Grant Thornton

Financial statements

Cecil Community Centre

December 31, 2023

Contents

Date: April 25, 2024

Management's responsibility for the financial statements

The financial statements of the Cecil Community Centre (the "Centre") are the responsibility of management and have been approved by the Board.

The financial statements have been prepared in compliance with the Canadian public sector accounting standards for government not-for-profit organizations, including the 4200 series of standards, established by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada. A summary of the significant accounting policies are described in Note 2 to the financial statements.

The preparation of the financial statements necessarily involves the use of estimates based on management's judgment, particularly when transactions affecting the current accounting period cannot be finalized with certainty until future periods.

The Centre's management maintains a system of internal controls designed to provide reasonable assurance that assets are safeguarded, transactions are properly authorized and recorded in compliance with legislative and regulatory requirements, and reliable financial information is available on a timely basis for preparation of the financial statements. These systems are monitored and evaluated by management.

The Board of Management is responsible for ensuring that management fulfills its responsibilities for financial reporting. The Board reviews the Centre's financial statements and discusses any significant financial reporting or internal control matters prior to the approval of the financial statements.

The financial statements have been audited by Grant Thornton LLP, independent external auditors appointed by the City of Toronto's City Council, in accordance with Canadian generally accepted auditing standards. The accompanying Independent Auditor's Report outlines their responsibilities, the scope of their examination and their opinion on the Centre's financial statements.

Ryan Patrick Northfield
Ryan Patrick Northfield (Jun 21, 2024 19:21 EDT)
______________________________ Chairperson

______________________________ Vice-Chairperson

Independent Auditor's Report

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To the Council of the Corporation of the City of Toronto and the Board of Directors of
Cecil Community Centre

Qualified Opinion

We have audited the financial statements of Cecil Community Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of Cecil Community Centre as at December 31, 2023, and its results of operations, changes in net assets, and cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the year ended December 31, 2023, current assets as at December 31, 2023, and net assets at January and December 31 for both the 2023 and 2022 years. The predecessor auditor's opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects on this limitation of scope.

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 qualified opinion.

Other matter

The financial statements of the Centre were audited by another auditor for the year ended December 31, 2022, who expressed a qualified opinion on those statements on April 27, 2023. The qualification in that audit opinion related to the completeness of fundraising revenue not being susceptible to satisfactory audit verification.

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 public sector accounting standards for government not-for-profits , 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 Centre's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 Centre'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 Centre'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 Centre 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.

Grant Thornton LLP

Toronto, Canada
April 25, 2024

Chartered Professional Accountants
Licensed Public Accountants

Cecil Community Centre
Statement of Financial Position

December 31		2023		2022
Assets				
Current				
Cash	**$**	**14,743**	$	34,995
Investments (Note 4)		**27,678**		81,915
Due from City of Toronto - vacation		**3,652**		5,803
Due from City of Toronto – deficit (Note 7)		**139,329**		90,156
Accounts receivable		**46,288**		54,869
Prepaid expenses		**270**		8,469
		231,960		276,207
Tangible capital assets (Note 5)		**22,283**		7,898
Due from City of Toronto (Note 6)		**208,771**		192,434
	$	**463,014**	$	476,539
Liabilities				
Current				
Accounts payable and accrued liabilities	**$**	**85,974**	$	67,112
Deferred contributions (Note 8)		**24,167**		114,131
		110,141		181,243
Deferred capital contributions (Note 9)		**19,018**		3,447
Post-employment benefits liability (Note 6)		**208,771**		192,434
		227,789		377,124
Net assets				
Board designated reserve (Note 10)		**40,329**		40,329
Unrestricted		**84,755**		59,086
		125,084		99,415
	$	**463,014**	$	476,539

Approved by the Board:

Ryan Patrick Northfield
Ryan Patrick Northfield (Jun 21, 2024 19:21 EDT)
_____________________ Chairperson

_____________________ Vice-Chairperson

See accompanying notes to the financial statements.

