

**JUNIOR ACHIEVEMENT OF
CENTRAL ONTARIO**

**FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT**

JUNE 30, 2021

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO
June 30, 2021

Contents

| | <u>Page</u> |
|-------------------------------------|-------------|
| Independent Auditor's Report | 1 - 2 |
| Financial Statements | |
| Statement of Financial Position | 3 |
| Statement of Operations | 4 |
| Statement of Changes in Net Assets | 5 |
| Statement of Cash Flows | 6 |
| Notes to Financial Statements | 7 - 14 |

INDEPENDENT AUDITOR'S REPORT

To the Members of
Junior Achievement Of Central Ontario

Opinion

We have audited the accompanying financial statements of Junior Achievement Of Central Ontario (the "Organization"), which comprise the statement of financial position as at June 30, 2021 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 Organization as at June 30, 2021, 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 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 the 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 (continued)

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 Organization's preparation and fair presentation of the financial statements 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.

Franklin, Daurio LLP

Chartered Professional Accountants, Licensed Public Accountants
October 22, 2021
Toronto, Ontario

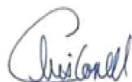
Junior Achievement of Central Ontario
Statement of Financial Position
As at June 30, 2021

| | Note | 2021 | 2020 |
|--|------|---------------------|---------------------|
| ASSETS | | | |
| Current | | | |
| Cash | | \$ 709,934 | \$ 198,025 |
| Accounts Receivable | [11] | 73,590 | 275,507 |
| HST Receivable | | 47,310 | 66,836 |
| Prepaid Expenses | | 33,415 | 37,918 |
| | | 864,249 | 578,286 |
| Capital Assets | [3] | 21,504 | 33,397 |
| Investments | [4] | 2,211,084 | 1,971,243 |
| | | 2,232,588 | 2,004,640 |
| TOTAL ASSETS | | 3,096,837 | 2,582,926 |
| LIABILITIES AND NET ASSETS | | | |
| Current | | | |
| Accounts Payable and Accrued Liabilities | [11] | 152,340 | 120,454 |
| Deferred Contributions | [5] | 213,166 | 90,849 |
| Total Liabilities | | 365,506 | 211,303 |
| Net Assets | | | |
| Unrestricted Net Assets | | 1,031,331 | 671,623 |
| Endowment Fund | [6] | 500,000 | 500,000 |
| Internally Restricted Fund | [8] | 1,200,000 | 1,200,000 |
| | | 2,731,331 | 2,371,623 |
| TOTAL LIABILITIES AND NET ASSETS | | \$ 3,096,837 | \$ 2,582,926 |

Approved on Behalf of the Board:



Director



Director

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

Junior Achievement of Central Ontario

Statement of Operations

For the year ended June 30, 2021

| | Note | 2021 | 2020 |
|--|------|-------------------|------------------|
| Revenue | | | |
| Program designated contributions | [11] | \$ 1,477,257 | \$ 1,565,454 |
| Donations and other contributions | | 179,451 | 152,997 |
| Special events | | 314,765 | 518,332 |
| Investment income | [7] | 58,203 | 66,195 |
| | | 2,029,676 | 2,302,978 |
| Expenses | | | |
| Program and materials | [11] | 708,540 | 950,583 |
| Special events | | 77,906 | 143,214 |
| Resource development personnel | | 420,560 | 433,913 |
| Administrative personnel | | 515,828 | 491,473 |
| Office and general | | 175,418 | 173,288 |
| Marketing | | 72,822 | 65,496 |
| Facilities | | 160,248 | 153,140 |
| Amortization of capital assets | | 18,411 | 13,620 |
| | | 2,149,733 | 2,424,727 |
| Excess (Deficiency) of Revenues over Expenses before the Undernoted Items | | (120,057) | (121,749) |
| Canada Emergency Wage Subsidy | | 279,067 | 225,104 |
| Unrealized (loss) gain on investments | | 200,698 | (6,219) |
| Excess of Revenues over Expenses | | \$ 359,708 | \$ 97,136 |

