Attachment 6

CONSOLIDATED FINANCIAL STATEMENTS

For

BOARD OF MANAGEMENT FOR THE EASTVIEW NEIGHBOURHOOD COMMUNITY CENTRE

For the year ended

DECEMBER 31, 2017

Welch LLP

SINCE 1918

INDEPENDENT AUDITOR'S REPORT

To the Council of the Corporation of the

CITY OF TORONTO AND BOARD OF MANAGEMENT FOR THE EASTVIEW NEIGHBOURHOOD COMMUNITY CENTRE

We have audited the accompanying consolidated financial statements of the Board of Management for the Eastview Neighbourhood Community Centre, which comprise the consolidated statement of financial position as at December 31, 2017 and the consolidated statements of operations, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian public sector accounting standards for government not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Centre derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of the Centre and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, net revenue over expenses and cash flows from operations for the years ended December 31, 2017 and 2016, current assets as at December 31, 2017 and 2016 and net assets as at January 1 and December 31 for both the 2016 and 2017 years. Our audit opinion on the consolidated financial statements for the year ended December 31, 2016 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of the Board of Management for the Eastview Neighbourhood Community Centre as at December 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian public sector accounting standards for government not-for-profit organizations.

Welch LLP

Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
April 16, 2018.

BOARD OF MANAGEMENT FOR THE EASTVIEW NEIGHBOURHOOD COMMUNITY CENTRE

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

	2017	2016
ASSETS		
CURRENT ASSETS		
Cash	$ 163,916	$ 144,483
Investments (note 4)	231,812	254,062
Due from City of Toronto	22,414	12,445
Accounts receivable	18,319	34,698
Prepaid expenses	-	4,272
	436,461	449,960
CAPITAL ASSETS (note 5)	154,000	90,035
DUE FROM CITY OF TORONTO (note 8)	186,707	191,580
	$ 777,168	$ 731,575
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities (note 13)	$ 72,717	$ 79,556
Deferred contributions (note 6)	126,852	76,624
	199,569	156,180
DEFERRED CAPITAL CONTRIBUTIONS (note 7)	175,407	142,171
POST-EMPLOYMENT BENEFITS PAYABLE (note 8)	186,707	191,580
	561,683	489,931
NET ASSETS		
Invested in capital assets, internally restricted (note 9)	6,000	8,400
Board designated reserves, internally restricted (note 10)	133,360	133,360
Unrestricted	76,125	99,884
	215,485	241,644
	$ 777,168	$ 731,575

Approved by the Board:

S Murray .... Chair

.... Treasurer

(See accompanying notes)

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BOARD OF MANAGEMENT FOR THE EASTVIEW NEIGHBOURHOOD COMMUNITY CENTRE

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

YEAR ENDED DECEMBER 31, 2017

	Invested in capital assets (note 9)	Board designated reserves (note 10)	Unrestricted	Total 2017	Total 2016
Net assets, beginning of year	$ 8,400	$ 133,360	$ 99,884	$ 241,644	$ 238,228
Net revenue over expenses (expenses over revenue)	-	-	(26,159)	(26,159)	3,416
Amortization of capital assets	(2,400)	-	2,400	-	-
Net assets, end of year	$ 6,000	$ 133,360	$ 76,125	$ 215,485	$ 241,644

(See accompanying notes)