Cecil Community Centre
Statement of Operations
Year ended December 31

	Program	Administration	**2023**	2022
Revenue				
Grants				
City of Toronto	$ 14,540	$ 1,009,266	**$ 1,023,806**	$ 935,410
Province of Ontario	22,868	-	**22,868**	21,879
Government of Canada	29,042	-	**29,042**	19,332
Other grants	176,173	-	**176,173**	139,540
	242,623	1,009,266	**1,251,889**	1,116,161
Rentals	120,552	-	**120,552**	59,652
Program fees	43,259	-	**43,259**	38,187
Donations and fundraising	22,796	-	**22,796**	6,345
Interest	2,567	-	**2,567**	727
Other income	8,818	-	**8,818**	10,881
Amortization of deferred capital contributions (Note 9)	2,461	4,903	**7,364**	4,770
	443,076	1,014,169	**1,457,245**	1,236,723
Expenses				
Salaries and wages	262,504	677,563	**940,067**	780,568
Employee benefits	37,643	186,159	**223,802**	190,144
Materials and supplies	38,199	40,202	**78,401**	68,479
Purchase of services	74,891	105,342	**180,233**	125,370
Amortization of tangible capital assets	4,170	4,903	**9,073**	5,808
	417,407	1,014,169	**1,431,576**	1,170,369
Excess of revenue over expenses	$ 25,669	$ -	**$ 25,669**	$ 66,354

See accompanying notes to the financial statements.

Cecil Community Centre
Statement of Changes in Net Assets
Year ended December 31

	Board Designated Reserve	Unrestricted	**Total 2023**	Total 2022
Net assets, beginning of year	$ 40,329	$ 59,086	**$ 99,415**	$ 33,061
Excess of revenue over expenses	-	25,669	**25,669**	66,354
Net assets, end of year	$ 40,329	$ 84,755	**$ 125,084**	$ 99,415

See accompanying notes to the financial statements.

Cecil Community Centre
Statement of Cash Flows

Year ended December 31	**2023**	2022
Increase (decrease) in cash		
Operating		
Excess of revenue over expenses	**$ 25,669**	$ 66,354
Adjustments for non-cash items:		
Post-employment benefits liability	**(16,337)**	(21,659)
Amortization of tangible capital assets	**9,073**	5,808
Amortization of deferred capital contributions	**(7,364)**	(4,770)
	11,041	45,733
Net change in non-cash working capital items:		
Due from City of Toronto – vacation	**2,151**	2,076
Due from City of Toronto – deficit	**(49,174)**	(90,156)
Accounts receivable	**8,581**	(48,158)
Prepaid expenses	**8,199**	(5,296)
Due to City of Toronto – surplus	**-**	(13,329)
Accounts payable and accrued liabilities	**18,862**	(14,964)
Deferred contributions	**(89,964)**	57,496
	(90,304)	(66,598)
Capital		
Purchase of tangible capital assets	**(23,457)**	(9,442)
Financing		
Long-term amount due from City of Toronto	**16,337**	21,659
Receipt of deferred capital contributions	**22,935**	3,953
	39,272	25,612
Investing		
Maturity of investments	**54,237**	81,369
Purchase of investment	**-**	(81,915)
	54,237	(546)
Decrease in cash	**(20,252)**	(50,974)
Cash, beginning of year	**34,995**	85,969
Cash, end of year	**$ 14,743**	$ 34,995

See accompanying notes to the financial statements.

1. Nature of operations

The City of Toronto Act, 1997 continued the provisions of By·law No. 1995-0448 dated June 26, 1995 to reflect Chapter 25, Community and Recreation Centre of the Corporation of the City of Toronto Municipal Code. Chapter 25 amended all previous by-laws and established the premises at No. 58 Cecil Street, Toronto, as a community recreation centre under the authority of the Municipal Act, known as Cecil Community Centre (the "Centre"). The Centre is a not-for-profit organization and, as such, is exempt from income tax.

The Municipal Code provides for a Council appointed Board which, among other matters, shall:

a) endeavour to manage and control the premises in a reasonable and efficient manner, in accordance with standard good business practices, and

b) pay to the City of Toronto (the "City") any excess of administration expenditure funds provided by the City in accordance with its approved annual budget, but may retain any surplus from program activities.

