

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2022**

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
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**DECEMBER 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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### **To the Board of Governors of EducationMatters, Calgary's Trust for Public Education**

#### *Opinion*

We have audited the financial statements of EducationMatters, Calgary's Trust for Public Education (the "Trust"), which comprise the statement of financial position as at December 31, 2022, and the statement of operations, statement of changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

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

#### *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 Trust 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.

#### *Information other than the Financial Statements and Auditor's Report thereon*

Management is responsible for the other information. The other information is comprised of the information, other than the financial statements and our auditor's report thereon, in the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon. In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

The Annual Report is expected to be made available to us after the date of this auditor's report. If, based on the work we will perform on this other information, we conclude that there is a material misstatement of this other information, we are required to report that fact to those charged with governance.

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## INDEPENDENT AUDITOR'S REPORT, continued

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### *Other Matter*

The financial statements of EducationMatters, Calgary's Trust for Public Education for the year ended December 31, 2021 were audited by another auditor who expressed an unqualified opinion on those statements on April 28, 2022.

### *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 ASNPO, 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 Trust'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 Trust or to cease operations, or has no realistic alternative but to do so.

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

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

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

- ♦ Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- ♦ Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Trust's internal control.

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**INDEPENDENT AUDITOR'S REPORT, continued**

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- ♦ 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 Trust'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 Trust 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.

**CALGARY, ALBERTA  
APRIL 10, 2023**

*Baker Tilly Catalyst LLP*  
**CHARTERED PROFESSIONAL  
ACCOUNTANTS**

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Notes 3 and 8)	\$ 2,714,012	\$ 2,831,001
Accounts receivable	625	921
Prepaid expenditures	13,035	-
	2,727,672	2,831,922
<b>Investments (Notes 4 and 8)</b>	6,741,000	7,429,373
<b>Capital assets (Note 5)</b>	3,746	-
	6,744,746	7,429,373
	\$ 9,472,418	\$10,261,295

**Liabilities and Fund balances**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 24,313	\$ 37,570
Deferred operating contributions (Note 6)	341,000	401,000
	365,313	438,570
<b>Fund balances</b>		
Operating Fund (Note 8)	766,053	931,067
Flow-through fund	2,231,476	1,811,075
Endowment fund (Note 8)	6,109,576	7,080,583
	9,107,105	9,822,725
	\$ 9,472,418	\$10,261,295

**Commitments (Note 10)**

Approved on behalf of the board



\_\_\_\_\_ Governor

*H Ladha*

\_\_\_\_\_ Governor

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Operating Fund	Flow- Through Fund	Endowment Fund	2022 Total	2021 Total
<b>Revenue</b>					
Contributions	\$ 5,711	\$ 2,722,920	\$ 80,147	\$ 2,808,778	\$ 2,001,361
Calgary Board of Education grants (Note 6)	570,014	-	-	570,014	600,000
Interest and fees	12,165	-	-	12,165	127,055
Realized gain on investments	(71,619)	19,141	291,936	239,458	169,223
Interfund fees (Note 7)	155,265	(60,564)	(94,701)	-	-
	<u>671,536</u>	<u>2,681,497</u>	<u>277,382</u>	<u>3,630,415</u>	<u>2,897,639</u>
<b>Expenditures</b>					
Grants and scholarships (Notes 6 and 9)	-	2,271,046	181,123	2,452,169	1,245,478
Salaries and benefits (Note 9)	639,544	-	-	639,544	585,720
Computer applications and support	65,843	-	-	65,843	103,754
Investment fees (Note 9)	48,453	-	-	48,453	49,250
Office	32,695	-	-	32,695	45,005
Professional fees	22,811	-	-	22,811	38,990
Rent (Note 6)	14,516	-	-	14,516	21,772
Fund development (Note 9)	11,970	-	-	11,970	9,366
Amortization	718	-	-	718	-
	<u>836,550</u>	<u>2,271,046</u>	<u>181,123</u>	<u>3,288,719</u>	<u>2,099,335</u>
Excess (deficiency) of revenues over expenditures before other income (expenditures)	<u>(165,014)</u>	<u>410,451</u>	<u>96,259</u>	<u>341,696</u>	<u>798,304</u>
<b>Other expenditures/(income)</b>					
Unrealized (gain)/loss on investments	-	(9,950)	1,067,266	1,057,316	(400,430)
<b>Excess (deficiencies) of revenue over expenditures</b>	<u>\$ (165,014)</u>	<u>\$ 420,401</u>	<u>\$ (971,007)</u>	<u>\$ (715,620)</u>	<u>\$ 1,198,734</u>

