
Financial statements of St. John Council for Ontario

December 31, 2023

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To the Members of St. John Council for Ontario:

Opinion

We have audited the financial statements of St. John Council for Ontario (the "Council"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets 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 Council as at December 31, 2023, and the 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 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 the 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 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 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 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 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.

Burlington, Ontario

April 25, 2024

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

St. John Council for Ontario
Statement of operations
Year ended December 31, 2023

	Notes	2023	2022
		\$	\$
Revenue			
Training programs		13,857,602	14,001,827
Product sales		1,744,432	1,151,399
Donations and fundraising	6	1,387,628	1,167,779
Government grants		470,462	523,852
Nevada and bingo		469,537	456,173
Rental and sundry		1,476,135	1,282,648
		19,405,796	18,583,678
Expenses			
Service delivery and administration	5(b) and 11 (b)	19,232,092	18,367,676
Excess of revenue over expenses before the following:			
Investment income (loss)	3(c) and 9	173,704	216,002
Net gain on sale of capital assets		1,941,744	(1,221,899)
		31,159	77,075
Excess (deficiency) of revenue over expenses for the year		2,146,607	(928,822)

The accompanying notes are an integral part of the financial statements.

St. John Council for Ontario
Statement of changes in net assets
Year ended December 31, 2023

	Notes	Internally restricted (Note 8) \$	Endowment (Note 9) \$	Unrestricted \$	2023 Total \$
Net assets, beginning of year		5,481,148	18,339,250	17,810,693	41,631,091
Excess of revenue over expenses for the year		—	—	2,146,607	2,146,607
Investment loss related to externally restricted endowments	9	—	—	—	—
Interfund transfers	9	(222,694)	(126,308)	349,003	—
Net assets, end of year		5,258,454	18,212,942	20,306,303	43,777,698
		Internally restricted (Note 8) \$	Endowment (Note 9) \$	Unrestricted \$	2022 Total \$
Net assets, beginning of year		6,924,386	20,309,810	16,311,745	43,545,941
Deficiency of revenue over expenses for the year		—	—	(928,822)	(928,822)
Investment income related to externally restricted endowments		—	(986,028)	—	(986,028)
Interfund transfers		(1,443,238)	(984,532)	2,427,770	—
Net assets, end of year		5,481,148	18,339,250	17,810,693	41,631,091

The accompanying notes are an integral part of the financial statements.

St. John Council for Ontario
Statement of financial position
As at December 31, 2023

	Notes	2023	2022
		\$	\$
Assets			
Current assets			
Cash and cash equivalents		3,174,389	2,883,140
Accounts receivable	11(a)	998,798	1,323,943
Inventory		418,862	304,115
Prepaid expenses		157,074	116,209
		4,749,123	4,627,407
Long-term			
Investments	3 (a) and 5 (a)	38,054,335	35,469,399
Capital assets, net	4	5,678,853	5,773,393
		43,733,188	41,242,792
		48,482,311	45,870,199
Liabilities			
Current liabilities			
Bank indebtedness	5	107,598	125,245
Accounts payable and accrued liabilities	11(a)	965,791	938,491
Deferred revenue		879,326	658,439
		1,952,715	1,722,175
Long-term			
Deferred capital contributions	6	2,751,898	2,516,933
		4,704,613	4,239,108
Contingencies and commitments			
Net assets			
Internally restricted	8	5,258,454	5,481,148
Endowment	9	18,212,942	18,339,250
Unrestricted		20,306,303	17,810,693
		43,777,698	41,631,091
		48,482,311	45,870,199

The accompanying notes are an integral part of the financial statements.