2. Significant accounting policies

Basis of accounting

These financial statements have been prepared in accordance with Canadian public sector accounting standards for government not-for-profits ("PSAS-GNFPO"), including the 4200 series of standards, as issued by the Public Sector Accounting Board (PSAB) of the Chartered Professional Accountants of Canada

Revenue recognition

The Centre follows the deferral method of accounting for contributions. Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized and are recorded as deferred contributions on the statement of financial position. Externally restricted contributions for depreciable tangible capital assets are deferred and amortized over the life of the related tangible capital assets. Externally restricted contributions for tangible capital assets that have not been expended are recorded as part of the deferred capital contribution on the statement of financial position.

Program fees, membership fees and rental income are recognized as the services and provided. Amounts received in advance of services being provided are classified as deferred revenue on the statement of financial position.

Financial instruments

The Centre initially measures its financial assets and financial liabilities at fair value.

The Centre subsequently measures all its financial assets and financial liabilities at amortized cost.

2. Significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at amortized cost include cash, investments, accounts receivable and due from City of Toronto. Financial liabilities measured at amortized cost include accounts payable and due to City of Toronto.

Contributed materials and services

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

Tangible capital assets

Capital assets are recorded at cost and contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives, as follows:

Computers	3 years straight line
Furniture and equipment	5 years straight line

Employee related costs

The Centre has adopted the following policies with respect to employee benefit plans:

a) The City offers a multi-employer defined benefit pension plan to the Centre's eligible employees. Due to the nature of the plan, the Centre does not have sufficient information to account for the plan as a defined benefit plan; therefore, the multi-employer defined benefit pension plan is accounted for in the same manner as a defined contribution plan. An expense is recorded in the period in which contributions are made.

b) The Centre also offers its eligible employees a defined benefit sick leave plan, a post-retirement life, health and dental plan, a long-term disability plan and continuation of health, dental and life insurance benefits to disabled employees. The accrued benefit obligations are determined using an actuarial valuation based on the projected benefit method prorated on service, incorporating management's best estimate of future salary levels, inflation, sick day usage estimates, ages of employees and other actuarial factors.

Net actuarial gains and losses that arise are amortized over the expected average remaining service life of the employee group.

The Centre recognizes an accrued benefit liability on the statement of financial position, which is the net of the amount of the accrued benefit obligations and the unamortized actuarial gains/ losses.

Use of estimates

The preparation of financial statements in conformity with Canadian public sector accounting standards for government not-for-profits 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.

2. Significant accounting policies (continued)

Use of estimates (continued)

Management makes accounting estimates when determining the useful lives of capital assets, significant accrued liabilities, the post-employment benefits liabilities and the related costs charged to the statement of operations. Actual results could differ from those estimates, the impact of which would be recorded in future periods.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the year in which the estimates are revised and in any future years affected.

3. Change in accounting policies

Effective January 1, 2023, the Centre adopted new Public Sector Accounting Standards Sections PS3450 *Financial Instruments* and PS1201 *Financial Statement Presentation* along with related amendments. New Section PS3450 requires the fair value measurement of derivatives and portfolio investments in equities quoted in an active market. All other financial assets and liabilities are measured at cost or amortized cost (using the effective interest method), or, by policy choice, at fair value when the entity defines and implements a risk management or investment strategy to manage and evaluate the performance of a group of financial assets, liabilities, or both on a fair value basis.

The measurement requirements were applied prospectively. There were no adjustments required and there are no remeasurement gains or losses or embedded derivatives requiring the presentation of a statement of remeasurement gains or losses.

4. Investments

The Centre's investment portfolio consists of the following:

	2023	2022
Mutual funds	**$ 27,678**	$ 27,472
Guaranteed investment certificates	**-**	54,443
	$ 27,678	$ 81,915

The guaranteed investment certificates matured on November 4, 2023.