The accompanying notes are an integral part of the financial statements

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	Operating Fund	Flow- Through Fund	Endowment Fund	2022 Total	2021 Total
<b>Balance, beginning of year</b>	\$ 931,067	\$ 1,811,075	\$ 7,080,583	\$ 9,822,725	\$ 8,623,991
<b>Excess (deficiencies) of revenue over expenditures</b>	(165,014)	420,401	(971,007)	(715,620)	1,198,734
<b>Balance, ending of year</b>	<u>\$ 766,053</u>	<u>\$ 2,231,476</u>	<u>\$ 6,109,576</u>	<u>\$ 9,107,105</u>	<u>\$ 9,822,725</u>

The accompanying notes are an integral part of the financial statements



**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

	<b>2022</b>	<b>2021</b>
<hr/>		
<b>Cash flows from operating activities</b>		
Net Income	\$ (715,620)	\$ 1,198,734
Adjustments for		
Amortization	718	-
Loss (gain) on investments	817,858	(569,653)
	<hr/>	<hr/>
	102,956	629,081
	<hr/>	<hr/>
Change in non-cash working capital items		
Accounts receivable	296	3,274
Prepaid expenditures	(13,035)	-
Accounts payable and accrued liabilities	(13,257)	(3,627)
Deferred operating contributions	(60,000)	-
	<hr/>	<hr/>
	16,960	628,728
	<hr/>	<hr/>
<b>Cash flows from investing activities</b>		
Purchase of investments	(550,129)	(172,178)
Proceeds from sale of investments	420,644	129,227
Purchase of capital assets	(4,464)	-
	<hr/>	<hr/>
	(133,949)	(42,951)
	<hr/>	<hr/>
<b>Increase (decrease) in cash</b>	(116,989)	585,777
<b>Cash, beginning of year</b>	2,831,001	2,245,224
	<hr/>	<hr/>
<b>Cash, end of year</b>	\$ 2,714,012	\$ 2,831,001
	<hr/>	<hr/>
<b>Cash consists of:</b>		
Cash	\$ 367,999	\$ 387,760
Treasury bills (Note 3)	2,346,013	2,443,241
	<hr/>	<hr/>
	\$ 2,714,012	\$ 2,831,001
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The accompanying notes are an integral part of the financial statements

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**1. Nature of operations**

EducationMatters, Calgary's Trust for Public Education (the "Trust") was formed by way of a trust indenture on January 20, 2003. The Trust is a registered charity and a public trust under the Income Tax Act (Canada) and, accordingly, is exempt from income taxes and can issue donation receipts for income tax purposes. The Trust's mandate is to promote citizen engagement with and inspire passion for public education and to mobilize resources for programs that enhance public education.

The Board of Trustees of the Calgary Board of Education (the "CBE Board") appoints all Trust governors. At least two, but not more than 50%, of the Trust governors must be members of the CBE Board.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Cash and cash equivalents**

Cash and cash equivalents are defined as cash and short-term investments, with terms to maturity of three months or less at the date of purchase.

**(b) Investments**

Investments include pooled investment funds that consist of mutual funds and are measured at fair value.

**(c) Capital assets**

Capital assets are recorded at cost. The Trust provides for amortization using the declining balance method at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates are as follows:

Computer equipment	30%
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**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**2. Significant accounting policies, continued**

**(d) Impairment of long-lived assets**

The Trust tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

**(e) Revenue recognition**

The Trust receives contributions in the form of donations to specified funds, operating grants, financial assistance and event funding.

The Trust recognizes contributions when the amounts can be reasonably estimated and collection is assured.

The Trust follows the deferral method of accounting for restricted contributions related to general operations of the Trust. These contributions are recognized as revenue in the operating fund in the period in which the related expenditures are incurred.