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

**Junior Achievement of Central Ontario
Statement of Changes in Net Assets**

For the year ended June 30, 2021

| | Unrestricted Net Assets | Internally Restricted | Endowment Fund | 2021 | 2020 |
|---|----------------------------|--------------------------|-------------------|---------------------|---------------------|
| Net Assets, Beginning of the Year | \$ 671,623 | \$ 1,200,000 | \$ 500,000 | \$ 2,371,623 | \$ 2,274,487 |
| Excess of Revenues over Expenses | 359,708 | - | - | 359,708 | 97,136 |
| Net Assets, End of the Year | \$ 1,031,331 | \$ 1,200,000 | \$ 500,000 | \$ 2,731,331 | \$ 2,371,623 |

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

Junior Achievement of Central Ontario
Statement of Cash Flows
For the year ended June 30, 2021

| | 2021 | 2020 |
|--|-------------------|-------------------|
| Net Inflow (Outflow) of Cash Related to the Following Activities: | | |
| Cash Provided by Operating Activities | | |
| Excess of Revenues over Expenses | \$ 359,708 | \$ 97,136 |
| Items Not Involving Cash: | | |
| Amortization of Capital Assets | 18,411 | 13,620 |
| Unrealized Loss (Gain) on Investments | (200,698) | 6,219 |
| Changes in: | | |
| Accounts Receivable | 201,917 | (90,162) |
| HST Receivable | 19,526 | 16,021 |
| Prepaid Expenses | 4,502 | 37,375 |
| Accounts Payable and Accrued Liabilities | 31,886 | (23,304) |
| Deferred Contributions | 122,317 | 2,529 |
| Net Cash Provided by Operating Activities | 557,569 | 59,434 |
| Cash Flows from Investing Activities | | |
| Investments, Net | (39,142) | (2,382) |
| Acquisition of Capital Assets | (6,518) | (22,230) |
| Net Cash Used by Investing Activities | (45,660) | (24,612) |
| Net Increase in Cash | 511,909 | 34,822 |
| Cash, Beginning of the Year | 198,025 | 163,203 |
| Cash, End of the Year | \$ 709,934 | \$ 198,025 |

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

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

1. Purpose of Organization

Junior Achievement of Central Ontario (the "Corporation") was incorporated in Ontario with letters patent as a not-for-profit corporation.

The Corporation offers a variety of business related educational programs to youth in all school boards across Toronto, York, Peel, Halton, Dufferin, Durham and Simcoe regions. Support for these programs is obtained from companies, foundations and individuals. The programs are taught by qualified volunteers from the community. The Corporation is a licensee of Junior Achievement of Canada ("JACAN").

Pursuant to the Income Tax Act (Canada) the Corporation is a tax-exempt registered charity.

2. Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. The significant policies are:

a) Revenue Recognition

The Corporation follows the deferral method of accounting for contributions.

Unrestricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions received for restricted purposes are recognized into revenue in the year when the related expense is incurred.

The Internally Restricted Fund represents resources explicitly appropriated by the Board of Directors for purposes described in Note 8.

Restricted interest income is deferred and recognized as revenue in the year in which the related expenses are incurred. Unrestricted interest income is recognized as revenue when earned.

The Endowment Fund represents resources where external and/or internal restrictions require that the principal must be maintained permanently. The investment income generated from the assets held in the Endowment Fund must be used in accordance with the various purposes established by the donor. Where the investment income is to be used for operations, including the delivery of programs, the investment income is recognized as part of Unrestricted net assets.