On behalf of St. John Council for Ontario


_____, Chair


_____, Treasurer

St. John Council for Ontario**Statement of cash flows**

Year ended December 31, 2023

	2023	2022
	\$	\$
Operating activities		
Excess (deficiency) of revenue over expenses for the year	2,146,607	(928,822)
Items not affecting cash		
Amortization of tangible capital assets	534,844	468,440
Amortization of intangible capital assets	88,191	70,528
Net gain on sale of capital assets	(31,159)	(77,075)
Unrealized investment income	380,020	383,451
Amortization of deferred capital contributions	(195,978)	(98,960)
	2,922,525	(182,438)
Changes in non-cash working capital		
Accounts receivable	325,145	62,222
Inventory	(114,747)	2,150
Prepaid expenses	(40,865)	10,860
Accounts payable and accrued liabilities	27,300	239,540
Deferred revenue	220,887	(6,365)
	3,340,245	125,969
Investing activities		
Additions to capital assets	(528,495)	(2,147,976)
Proceeds on sale of capital assets	31,159	84,638
Reinvestment of net realized investment income	(2,321,764)	838,448
Withdrawals from investments, net	(643,192)	(1,560,090)
	(3,462,292)	(2,784,980)
Financing activities		
Contributions restricted for capital asset purchases	430,943	1,831,107
Change in bank indebtedness	(17,647)	(18,245)
	413,296	1,812,862
Net increase (decrease) in cash and cash equivalents	291,249	(846,149)
Cash and cash equivalents, beginning of year	2,883,140	3,729,289
Cash and cash equivalents, end of year	3,174,389	2,883,140

The accompanying notes are an integral part of the financial statements.

1. Organization

St. John Council for Ontario is a provincial body of The Priory of Canada of the Most Venerable Order of the Hospital of St. John of Jerusalem ("St. John Priory of Canada"). St. John Council for Ontario was incorporated on October 24, 1989 by Letters Patent issued under the Corporations Act (Ontario) and further updated with the Restated Articles of Incorporation on September 14, 2023.

St. John Council for Ontario provides first-aid and health-care training and public first-aid service through a number of branches and community services units throughout the province.

Income tax status

St. John Council for Ontario is classified as a registered charity (Reg. #108022237-RR0001) under Section 149.1 of the Income Tax Act (Canada) (the "Act"). Accordingly, it is exempt from taxation and will continue to be exempt as long as it continues to comply with certain requirements of the Act.

2. Summary of significant accounting policies

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

Basis of presentation

These financial statements present the financial position and results of operations of St. John Council for Ontario, which include the assets, liabilities and results of operations of the Provincial Head Office and its branches, as follows:

Cambridge	Northeastern Ontario
Central-East	Peel-Dufferin
Eastern Ontario	Peterborough
Grey-Bruce-Huron	Southwestern Ontario
Guelph	Stratford-Perth
Halton-Hamilton-Haldimand	Thunder Bay & Northwestern Ontario
Kitchener-Waterloo	Toronto
Niagara Falls	York-Simcoe-Muskoka
Niagara Region	

Revenue recognition

St. John Council for Ontario follows the deferral method of accounting for contributions, which include government grants, bequests and other donations. Grants and bequests are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recognized when received since pledges are not legally enforceable claims. Unrestricted contributions are recorded as revenue when received or receivable. Externally restricted contributions are deferred when initially received and recognized as revenue in the year in which the related expenses are incurred, except for endowment contributions, which are recorded as direct increases in net assets. Capital donations of land or capital grants for the purchase of land are recorded as capital contributions for non-depreciable assets in unrestricted net assets at the time the grant or donation is received.

2. Summary of significant accounting policies (continued)

Revenue recognition (continued)

Training fees are recognized when classes have been completed. Sales and service revenue are recognized when the services are rendered, and the goods provided.

Investment income (loss), which consists of interest, dividends, income distributions from pooled funds and realized and unrealized gains and losses, is recorded in the statement of operations, except to the extent it is externally restricted, in which case it is added to (deducted from) endowment net assets or other restricted balances on the statement of financial position.

Deferred revenue mostly arises when payment is received prior to the training courses being delivered.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and short-term investments with a short maturity of approximately three months or less from the date of purchase, unless they are held for investment rather than liquidity purposes, in which case they are classified as investments.

Inventory

Inventory is stated at the lower of cost and net realizable value. Cost is based on the first-in, first-out method.

Capital assets

Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair market value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Tangible	
Buildings	33-50 years
Vehicles	5-10 years
Equipment	3-10 years
Leasehold improvements	Term of the lease
Intangible	
Licensed software	7 years

Financial instruments

Financial assets and financial liabilities are initially recognized at fair value when St. John Council for Ontario becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost, except for investments. St. John Council for Ontario has elected to use the fair value option to measure investments.