The Trust recognizes interest, dividends and interfund fee revenue when the amounts are earned on an accrual basis. Interest income earned on flow-through funds is allocated to the operating fund.

**(f) Foreign exchange**

The Trust uses the temporal method to translate its foreign currency transactions.

Monetary assets and liabilities are translated at the exchange rate in effect at the statement of financial position date. Other assets and liabilities are translated at the rate in effect on the transaction date. Balances for the current year appearing in the statement of operations are translated at average year rates. Exchange gains and losses are included in the statement of operations.

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**2. Significant accounting policies, continued**

**(g) Trust funds**

The Trust holds operating, flow-through and endowment funds. The Trust follows the deferral accounting method for the operating fund and the restricted fund accounting method for the flow-through and endowment funds.

The Trust restricts endowment fund grants in any fiscal period to a maximum of 4.5% of the market value of the endowment at the end of the prior fiscal year.

Operating fund contributions received that relate to services to be provided in a subsequent period are shown as deferred operating contributions on the statement of financial position.

Flow-through funds are spent during the year in which they are received or the year following to support a wide range of programs and projects.

Endowment funds are created by donors to provide long-term support for discretionary spending, general fields of interest or designated specific programs or projects.

**(h) Interfund fees**

Interfund fees are charged to the flow-through and endowment funds in lieu of charging administrative expenses to those funds. Endowment funds are generally charged an interfund fee of 1.5% in accordance with donor agreements and flow-through funds are generally charged an interfund fee of 3.5% of each gift received.

**(i) Donated material and services**

Donated materials and services are not recorded because the fair market value is not readily determinable.

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**2. Significant accounting policies, continued**

**(j) Financial instruments**

**(i) Measurement of financial instruments**

The Trust initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The Trust subsequently measures all its 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 the statement of operations in the period incurred.

Financial assets measured at amortized cost include cash and cash equivalents and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at fair value include the pooled investment funds.

**(ii) Impairment**

For financial assets measured at amortized cost, the Trust determines whether there are indications of possible impairment. When there is an indication of impairment, and the Trust determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in the statement of operations. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 the statement of operations.

**(iii) Transaction costs**

The entity recognizes its transaction costs in the statement of operations in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transactions costs that are directly attributable to their organization, issuance or assumption.

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**2. Significant accounting policies, continued**

**(k) Measurement uncertainty**

The preparation of 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 financial statements, and the reported amounts of revenues and expenses during the period. Significant areas requiring the use of estimates include: useful lives of capital assets. Actual results may differ from management's best estimates as additional information becomes available in the future.

**3. Cash and cash equivalents**

Cash and cash equivalents include short-term investments of \$2,346,013 (2021 - \$2,443,241) consisting entirely of investments in Canadian treasury bills with maturity dates of 90 days or less. Short-term investments yield an average interest rate of 1.70% (2021 - 0.10%).

**4. Investments**

	<b>2022</b>	<b>2021</b>
Pooled Funds - Endowment Fund	\$ 6,036,171	\$ 6,849,473
Pooled Funds - Long-Term Self-Sustainability Fund	704,829	579,900
	<b>\$ 6,741,000</b>	<b>\$ 7,429,373</b>

Investments are comprised of \$6,741,000 (2021 - \$7,429,373) in pooled investment funds measured at fair value. The Trust's policy is to liquidate gifted shares on the same day as they are received. There were gifted shares measured at fair value of \$526,892 (2021 - \$23,717) held at December 31, 2022.

During the year the Board approved the repurposing and renaming of the previous Pooled Funds - Operating Fund as the Long-Term Self-Sustainability Fund. The Board also approved the transfer of \$200,000 from cash to the Pooled Funds - Long-Term Self-Sustainability Fund.

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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5. **Capital assets**

	<b>Cost</b>	<b>Accumulated Amortization</b>	<b>2022 Net Book Value</b>
Computer equipment	\$ 4,464	\$ 718	\$ 3,746

6. **Related party transactions**

The Trust is economically dependent on contributions from the Calgary Board of Education ("CBE") and is committed to provide services to CBE in fund development, grants and student awards. During the year, the Trust received \$570,014 (2021 - \$600,000) from the CBE. Contributions in the amount of \$341,000 (2021 - \$400,000) were deferred to 2022 in accordance with spending the funds over a twelve-month period and are included in the deferred operating contributions on the statement of financial position.