BOARD OF MANAGEMENT FOR THE EASTVIEW NEIGHBOURHOOD COMMUNITY CENTRE

CONSOLIDATED STATEMENT OF OPERATIONS

YEAR ENDED DECEMBER 31, 2017

	Program	Administration	2017	2016
Revenue				
City of Toronto - Administration	$ -	$ 588,744	$ 588,744	$ 566,499
Grants				
United Way	343,190	-	343,190	343,444
City of Toronto (note 14)	187,427	-	187,427	184,484
Foundations	113,288	-	113,288	114,066
Province of Ontario (note 14)	112,197	-	112,197	110,598
Government of Canada	140,198	-	140,198	117,813
Amortization of deferred capital contributions	39,945	-	39,945	10,549
	936,245	588,744	1,524,989	1,447,453
Program income	256,852	-	256,852	243,571
Donations	35,529	-	35,529	30,994
Fundraising	25,724	-	25,724	59,774
Funds from Massey Centre	20,251	-	20,251	17,955
Memberships	6,943	-	6,943	6,840
Interest income	4,879	-	4,879	3,404
	1,286,423	588,744	1,875,167	1,809,991
Expenses				
Salaries and wages	869,590	398,341	1,267,931	1,225,080
Employee benefits	187,356	106,938	294,294	282,584
Materials and supplies	130,311	22,391	152,702	151,289
Purchase of services	82,980	61,074	144,054	134,673
Amortization of capital assets	42,345	-	42,345	12,949
	1,312,582	588,744	1,901,326	1,806,575
Net revenue over expenses (expenses over revenue)	$ (26,159)	$ -	$ (26,159)	$ 3,416

(See accompanying notes)

BOARD OF MANAGEMENT FOR THE EASTVIEW NEIGHBOURHOOD COMMUNITY CENTRE

CONSOLIDATED STATEMENT OF CASH FLOWS

YEAR ENDED DECEMBER 31, 2017

	2017	2016
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Net revenue over expenses (expenses over revenue)	$ (26,159)	$ 3,416
Adjustments for:		
Amortization of capital assets	42,345	12,949
Amortization of deferred capital contributions	(39,945)	(10,549)
	(23,759)	5,816
Increase (decrease) resulting from changes in:		
Due from City of Toronto	(9,969)	(2,048)
Accounts receivable	16,379	(11,339)
Prepaid expenses	4,272	5,358
Long-term amount due from City of Toronto	4,873	3,579
Accounts payable and accrued liabilities	(6,839)	(12,859)
Deferred contributions	50,228	(50,999)
Post-employment benefits payable	(4,873)	(3,579)
	30,312	(66,071)
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Net sale of investments	22,250	98,954
Acquisition of capital assets - program	(106,310)	(87,512)
	(84,060)	11,442
CASH FLOWS FROM FINANCING ACTIVITIES		
Deferred capital contributions received	73,181	65,048
INCREASE IN CASH	19,433	10,419
CASH, AT BEGINNING OF YEAR	144,483	134,064
CASH, AT END OF YEAR	$ 163,916	$ 144,483

(See accompanying notes)

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 Centres of the Corporation of the City of Toronto Municipal Code. Chapter 25 amended all previous By-laws and established the premises at 86 Blake Street, Toronto, as a community centre under the authority of the Municipal Act, known as Eastview Neighbourhood 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. CONSOLIDATED FINANCIAL STATEMENTS

The Municipal Code requires that audited annual financial statements be submitted by the Board of Management for the Centre to the City covering the management and control of the premises by the Board. However, since the revenue and expenditure from programs include the operations of the East Toronto Family Community Centre, a registered charitable organization, separate financial statements have not been prepared. Accordingly, these consolidated financial statements include the accounts of the operations of the East Toronto Family Community Centre as a whole, including the Eastview Neighbourhood Community Centre.

3. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

These consolidated financial statements have been prepared in accordance with Canadian Public Sector Accounting Standards for government not-for-profits ("PSA-GNPO") as issued by the Public Sector Accounting Board (PSAB).

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 capital assets are deferred and amortized over the life of the related capital assets. Externally restricted contributions for capital assets that have not been expended are recorded as part of deferred capital contribution on the statement of financial position.

Rental and similar revenues are recognized on the date of the performance or event.

3. **SIGNIFICANT ACCOUNTING POLICIES** - Cont'd.

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.

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

Contributed material and services

Because of the difficulty of determining their fair value, contributed materials and services are not recognized in the consolidated financial statements. Monetary donations are recorded as received.

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:

Furniture and equipment	- 5 years
Automotive equipment	- 5 years
Kitchen renovations	- 5 years

Employee related costs

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

(a) The City of Toronto offers a multi-employer defined benefit pension plan to the Centre's 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 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 consolidated 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 consolidated financial statements and the reported amounts of revenues and expenses during the reporting period. Management makes accounting estimates when determining the useful life of its 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.