5. Tangible capital assets

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	**2023** **Net Book Value**	2022 Net Book Value
Furniture and fixtures	$ 40,059	$ 19,581	**$ 20,478**	$ 1,934
Computers	30,732	28,927	**1,805**	5,964
	$ 70,791	$ 48,508	**$ 22,283**	$ 7,898

6. Post-employment benefits liability and long-term due from City of Toronto

The Centre participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits to its eligible employees. Under the sick leave plan for management staff with ten years of service as of April 1, 2003, unused sick leave accumulated until March 1, 2008, and eligible employees may be entitled to a cash payment when they leave the Centre's employment. The liability for these accumulated days represents the extent to which they have vested and can be taken in cash by an employee upon termination, retirement or death. This sick bank plan was replaced by a Short-Term Disability Plan (STD) effective March 1, 2008, for all non-union employees of the City. Upon the effective date, individual sick banks were locked with no further accumulation. Grandfathered management staff remains entitled to payout of frozen, banked time, as described above. Under the new STD plan, management employees are entitled to 130 days annual coverage with salary protection at 100 or 75 percent, depending upon years of service. Non-management employees continue to receive sick bank time as stipulated in the applicable Collective Agreement, which specifies no financial conversion of unused sick leave.

The Centre also provides health, dental, accidental death and disability, life insurance and long-term disability benefits to eligible employees. Depending on length of service and individuals' election, management retirees are covered either by the former City retirement benefit plan or by the current retirement benefit plan.

Due to the complexities in valuing the benefit plans, actuarial valuations are conducted on a periodic basis. The most recent actuarial valuation was completed as at December 31, 2021 with projections to December 31, 2024. Assumptions used to project the accrued benefit obligation were as follows:

- long-term inflation rate - 2.0%
- assumed health care cost trends - range from 3.0% to 6.0%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 4.7%, post-employment 4.1%, sick leave 4.2%

6. Post-employment benefits liability and long-term due from City of Toronto (continued)

Information about the Centre's employee benefits, other than the multi-employer, defined benefit pension plan noted below, is as follows:

	2023	2022
Post retirement benefits	**$ 204,045**	$ 187,798
Sick leave benefits	**106,498**	101,434
	310,543	289,232
Unamortized actuarial loss	**(101,772)**	(96,798)
Post-employment benefits liability	**$ 208,771**	$ 192,434

The continuity of the accrued benefit obligation is as follows:

	2023	2022
Balance, beginning of year	**$ 192,434**	$ 170,775
Current service cost	**11,542**	13,600
Interest cost	**13,273**	8,800
Amortization of actuarial gain	**6,933**	11,593
Benefits paid	**(15,411)**	(12,334)
Balance, end of year	**$ 208,771**	$ 192,434

A long-term receivable from the City of $208,771 in 2023 (2022 - $192,434) has resulted from the recording of sick leave and post-retirement benefits. Funding for these costs continues to be provided by the City as benefit costs are paid and the City continues to be responsible for the benefit liabilities of administration staff that may be incurred by the Centre.

The Centre also makes contributions to the Ontario Municipal Employees Retirement System (OMERS), which is a multi-employer plan, on behalf of most of its eligible employees. The OMERS plan (the "Plan") is a defined benefit plan, which specifies the amount of the retirement benefit to be received by the employees based on the length of service and rates of pay. Employer contributions to this pension plan amounted to $68,046 in 2023 (2022 - $50,024).

The most recent actuarial valuation of the Plan as at December 31, 2023 indicates the Plan is in a deficit position and the Plan's December 31, 2023 financial statements indicate a net deficit of $7,571 million (a net deficit of $4,202 million plus adjustment of $3,369 million of unrecognized investment returns above or below the discount rate that is being smoothed and recognized over a five-year period). The Plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan's assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Centre's contributions accounted for an insignificant portion of the Plan's total employer contributions. Additional contributions, if any, required to address the Centre's proportionate share of the deficit will be expensed during the period incurred.

7. Funds provided by City of Toronto – Administration

Funding for administration expenses is provided by the City according to Council approved budgets. Surplus amounts in administration are payable to the City. Deficits, excluding those accruals for long-term employee benefits, are funded by the Centre unless Council approval has been obtained for additional funding.