The Trust rented office space and purchased services of \$14,516 (2021 - \$21,772) and \$12,744 (2021 - \$12,119), respectively, from the CBE.

Grants awarded to CBE schools by the Trust are distributed to recipients by way of the CBE. In 2022, this amount was \$1,919,437 (2021 - \$751,260).

These transactions are in the normal course of operations and have been valued in these financial statements at the exchange amount which is the amount of consideration established and agreed to by the related parties.

7. **Interfund fees**

The Flow-Through Fund generated fees of \$60,564 and the Endowment Fund generated fees of \$94,701, all of which were transferred to the Operating Fund.

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**8. Endowment and Operating funds**

Endowment funds are invested to provide long-term support, and are comprised of the following:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 6,726	\$ 231,110
Investments	6,036,171	6,849,473
	<b>\$ 6,042,897</b>	<b>\$ 7,080,583</b>

Operating funds are invested to provide long-term sustainability and are comprised of the following:

	<b>2022</b>	<b>2021</b>
Cash and cash equivalents	\$ 61,224	\$ 351,167
Investments	704,829	579,900
	<b>\$ 766,053</b>	<b>\$ 931,067</b>

**9. Additional information on fund development**

(a) Expenditures incurred to raise funds

	<b>2022</b>	<b>2021</b>
Fund development expenditures	\$ 11,970	\$ 9,366
Fund development salaries and benefits	233,055	159,496
	<b>\$ 245,025</b>	<b>\$ 168,862</b>

(b) Funds raised during 2022 were \$2,808,778 (2021 - \$2,001,361).

(c) Summary of disbursements:

	<b>2022</b>	<b>2021</b>
Grants	\$ 1,919,437	\$ 751,260
Scholarships	532,732	494,218
	<b>\$ 2,452,169</b>	<b>\$ 1,245,478</b>



**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**9. Additional information on fund development, continued**

(d) Allocation of total expenditures and disbursements

Total expenditures and disbursements after allocation of salaries and benefits to the cost centres consist of the following:

	<b>2022</b>	<b>2021</b>
Grant disbursements	\$ 2,452,169	\$ 1,245,478
Fund development expenditures, excluding events	245,025	168,862
Program expenditures	542,354	635,745
Investment fees	48,453	49,250
Amortization expense	718	-
	<b>\$ 3,288,719</b>	<b>\$ 2,099,335</b>

Salary and benefit costs are incurred to operate the Trust and its programs in a cost-effective manner while maximizing all opportunities to further the Trust's mission. The Trust allocates salary and benefits based on the actual time spent in each cost centre by each staff person.

**10. Commitments**

The Trust's office lease with the CBE was renewed in September 2022 for an additional one-year term to August 31, 2023 and requires monthly rental payments of \$1,814.

In February 2021, the Trust entered into a software subscription services agreement for a five-year term with annual payments of \$15,500 USD. The Trust records foreign currency transactions at the spot rate in effect as of the transaction date.

**11. Comparative figures**

The financial statements for the year ended December 31, 2021 were audited by another practitioner and are presented for comparative purposes only.

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.

**12. Financial instruments**

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

**EDUCATIONMATTERS, CALGARY'S TRUST FOR PUBLIC EDUCATION**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2022**

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**12. Financial instruments, continued**

**(a) Market risk**

Market risk is the risk that the value of a financial instrument will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Trust is exposed to market risk through its pooled investments invested in equity securities traded in an active market.

**(b) Credit risk**

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The financial instruments that potentially subject the Trust to significant concentration of credit risk primarily consist of cash and cash equivalents and investments.

**(c) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust is exposed to interest rate risk on its fixed income instruments within the pooled investment account. Fixed-rate financial instruments subject the Trust to a fair value risk.

Unless otherwise noted, it is management's opinion that the Trust is not exposed to significant other price risks arising from these financial instruments.