4. INVESTMENTS

The investments consist of GICs with maturity dates ranging from January 18, 2018 to July 27, 2018 and interest rates ranging from 1.10% to 1.40%.

5. CAPITAL ASSETS

Capital assets consist of the following:

	2017		2016	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Program				
Furniture and equipment	$ 21,672	$ 8,288	$ 108,157	$ 96,943
Automotive equipment	12,000	6,000	12,000	3,600
Kitchen renovations	178,052	43,436	78,245	7,824
	211,724	$ 57,724	206,052	$ 116,017
Accumulated amortization	57,724		116,017	
	$ 154,000		$ 90,035	

6. DEFERRED CONTRIBUTIONS

	2017	2016
Balance, beginning of year	$ 76,624	$ 127,623
Add: Funds received	1,530,703	1,382,326
Less: Amounts recognized as revenue	(1,480,475)	(1,433,325)
Balance, end of year	$ 126,852	$ 76,624

7. DEFERRED CAPITAL CONTRIBUTIONS

	2017	2016
Balance, beginning of year	$ 142,171	$ 87,672
Add: Funds received	73,181	65,048
Less: Amortization of deferred capital contributions	(39,945)	(10,549)
Balance, end of year	$ 175,407	$ 142,171

8. POST-EMPLOYMENT BENEFITS PAYABLE AND LONG-TERM ACCOUNT RECEIVABLE

The Centre participates in a number of defined benefit plans provided by the City including pension, other retirement and post-employment benefits to its 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 upon leaving the Centre's employment. The liability for these accumulated days represents the extent to which they have vested and could be taken in cash by the 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 of Toronto. 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 of Toronto 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, 2015 with projections to December 31, 2016, 2017 and 2018. 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 4.0%
- rate of compensation increase - 3.0% to 3.5%
- discount rates - post-retirement 3.2%, post-employment 2.8%, sick leave 3.0%

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

	2017	2016
Post-retirement benefits	$ 112,893	$ 113,996
Sick leave benefits	9,678	9,943
	122,571	123,939
Add: Unamortized actuarial gain	64,136	67,641
Employee benefit liability	$ 186,707	$ 191,580

The continuity of the accrued benefit obligation is as follows:

	2017	2016
Balance, beginning of year	$ 191,580	$ 195,159
Current service cost	1,861	1,823
Interest cost	4,178	4,237
Plan amendment	(809)	-
Amortization of actuarial loss	559	659
Expected benefits paid	(10,662)	(10,298)
Balance, end of year	$ 186,707	$ 191,580

8. POST-EMPLOYMENT BENEFITS PAYABLE AND LONG-TERM ACCOUNT RECEIVABLE - Cont'd.

A long-term receivable of $186,707 (2016 - $191,580) from the City 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 employees. This 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 $82,081 in 2017 (2016 - $82,387).

The most recent actuarial valuation of the plan as at December 31, 2017 indicates the plan is in a surplus position and the plan's December 31, 2017 financial statements indicate a net surplus of $605 million (a deficit of $5.403 billion netted against unrecognized investment returns of $6.008 billion that will be recognized over the next four years). The plan's management is monitoring the adequacy of the contributions to ensure that future contributions together with the Plan assets and future investment earnings will be sufficient to provide for all future benefits. At this time, the Centre's contributions accounted for 0.0043% of the plan's total employer contribution. Additional contributions, if any, required to address the Centre's proportionate share of the deficit will be expensed during the period incurred.