Contributions received for the Endowment Fund are recognized directly into the Endowment Fund in the Statement of Changes in Net Assets in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

b) Contributed Materials and Services

Contributions of material and services are recorded as revenue at fair value at the date of contribution if fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased. Additionally, the Corporation would not be able to carry out its administrative activities without the services of volunteers who donate a considerable number of hours, including business professionals who directly deliver classroom programs as instructors. Because of the difficulty of determining their fair value, the value of these contributed services are not recognized in the financial statements.

c) Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value. The Corporation subsequently measures all of its financial assets and liabilities at amortized cost, except for its investments, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations. Transaction costs associated with the acquisition of these investments are recognized in the Statement of Operations in the period incurred. All other financial instruments are subsequently measured at amortized cost adjusted by transaction costs, which are amortized over the expected life of the instrument.

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

Financial assets measured at fair value include investments.

d) Short-Term and Long-Term Investments

The Corporation classifies its investments based on intention for use, rather than the composition and maturity dates of the underlying investments. Although the Corporation has the ability to liquidate a portion of the long-term investments at any given time based on their composition, in substance management intends to hold the long-term investments for a period greater than one year. Long-term investments are held for earning investment income and / or to fulfill internal and external restrictions to maintain investments for long-term purposes, and are not held for operating purposes.

e) Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at the fair market value at the date of contribution. Amortization is calculated on computer hardware and software, furniture and fixtures, and leasehold improvements on a straight-line basis over three years.

f) Impairment of Long-Lived Assets

An impairment charge is recognized for long-lived assets whenever an event or change in circumstance causes an asset's carrying value to exceed the total undiscounted cash flows expected from its use and eventual disposition. The impairment loss is calculated as the difference between the fair value of the assets and their carrying values.

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

g) 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. Significant estimates include those used when accounting for allowance for doubtful accounts. Actual results could differ from management's best estimates as additional information becomes available in the future.

In March 2020, the World Health Organization declared COVID-19 a global pandemic, which has had a significant impact on services, through restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. There is significant uncertainty regarding the extent and duration of the impact of the COVID-19 pandemic on the Corporation's operations. The impact of the pandemic on the Corporation's financial condition, cash flows, operations, credit risk, liquidity, and availability of credit is highly uncertain and cannot be predicted. Management will continue to monitor and assess the impact of the pandemic on its judgments, estimates, accounting policies, and amounts recognized in these financial statements. As at the financial statement date, management has determined that there has been no significant adverse effect on the Corporation.

3. Capital Assets

Capital assets comprises the following:

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2021</u> |
|--------------------------------|------------------|-------------------------------------|---------------------|
| Computer hardware and software | \$ 40,568 | \$ 28,026 | \$ 12,542 |
| Furniture and fixtures | 10,085 | 5,043 | 5,042 |
| Leasehold improvements | 7,840 | 3,920 | 3,920 |
| | \$ 58,493 | \$ 36,989 | \$ 21,504 |

| | <u>Cost</u> | <u>Accumulated Amortization</u> | <u>Net 2020</u> |
|--------------------------------|------------------|-------------------------------------|---------------------|
| Computer hardware and software | \$ 34,050 | \$ 15,590 | \$ 18,460 |
| Furniture and fixtures | 10,085 | 1,681 | 8,404 |
| Leasehold improvements | 7,840 | 1,307 | 6,533 |
| | \$ 51,975 | \$ 18,578 | \$ 33,397 |

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

4. Investments

Investments, which are all measured at fair value, are made up of the following:

| | <u>2021</u> <u>Operations</u> | <u>2021</u> <u>Endowment</u> | <u>2021</u> <u>Total</u> | <u>2020</u> <u>Total</u> |
|-----------------------------|----------------------------------|---------------------------------|-----------------------------|-----------------------------|
| Cash and fixed income | \$ 200,015 | \$ 62 | \$ 200,077 | \$ 204,454 |
| Canadian money market funds | 234,531 | 3 | 234,534 | 238,847 |
| Mutual funds | 1,023,907 | 752,566 | 1,776,473 | 1,527,942 |
| | <u>\$ 1,458,453</u> | <u>\$ 752,631</u> | <u>\$ 2,211,084</u> | <u>\$ 1,971,243</u> |

Investments held for the Endowment Fund total \$752,631 (2020 - \$649,117) (Note 6). This amount represents the fair value of the investments, which includes an accumulated unrealized gain on the investments held in the Endowment Fund of \$118,609 (2020 - \$33,677), and the portion of investment income not distributed to the operating bank account of \$134,022 (2020 - \$115,440). The investment income and unrealized gain on investments have been recognized in the Statement of Operations as part of Unrestricted Net Assets.

