211,333
Fund raising and self-financing activities	152,263	-	-	152,263	152,039
Other rentals	58,107	-	-	58,107	41,801
Miscellaneous grants	51,993	-	-	51,993	32,266
Unrealized gain on portfolio investments	-	-	48,464	48,464	47,722
Investment income	6,040	-	40,389	46,429	48,198
Interest and miscellaneous	18,178	-	12,329	30,507	21,774
Loss on disposal of portfolio investments	-	-	-	-	(3,588)
	3,005,938	130,000	106,382	3,242,320	2,537,941
EXPENSES					
Salaries and benefits	1,627,255	-	-	1,627,255	1,570,807
Food and food services	160,515	-	-	160,515	133,456
Utilities	138,243	-	-	138,243	131,447
Repairs and maintenance	115,808	-	-	115,808	191,678
Fund raising and program activities	108,931	-	-	108,931	87,637
Depreciation	-	84,627	-	84,627	74,164
Classroom supplies	78,504	-	-	78,504	72,310
Office and miscellaneous	71,494	-	6,818	78,312	78,283
Consulting services	46,762	-	-	46,762	-
Insurance	38,105	-	-	38,105	37,200
Travel	35,108	-	-	35,108	24,478
Scholarships and bursaries	31,377	-	-	31,377	39,985
Promotion	20,070	-	-	20,070	19,732
Interest on long-term debt	16,888	-	-	16,888	18,256
Professional fees	15,064	-	-	15,064	21,412
Telephone	12,931	-	-	12,931	11,118
Graduation and yearbook	12,549	-	-	12,549	11,519
Interest and bank charges	9,393	-	-	9,393	9,782
Discounts	8,535	-	-	8,535	7,063
Property taxes	8,161	-	-	8,161	9,271
Mission and outreach	8,043	-	-	8,043	34,668
Associate school admin. fees	3,452	-	-	3,452	4,927
Bad debts	106	-	-	106	1,751
	2,567,294	84,627	6,818	2,658,739	2,590,944
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR					
	438,644	45,373	99,564	583,581	(53,003)

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED
JUNE 30

	Current Fund \$	Capital Fund \$	Trust Fund \$	Total 2025 \$	Total 2024 \$
OPERATING ACTIVITIES					
Excess (deficiency) of revenue over expenses for the year	438,644	45,373	99,564	583,581	(53,003)
Items not affecting cash -					
Depreciation	-	84,627	-	84,627	74,164
Loss on disposal of portfolio investments	-	-	-	-	3,588
Unrealized gain on portfolio investments	-	-	(48,464)	(48,464)	(47,722)
	438,644	130,000	51,100	619,744	(22,973)
Changes in non-cash working capital items (note 11)	(15,673)	-	4,878	(10,795)	(23,395)
Cash Provided By (Used In) Operating Activities	422,971	130,000	55,978	608,949	(46,368)
FINANCING ACTIVITIES					
Repayment of long-term debt	(42,444)	-	-	(42,444)	(81,079)
Cash Used In Financing Activities	(42,444)	-	-	(42,444)	(81,079)
INVESTING ACTIVITIES					
Purchase of tangible capital assets	-	(184,664)	-	(184,664)	(9,613)
Increase in cash surrender value of life insurance	(1,500)	-	-	(1,500)	(1,500)
Proceeds on disposal of portfolio investments	-	-	182,090	182,090	272,259
Purchase of portfolio investments	(289,080)	-	(202,419)	(491,499)	(233,066)
Investment income re- invested	-	-	-	-	(42,133)
Cash Used In Investing Activities	(290,580)	(184,664)	(20,329)	(495,573)	(14,053)
INTERFUND TRANSFERS					
	(147,981)	184,664	(36,683)	-	-
INCREASE (DECREASE) IN CASH POSITION					
	(58,034)	130,000	(1,034)	70,932	(141,500)
CASH POSITION - BEGINNING OF YEAR					
	149,930	-	1,782	151,712	293,212
CASH POSITION - END OF YEAR					
	91,896	130,000	748	222,644	151,712

1. THE ORGANIZATION

The Lutheran Collegiate Bible Institute, incorporated under a special act of the Legislative Assembly of Saskatchewan, operates as a non-profit co-educational school in Outlook, Saskatchewan for the educational, recreational and religious training of pupils therein. The institute is a registered charitable organization and is exempt from income taxes under provisions of the Canadian Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Financial Instruments

The institute 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 institute subsequently measures all financial assets and financial liabilities at amortized cost except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess (deficiency) of revenue over expenses for the year.

Financial assets measured at amortized cost include cash, accounts receivable and Guaranteed Investment Certificates and savings.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable and long-term debt.

The institute's financial assets measured at fair value include other investments and portfolio investments.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized in excess (deficiency) of revenue over expenses for the year. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting an allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess (deficiency) of revenue over expenses for the year.