	Budget 2023 (unaudited)	**2023**	2022
Administration expenses			
Salaries and wages	$ 651,262	**$ 677,563**	$ 597,286
Employee benefits	184,267	**186,159**	171,820
Materials and supplies	34,970	**40,202**	38,273
Purchase of services	69,062	**105,342**	72,518
Amortization of tangible capital assets	-	**4,903**	3,361
	$ 939,561	**$ 1,014,169**	$ 883,258
Centre's actual administration revenue			
Administration budget		**$ 939,561**	$ 797,124
Centre's actual administration expense			
Administration expenses		**1,014,169**	883,258
Adjustments for non-cash items:			
Post-employment benefits, not funded by the City until paid, that are included in long-term accounts receivable - City of Toronto		**(16,337)**	(21,659)
Amortization of tangible capital assets funded by deferred capital contribution		**(4,903)**	(3,361)
Vacation pay asset (liability, not funded by the City until paid, that are included in due from City of Toronto		**2,151**	2,076
Administration tangible capital asset acquisition		**19,780**	840
		1,014,860	861,154
Administration expenses over approved budget		**$ (75,299)**	$ (64,030)

The Due from City of Toronto balance is comprised of:

	2023	2022
2021 deficit receivable	**$ -**	$ 26,126
2022 deficit receivable	**64,030**	64,030
2023 deficit receivable	**75,299**	-
	$ 139,329	$ 90,156

8. Deferred contributions

Deferred contributions consist of the following:

	2023	2022
Balance, beginning of year	$ **114,131**	$ 56,635
Contributions received	**126,084**	293,185
Amounts recognized as grant revenue	**(216,048)**	(235,689)
Balance, end of year	$ **24,167**	$ 114,131

9. Deferred capital contributions

Deferred capital contributions consist of the following:

	2023	2022
Balance, beginning of year	$ **3,447**	$ 4,264
Capital contributions received	**22,935**	3,953
Amounts recognized as revenue	**(7,364)**	(4,770)
Balance, end of year	$ **19,018**	$ 3,447

10. Board designated reserve

In 1992, the Board created a reserve for the establishment of new and expanded programs in future years. The Board did not approve a transfer from the reserve account in 2023 or 2022.

11. 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 following disclosures provide information to assist users of the financial statements in assessing the extent of risk related to the Centre’s financial instruments.

Credit risk

The Centre is exposed to credit risk resulting from the possibility that parties may default on their financial obligations. The Centre’s maximum exposure to credit risk represents the sum of the carrying value of its cash, investments, and accounts receivable. The Centre’s cash and investments are with a Canadian chartered bank and as a result management believes the risk of loss to be remote. The Centre provides credit to its customers in the normal course of operations. Management believes that the Centre’s credit risk with respect to accounts receivable is limited. The Centre manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

11. Financial instruments (continued)

Liquidity risk

Liquidity risk refers to the adverse consequence that the Centre will encounter difficulty in meeting obligations associated with financial liabilities, which are comprised of Due to City of Toronto and accounts payable and accrued liabilities. The Centre manages liquidity risk by monitoring its cash flow requirements on a regular basis. Management believes its overall liquidity risk to be minimal as the Centre's financial assets are considered to be highly liquid. The following table sets out the expected maturities, representing undiscounted cash flows of its financial liabilities.

	Within 1 year	1 to 2 years	2 to 5 years	Over 5 years	Total
Accounts payable and accrued liabilities	$ 85,974	$ -	$ -	$ -	$ 85,974

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk is comprised of currency risk, interest rate risk, and other price risk.

It is management's opinion that unless otherwise noted, the Centre is not exposed to significant market risk arising from its financial instruments.

i) Currency risk

Currency risk refers to the risk that the fair value of instruments or future cash flows associated with the instruments will fluctuate relative to the Canadian dollar due to changes in foreign exchange rates. The Centre’s financial instruments are all denominated in Canadian dollars and the Centre transacts primarily in Canadian dollars. As a result, management does not believe it is exposed to significant currency risk.

ii) 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 Centre's cash and investments earn interest at prevailing market rates and management believes the interest rate exposure related to these financial instruments is negligible.

iii) Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with financial instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Management believes that the Centre is not exposed to significant other price risk.

Changes in risk

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

12. Comparative figures

The Comparative figures have been reclassified where necessary to conform to the presentation adopted in the current year.