5. Deferred Contributions

Deferred contributions are made up of the following:

| Deferred contributions: | <u>2021</u> | <u>2020</u> |
|-------------------------|-------------------|------------------|
| - Program Sponsorship | \$ 90,750 | \$ 52,649 |
| - Government Grants | 74,416 | - |
| - Golf Classic | 25,000 | - |
| - Governors' Dinner | 5,000 | 20,000 |
| - Other | 18,000 | 18,200 |
| | <u>\$ 213,166</u> | <u>\$ 90,849</u> |

Deferred contributions are funds received in advance of the year to which they relate, and are recognized in their entirety in the following fiscal year.

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

6. Endowment Fund

The Endowment Fund consists of externally restricted contributions received by the Corporation where the endowment principal is required to be invested by the Corporation in perpetuity. The Endowment Fund may also include internal amounts transferred by the Board to the Endowment Fund, with the intention that the principal be invested in perpetuity. The investment income generated from the assets held in the Endowment Fund must be used in accordance with the various purposes established by the donor.

The Endowment Fund currently consists of The Gary and Joanne Reamey Family Endowment, which was established during fiscal 2013, by the contribution of \$500,000 to the Corporation. Its purpose is to fund and support the Corporation's financial literacy, entrepreneurial, and work readiness objectives, for the benefit of grades 3 to 12 students attending school in the region covered by the Corporation's charter. The investment income generated by The Gary and Joanne Reamey Family Endowment is to be used by the Corporation for these programming objectives.

Net investment income of \$23,244 (2020 - \$23,709) and an unrealized gain on the Endowment Fund investments of \$84,932 (2020 - \$2,218 loss) have been recognized in the Statement of Operations, in Investment income, and Unrealized (loss) gain on investments, respectively.

7. Investment Income

Investment income is made up of the following:

| | <u>2021</u> | <u>2020</u> |
|--|------------------|------------------|
| Investment income from Operations | | |
| Dividend income | \$ 31,831 | \$ 35,652 |
| Interest income | 2,878 | 4,936 |
| Gain on sale of investments | 250 | 1,898 |
| | 34,959 | 42,486 |
| Investment income from Endowment Fund | | |
| Dividend income | \$ 22,810 | \$ 23,490 |
| Gain on sale of investments | 434 | 219 |
| | 23,244 | 23,709 |
| Total investment income | \$ 58,203 | \$ 66,195 |

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

8. Internally Restricted Fund

In order to ensure the Corporation's continuity in the event of adverse economic conditions or emergencies, and / or to have funds set aside for specific projects or contingencies, the Corporation is subject to two separate reserve requirements.

i) Sustainability Reserve Requirement

Junior Achievement of Canada's ("JACAN") guideline specifies that each Junior Achievement charter shall maintain a minimum of 25%, with a preferred target of 50%, of the current fiscal year's budgeted operating expenses in a Reserve Fund, to ensure the charters' continuity in the event of adverse economic conditions or emergencies. As a Licensee of JACAN, the Corporation is required to have a minimum Sustainability Reserve consisting of unrestricted and internally restricted funds. Applying the respective JACAN policy and procedure, the Sustainability Reserve for the Organization has been calculated to be 106% of its net operating budget for the year ended 2021.

ii) Internally Restricted Fund

The Corporation's Board of Directors has established an Internally Restricted Reserve Fund (the "Reserve Fund") to provide a reserve to be used in emergency situations and also to fund any operating shortfalls, specific projects or other contingencies. The guidelines established by the Board of Directors for the Reserve Fund are more stringent than JACAN's Sustainability Reserve requirements (described above), as the internal Reserve Fund guidelines require a minimum balance be met by the Reserve Fund itself, whereas JACAN's Sustainability Reserve also includes unrestricted cash and investments. The Board of Directors reviews and determines the appropriate fund balance annually based on economic conditions, their internal Reserve Fund guidelines, and the JACAN guideline.