St. John Council for Ontario's financial instruments and their respective measurement base are as follows:

<u>Asset/liability</u>	<u>Measurement</u>
Cash	Amortized cost
Accounts receivable	Amortized cost
Bank indebtedness	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
<u>Investments</u>	<u>Fair value</u>

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at amortized cost are assessed at each reporting date for indications of impairment. If such impairment exists, the asset is written down and the resulting impairment loss is recognized in the statement of operations.

Related party financial instruments

St. John Council for Ontario initially measures financial instruments in a related party transaction ("related party financial instrument") at cost and subsequently, are measured at cost or amortized cost in accordance with ASPE Handbook Section 3856, related party financial instruments. Transaction costs directly attributable to related party transactions are immediately recognized in the statement of operations.

Contributed materials and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the financial statements.

Post-employment Benefits

St. John Council for Ontario is part of a multi-employer defined benefit pension plan which is accounted for using defined contribution accounting. Defined contribution plan accounting is applied for a multi-employer defined benefit pension plan, whereby contributions are expensed on an accrual basis since Council of Ontario has insufficient information to apply defined benefit accounting.

Foreign currency translation

Transactions denominated in foreign currencies are translated into Canadian dollars at exchange rates in effect on the date of the related transaction. Monetary assets and liabilities are translated into Canadian dollars at exchange rates as at the date of the statement of financial position. Exchange gains and losses are included in income, except to the extent that they relate to investments, in which case they are accounted for consistently with investment income.

Use of estimates

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 reporting period. The principal estimates used in the preparation of these financial statements are amortization expense, amortization of deferred capital contributions and accrued liabilities. Actual results could differ from management's best estimates, as additional information becomes available in the future.

3. Investments

(a) Investments consist of the following:

	2023	2022
	\$	\$
Cash and cash equivalents	66,037	473,228
Short-term	129,490	11,995,619
Canadian fixed income	10,438,471	7,181,411
Canadian equities	27,420,337	15,814,433
United States equities	—	4,708
	38,054,335	35,469,399

Investments in pooled funds have been allocated among the asset classes based on the underlying investments in the pooled funds.

(b) As at December 31, 2023, Canadian fixed income investments of \$10,438,471 (\$7,181,411 in 2022) have a weighted average term to maturity of under one year (two years in 2022) and a weighted average return of 5.5% (5.2% in 2022).

(c) Investment income recorded in the statement of operations is calculated as follows:

	2023	2022
	\$	\$
Investment income		
Dividends and interest	2,351,669	649,006
Capital losses – realized	(14,232)	(2,040,338)
Capital losses – unrealized	(267,810)	(647,831)
Total investment (loss) income	2,069,627	(2,039,163)
Less: Management fees	(127,883)	(168,764)
Net investment (loss) income	1,941,744	(2,207,927)
Less: Investment loss on investments held for Endowment net assets not available for spending (Note 9)	-	986,028
Net investment (loss) income	1,941,744	(1,221,899)

4. Capital assets

(a) Capital assets consist of the following:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
	\$	\$	\$	\$
Tangible				
Land	930,026	—	930,026	930,026
Buildings	5,620,642	3,667,207	1,953,435	2,011,540
Vehicles	2,225,391	1,739,893	485,498	400,117
Equipment	4,339,412	2,369,944	1,969,468	1,953,896
Leasehold improvements	1,758,129	1,598,726	159,403	221,904
Intangible				
Licensed software	525,124	344,101	181,023	255,910
	15,398,724	9,719,871	5,678,853	5,773,393

(b) The land and buildings are recorded at historical cost, which does not reflect current market value.

5. Bank indebtedness

(a) St. John Council for Ontario maintains (i) an unsecured operating line of credit of \$1,000,000, that is charged interest at the bank's prime rate, which is 6.7% at December 31, 2023; (ii) a demand credit facility not to exceed \$1,000,000 for the purchase and renovation of facilities with interest charged at the bank's prime rate plus 0.25%, which is 6.95% at December 31, 2023; (iii) a demand non-revolving credit facility of \$200,000 for leasehold improvements with interest charged at the bank prime rate plus 0.25%, which is 6.95% at December 31, 2023; and (iv) a demand non-revolving credit facility of \$nil (\$nil in 2022) for the purchase of software with interest charged at the bank prime rate plus 0.25%, which is 6.95% at December 31, 2023. Investments with a fair value of approximately \$60,000 (\$600,000 in 2022) are pledged for security for the demand credit facility and the demand non-revolving credit facilities based on the bank indebtedness balance outstanding as of December 31, 2023.