Inventory

Inventory is valued at the lower of cost and net realizable value using the first-in, first-out method. The value of inventory is regularly reviewed and written down when necessary. If inventory write-downs are subsequently determined recoverable, inventory is written up to its previous cost value, provided the realizable value exceeds its original cost. Otherwise, inventory is written up to its new realizable value. Any write-downs or subsequent reversals of these write-downs are to be disclosed in the financial statements in the period such adjustment is determined.

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Tangible Capital Assets and Depreciation

Tangible capital assets are recorded at cost and amortized over their estimated useful lives. This requires estimation of the useful life of the asset and its salvage and residual value. When management considers that a tangible capital asset no longer contributes to the institute's ability to provide services, its carrying amount is written down to its residual value. As is true of all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Should an adjustment become necessary, it would be reported in earnings in the period in which it became known.

Depreciation of tangible capital assets is calculated using the straight-line method at the following annual rates:

Buildings	40 years
Land improvements	20 years
Furniture and equipment	5 - 10 years
Automotive equipment	5 years

Depreciation on assets acquired during the year is recorded at the full annual rate. There is no depreciation recorded in the year of disposal.

Fund Accounting

Current Fund

The current fund reflects the primary operations of the institute including revenue from tuition and government grants for provision of services. Expenses are for the delivery of services.

Capital Fund

The capital fund is a restricted fund that reflects the equity of the institute in tangible capital assets after taking into consideration any associated long-term debt. Included in the capital fund are restricted donations for various capital projects. Expenses consist primarily of depreciation of tangible capital assets.

Trust Fund

The trust fund is an externally restricted fund maintained for the payment of scholarships, bursaries and designated building or other projects in accordance with the conditions of the trust.

Revenue Recognition

The Lutheran Collegiate Bible Institute follows the restricted fund method for accounting for contributions. Restricted contributions related to general operations are recognized as revenue of the current fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate fund. Unrestricted contributions are recognized as revenue of the current fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2025

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue from student fees is recognized as revenue of the current fund as services are provided if the amount to be received can be reasonably estimated and collection is reasonably assured. Fees received for services not yet rendered are recorded as deferred revenue.

Grant revenue is recognized based on the terms of the granting agreement.

Investment income is recognized as revenue of the related fund when it is earned by the underlying investment. Unrealized gains or losses are recognized based upon fair value at year end for all investments where fair value can be determined by published price quotations in an active market.

Donated Material and Services

The institute benefits from the donation of materials and services from its members and other members of the community. These financial statements reflect the value of donations in kind when goods are received both for operational and capital purposes when fair value can be reasonably estimated. Where the value cannot be determined or when the donations are for services, no gift in kind has been recorded.

Use of Estimates

The preparation of the 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 at the date of the financial statements and the reported amounts of revenue and expenses during the year. Significant items subject to estimate and assumption include the estimated useful lives of tangible capital assets. Actual results could differ from estimates.

3. ACCOUNTS RECEIVABLE

	2025	2024
	\$	\$
Tuition fees receivable	44,162	33,208
GST receivable	7,832	4,863
Miscellaneous receivables	5,091	500
Less: allowance for doubtful accounts	(2,862)	(2,756)
	54,223	35,815

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED
JUNE 30, 2025

4. LONG-TERM INVESTMENTS

	2025 \$	2024 \$
Portfolio investments - Trust	868,325	678,532
BMO Guaranteed Investment Certificates	195,000	-
Guaranteed Investment Certificates and savings - Trust	111,000	232,000
BMO portfolio investments	94,080	-
	1,268,405	910,532
Less: maturing within one year	195,000	-
	1,073,405	910,532

Guaranteed investment certificates mature within one to two years and bear interest between 2.7 to 5.24%.

5. OTHER INVESTMENTS

In a prior year, the institute became the beneficiary on a \$100,000 life insurance policy. At the time it was donated the estimated fair market value was \$55,800.

6. TANGIBLE CAPITAL ASSETS

	Cost \$	Accumulated Depreciation \$	Net Book Value 2025 \$	2024 \$
Land	4,130	-	4,130	4,130
Old Main building	511,535	435,484	76,051	83,225
Administration building	316,448	189,190	127,258	27,612
Gymnasium	490,899	458,012	32,887	7,115
Auditorium and Chapel	166,239	135,871	30,368	33,468
Dean's residence	18,273	15,424	2,849	3,307
Dining hall and lower residence	59,903	59,903	-	276
Custodial house	127,702	49,097	78,605	83,065
President's residence	54,330	44,155	10,175	10,774
Garage	1,000	1,000	-	-
Shop	46,551	26,772	19,779	20,946
Boys' dormitory	415,772	387,976	27,796	29,464
Classroom complex	1,234,975	863,723	371,252	402,124
Rental houses	296,831	126,102	170,729	178,151
Land improvements	43,456	43,134	322	655
Furniture and equipment	944,249	857,949	86,300	64,552
Automotive equipment	290,714	280,314	10,400	-
	5,023,007	3,974,106	1,048,901	948,864

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2025

7. BANK OVERDRAFT

The bank overdraft is secured by a general security agreement and bears interest at a floating rate based on bank prime plus 0.55 percent. The institute's total available overdraft is \$150,000 (2024 - \$150,000). The terms of the overdraft are renegotiated from time to time.