The total budgeted expenses for fiscal 2021 were \$2,152,375 (2020 - \$2,675,239), indicating an upper limit to the Reserve Fund of \$1,076,188 (2020 - \$1,337,620). The Corporation's guidelines have determined a calculated lower limit of \$900,488 (2020 - \$1,062,093). At June 30, 2021, the Reserve Fund has a balance of \$1,200,000 (2020 - \$1,200,000).

Requirements

The Corporation exceeds the requirements for both the Sustainability Reserve set by JACAN, and the Reserve (Internally Restricted Fund) set by the Corporation's Board of Directors.

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

9. Commitments

The Corporation is committed under operating lease agreements for equipment and premises to base rental payments as follows:

| | |
|------|------------|
| 2022 | 80,116 |
| 2023 | 39,612 |
| | <hr/> |
| | \$ 119,728 |

10. Credit Facility

The Corporation has available an unsecured line of credit facility of \$50,000, of which \$Nil was drawn at June 30, 2021 (2020 - \$Nil). The line of credit when drawn, bears interest at the bank's prime rate plus 4%.

11. Related Party Transactions

The Corporation is a separate charter acting under an operating agreement with JACAN. During the year, the Corporation paid \$80,429 (2020 - \$103,738) for charter fees, \$85,501 (2020 - \$104,936) for supplies, services and other expenditures, and \$45,567 (2020 - \$39,468) for account administration fees related to organizations that contribute, and are managed, at a national level. The charter fees and the supplies, services and other expenditures are included in Programs and Materials in the Statement of Operations. The account administration fee is included as a reduction of program designated contributions in the Statement of Operations. All transactions were measured at the exchange amount, and were in the normal course of operations.

Included in accounts payable at June 30, 2021 is \$Nil (2020 - \$Nil) owed to JACAN.

Included in accounts receivable at June 30, 2021 is \$Nil (2020 - \$92,724) owed from JACAN.

JUNIOR ACHIEVEMENT OF CENTRAL ONTARIO

Notes to the Financial Statements

June 30, 2021

12. Financial Instrument Risk Disclosure

The significant financial risks to which the Corporation is exposed are:

a) **Interest rate risk:**

Interest rate risk is the sensitivity of the investment portfolio to fluctuations in market interest rates. The Corporation mitigates its interest rate risk by an investment policy to vary the maturity dates of its investments.

b) **Credit risk:**

Credit risk is the ability of the issuer of the investment to make interest payments and repay the principal. The Corporation manages its credit risk on its investment portfolio by limiting its investments to those issued or guaranteed by federal or provincial governments along with major Canadian banks and corporations.

Financial instruments which potentially subject the Corporation to concentrations of credit risk consist primarily of accounts receivable. Management has reviewed the collectibility of its accounts receivable, and has provided an allowance for doubtful accounts of approximately \$3,000 (2020 - \$3,000).

c) **Liquidity risk:**

Liquidity risk is the risk that the Corporation will not be able to meet its obligations associated with the financial liabilities. The Corporation manages its liquidity risk by monitoring its operating requirements, and prepares budgets to ensure it has sufficient funds to fulfill its obligations. Additionally, the Corporation maintains a Contingency Fund in the event of adverse economic conditions or emergencies.

d) **Other price risk:**

The Corporation is not subject to other price risk as it has no investments in the stock market.

Price risk is the sensitivity of the investment portfolio to fluctuations in the stock market prices. There is a direct relationship between stock market performance and the value of the Corporation's investment portfolio. The Corporation mitigates this risk by varying its investments and using professional money managers.

There have been no changes in the Corporation's risk exposures from the prior year.