As at December 31, 2023, there were drawings of \$nil (\$nil in 2022) on the operating line of credit, \$107,598 (\$125,245 in 2022) on the facility for the purchase and renovation of facilities, \$nil (\$nil in 2022) on the facility for leasehold improvements, and \$nil (\$nil in 2022) on the demand non-revolving credit facility for the purchase of software.

(b) Interest of \$11,280 (\$6,113 in 2022) is included in expenses reported in the statement of operations.

6. Deferred capital contributions

Deferred capital contributions represent the unamortized amount of donations received for the purchase of capital assets. The amortization of contributions is recorded as revenue in the statement of operations.

	2023	2022
	\$	\$
Balance, beginning of year	2,516,933	784,786
Amortization of deferred capital contributions included in donations and fundraising revenue	(195,978)	(98,960)
Contributions of Humanitarian Workforce Project restricted for capital asset purchases	94,035	1,652,107
Contributions restricted for capital asset purchases	336,908	179,000
Balance, end of year	2,751,898	2,516,933

7. Contingencies and commitments

- (a) St. John Council for Ontario is named as a defendant in legal actions that management is contesting. Management believes any potential judgment or settlement would be covered by insurance.
- (b) St. John Council for Ontario leases certain premises and equipment under operating leases. The aggregate minimum annual commitments under operating leases in future years are as follows:

	\$
2024	1,095,166
2025	893,301
2026	679,062
2027	459,056
2028	299,760
Thereafter	559,656
	<u>3,986,001</u>

In addition to minimum rentals, leases for certain premises require the payment of various operating costs.

8. Internally restricted net assets

Internally restricted net assets consist of the following funds that have been designated as restricted by St. John Council for Ontario for various purposes and which may be used as directed by the Board of Directors (the "Board") of St. John Council for Ontario:

	2023	2022
	\$	\$
Provincial Head Office	5,258,454	5,481,148

Each year, the Board determines what amount, if any, should be transferred to/from internally restricted net assets. In 2023, a net amount of \$222,694 was transferred from internally restricted net assets to unrestricted net assets (\$1,443,238 in 2022 transferred from internally restricted net assets to unrestricted net assets).

9. Endowment net assets

Endowment net assets comprise the resources that are required by the donor or the Board to be maintained by St. John Council for Ontario on a permanent basis. The Board has a policy to transfer certain donations to endowment net assets when there is no current intention of making the original donation available for spending.

Endowment net assets consist of the following:

	2023	2022
	\$	\$
Externally restricted	16,063,417	16,216,718
Internally restricted	2,149,525	2,122,532
	18,212,942	18,339,250

St. John Council for Ontario has a policy with the objective of protecting the purchasing power of the endowments by requiring the reinvestment of income which has not been made available for spending. The policy is based on an anticipated long-term real rate of return on investments of 4.5%. In any particular year, should net investment income be insufficient to fund the amount to be made available for spending or the investment return is negative, the amount is funded by a transfer from unrestricted net assets.

In 2023, \$nil (loss of \$986,028 in 2022) was earned on externally restricted endowments, and \$726,086 (\$806,762 in 2022) was made available for spending in accordance with the Board policy and recorded as investment income in the statement of operations. Of the amount available for spending, \$726,086 (\$806,762 in 2022) was spent during the year. All unspent amounts are transferred from unrestricted to externally restricted endowment net assets. Each year, the Board determines what amount, if any, should be transferred to internally restricted endowment net assets. In 2023, an amount of \$649,328 relating to investment income (\$127,277 loss in 2022 transferred to unrestricted from internally restricted endowment net assets) on internally and externally restricted endowments was transferred to unrestricted from internally and externally restricted endowment net assets. An amount of \$49,550 (\$48,006 in 2022) in connection with these internally restricted endowments was made available for spending and transferred from internally restricted endowment net assets to unrestricted.

Each year, the Board determines what amount, if any, should be transferred from/to endowment net assets. In 2023, an amount of \$126,308 was transferred from endowment net assets to unrestricted net assets (\$984,532 in 2022).