The prime rate at June 30, 2025 was 4.95%.

8. EXTERNALLY RESTRICTED CAPITAL FUND

	2025 \$	2024 \$
Balance - beginning of year	-	-
Donations received - cafeteria project	130,000	-
Balance - end of year	130,000	-

9. LONG-TERM DEBT

	2025 \$	2024 \$
3.3% Prairie Centre Credit Union Ltd. mortgage, payable in blended bi-weekly instalments of \$2,076, maturing January, 2027, secured by land	496,883	539,327
Certificate of Deposit loan, non-interest bearing, repayable upon maturity of contract, due for renewal	10,000	10,000
	506,883	549,327
Less: current portion	55,500	46,900
	451,383	502,427

Assuming the loans will be renewed under terms similar to the existing repayment terms, the principal payments required in each of the next five years to meet retirement provisions based on current loan terms are as follows:

	\$
Year ending June 30, 2026	55,500
2027	45,300
2028	46,800
2029	48,400
2030	50,000

THE LUTHERAN COLLEGIATE BIBLE INSTITUTE

NOTES TO FINANCIAL STATEMENTS

FOR THE YEAR ENDED

JUNE 30, 2025

10. LEASE OBLIGATIONS

The institute leases equipment under a monthly lease expiring in fiscal year end 2026. The fixed minimum annual rental payments in the next year is as follows:

	\$
Year ending June 30, 2026	6,390

11. CHANGES IN NON-CASH WORKING CAPITAL ITEMS

	Current Fund \$	Capital Fund \$	Trust Fund \$	Total 2025 \$	Total 2024 \$
Accounts receivable	(18,408)	-	-	(18,408)	(18,618)
Prepaid expenses	(26,424)	-	-	(26,424)	4,255
Interfund balance	(4,878)	-	4,878	-	-
Accounts payable and accrued liabilities	49,982	-	-	49,982	14,241
Government remittances payable	7,700	-	-	7,700	1,875
Deferred revenue	(23,645)	-	-	(23,645)	(25,148)
	(15,673)	-	4,878	(10,795)	(23,395)

12. EMPLOYEE FUTURE BENEFITS

The institute participates in the Evangelical Lutheran Church in Canada (ELCIC) pension plan, a multi-employer defined contribution plan covering its permanent employees (excluding teachers who are covered with their own government subsidized STF pension plan). Contributions are accumulated in individual accounts. The accounts of all plan members are invested together in a balanced fund where investment returns are allocated to individual accounts.

The institute accrues its obligations under the defined contribution pension plan at the rate of 8% of salary for every 7% contributed by its permanent employees and settles its obligations monthly. The institute has no pension liability beyond the matching amounts noted above.

13. INTERFUND TRANSFERS

During the year, the Board of Directors approved transfers of up to \$55,850 from the trust fund to the current fund to account for the portion of funds that were designated and restricted to the payment of scholarships and bursaries and mission and outreach. Actual amount spent this year was \$36,683.

14. ECONOMIC DEPENDENCE

The institute receives significant funding from the Saskatchewan Government - Ministry of Education. The institute's ability to continue viable operations are dependent upon continued receipt of this funding.

15. FINANCIAL RISKS

Liquidity Risk

Liquidity risk is the risk that the school will not be able to meet its financial obligations as they become due. Liquidity risk also includes the risk of not being able to liquidate assets in a timely manner at a reasonable price. The institute is subject to liquidity risk mainly with respect to its accounts payable and accrued liabilities and long-term debt. This risk is offset by a history of strong support within the community in terms of donations and student enrolment as well as the continuation of government grants. There has been no change in risk exposure from the prior year.

Credit Risk

Credit risk is the risk that financial instrument future cash flows will fluctuate due to changes in the financial position of entities that possess credit with the institute. The institute is subject to credit risk on its accounts receivable. Management has attempted to minimize this risk by maintaining relationships with past students as well as adjusting the balance to reflect expected collectability. There has been no change in risk exposure from the prior year.

Market Risk

Market risk is the risk that financial instrument fair values will fluctuate due to changes in market prices. The institute is subject to market risk on its portfolio investments. There has been no change in risk exposure from the prior year.

Interest Rate Risk

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The institute is subject to interest rate risk on its debt obligations. Management has attempted to minimize this risk by negotiating the best possible interest rates. Numerous decreases in the prime rate has caused an decrease in risk exposure from the prior year.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The institute is subject to currency risk on its marketable securities that are denominated in a currency other than Canadian dollars. There has been no change in risk exposure from the prior year.