10. Pension costs and obligations

St. John Priory of Canada administered a contributory defined benefit pension plan, the St. John Priory of Canada Properties Pension Plan (the "Benefit Plan"), on behalf of the provincial and territorial councils. The Plan covered employees of St. John Priory of Canada and the councils across Canada. Current service contributions to the Defined Benefit Plan ceased December 31, 2014, when all current members joined the Defined Contribution Plan (the "Contribution Plan").

The Benefit Plan provided pensions based on length of service and final average earnings. The annual funding requirements were determined in consultation with the actuaries to provide long-term stability to the Benefit Plan. The latest actuarial valuation of the Benefit Plan was performed as at June 1, 2021. Based on this valuation, an extrapolation of the assets and accrued pension benefits obligations was performed for accounting purposes to June 1, 2021, and as at that date, the Benefit Plan's net assets available for benefits of \$16,418,100 with pension obligations of \$14,485,900 results in a surplus of \$1,932,200.

10. Pension costs and obligations (continued)

On April 13, 2020, St. John Priory of Canada and the Provincial and Territorial Councils of St. John Ambulance (the "Employers"), including St. John Council for Ontario, signed a Memorandum of Agreement (the "MOA") with the Sponsors Committee and Board of Trustees of the Colleges of Applied Arts and Technology Pension Plan (the "CAAT Pension Plan"), a defined benefit plan. The MOA was subsequently amended on December 14, 2020. The amended MOA sets out the agreement among the parties for the participation by St. John Priory of Canada and the Provincial and Territorial Councils of St. John Ambulance including St. John Council for Ontario in the CAAT Pension Plan, and for the transfer of defined benefit assets and liabilities from the Plan to the CAAT Pension Plan effective April 1, 2021. On that date, all employees of the Employers joined the CAAT Pension Plan. This agreement is subject to approval by the Financial Services Regulatory Authority of Ontario ("FSRA"). In addition, subject to regulatory approval, the Benefit Plan's assets and liabilities were transferred to the CAAT Pension Plan effective April 1, 2021.

On October 3, 2023, FSRA issued a consent letter authorizing the transfer of the Benefit Plan's assets to the CAAT Pension Plan. The transfer was completed on November 15, 2023 when \$14,935,962 was transferred to the CAAT Pension Plan. The Benefit Plan retained \$100,000 to account for accrued expenses. Any funds remaining after the payment of expenses will be transferred to the CAAT Pension Plan. Final regulatory filings related to this transaction will be completed in February 2024, and final regulatory approval of the transaction is expected shortly thereafter.

Included in salaries and benefits during the year are pension contributions to the CAAT Pension Plan totaling \$246,508 (2022 - \$242,697).

11. Related party transactions

Transactions listed below are between St. John Council for Ontario and St. John Priory of Canada which are separately incorporated not-for-profit, charitable organizations.

- (a) As at December 31, 2023, there is an amount payable to St. John Priory of Canada of \$28,425 (\$51,424 in 2022) included in accounts payable and accrued liabilities and an amount receivable from St. John Priory of Canada of \$41,447 (\$17,009 in 2022) included in accounts receivable.
- (b) During the year, St. John Council for Ontario expensed the following charges from St. John Priory of Canada: \$1,283,619 (\$1,267,765 in 2022) in assessments.
- (c) During the year, St. John Council for Ontario received an in-kind donation of multiple capital assets from St. John Priory of Canada worth \$94,035 (\$1,652,107 in 2022) for the purposes of the Humanitarian Workforce Project. Donation was fully recognized as a deferred capital contribution at fair market value at the date of contribution. Deferred capital contribution will be amortized into the statement of operations on a straight-line basis over the estimated useful lives of the assets contributed.

12. Financial instruments

St. John Council for Ontario is exposed to various financial risks through transactions in financial instruments.

Credit risk

St. John Council for Ontario is exposed to credit risk with respect to its accounts receivable and its short-term and fixed income securities, including the underlying securities of its investment in pooled fund.

Interest rate risk

St. John Council for Ontario is exposed to interest rate risk with respect to its investments in fixed income securities, the values of which will fluctuate with changes in market interest rates. In addition, St. John Council for Ontario is exposed to interest rate risk with respect to its operating line of credit since the interest rate is linked to the bank's prime rate which changes from time to time.

Other price risk

St. John Council for Ontario is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in equity securities.