9. INVESTED IN CAPITAL ASSETS

Investment in capital assets is calculated as follows:

	2017	2016
Capital assets	$ 154,000	$ 90,035
Amounts financed by deferred capital contributions	(175,407)	(142,171)
Deferred capital contributions for assets not yet acquired	27,407	60,536
	$ 6,000	$ 8,400

Change in net assets invested in capital assets is calculated as follows:

	2017	2016
Net revenue over expenses (expenses over revenue)		
Amortization of deferred capital contributions	$ 39,945	$ 10,549
Amortization of capital assets	(42,345)	(12,949)
	$ (2,400)	$ (2,400)
Net investment in capital assets		
Capital assets acquired	$ 106,310	$ 87,512
Amounts financed by deferred capital contributions from prior year	(60,536)	(83,000)
Deferred capital contributions received	(73,181)	(65,048)
Deferred capital contributions for assets not yet acquired	27,407	60,536
	$ -	$ -

10. BOARD DESIGNATED RESERVES

	2017	2016
Capital / Project Reserve	$ 63,192	$ 63,192
Administrative Contingency Reserve	70,168	70,168
	$ 133,360	$ 133,360

The Capital/Project Reserve is restricted to expenditures of a capital/project nature as approved by the Committee of Management/Board of Directors.

The Administrative Contingency Reserve consists of Committee of Management/Board of Directors approved transfers of monies from the Centre's program surplus to provide a contingency fund for essential administrative costs. Interest earned on the reserve balance is recorded as program revenue.

11. 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 repayable 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.

	2017 Budget (unaudited)	2017	2016
Administration expenses:			
Salaries and wages	$ 418,165	$ 398,341	$ 393,758
Employee benefits	118,190	106,938	95,409
Materials and supplies	14,939	22,391	23,213
Purchase of services	33,088	61,074	54,119
	$ 584,382	$ 588,744	$ 566,499
Centre's actual administration revenue:			
Administration budget		$ 584,382	$ 564,301
Centre's actual administration expense:			
Administration expenses		588,744	566,499
Adjustments for:			
Vacation pay liability, not funded by the City until paid, that is included in Due from City of Toronto		(4,558)	(2,231)
Difference between funding received and budgeted		68	-
		584,254	564,268
Administration expenses under approved budget		$ 128	$ 33

The under expenditure of $128 (2016 - $33) is included in accounts receivable from the City.

12. LINE OF CREDIT

The Centre has a $50,000 operating line of credit at prime plus 1%. As security, the Centre has granted a security interest in all personal property of the Centre as well as pledging a Term Deposit with a value of $50,000. At year-end, the operating line of credit has a $nil balance (2016 - $nil)

13. PRENATAL AND NUTRITION SUPPORT PROGRAM

The Centre acts as trustee for the allocation of funds received from the Government of Canada to the five partners of the Toronto South East Coalition of Prenatal Nutrition and Support Programs. During 2017, the Centre received $251,644 (2016 - $131,758) from the Federal Government. The Centre distributed $251,644 (2016 - $176,671) to the Coalition partners. At December 31, 2017, there was $nil (2016 - $nil) of undistributed funds included in accounts payable and accrued liabilities. The allocation of funds to each partner is approved by the coalition. The Centre, as a partner, records only its share of revenue and staff costs in these consolidated financial statements.

The partners, including the Centre, were allocated the following amounts:

	2017	2016
Eastview Neighbourhood Community Centre	$ 73,956	$ 36,778
Regent Park Community Health Centre	54,159	36,039
June Callwood Centre for Women & Families	36,867	31,719
Hincks-Dellcrest Centre	45,868	43,569
Applegrove Community Complex	35,064	25,566
Staff costs shared	5,730	3,000
	$ 251,644	$ 176,671

14. GRANTS

The grants revenue recognized from the City of Toronto and Province of Ontario are comprised of the following:

	2017	2016
City of Toronto:		
Children's Services - family resource centre	$ 103,984	$ 109,328
Children's Services - summer day camp program	12,793	10,801
Community Resources Section - community service partnerships (CSP)	65,650	64,355
Other - smoking cessation	5,000	-
	$ 187,427	$ 184,484
Province of Ontario:		
Ministry of Citizenship and Immigration - Newcomer settlement program (NSP)	$ 56,331	$ 56,332
Ministry of Health and Long-Term Care - Seniors resources	49,466	49,466
Ministry of Seniors Affairs	6,400	4,800
	$ 112,197	$ 110,598

In addition, the Centre operates various programs supervised by the City of Toronto's Children's Services Division as follow:

	Family Resources	Summer Camp - Eastview	2017	2016
Revenue				
City of Toronto	$ 103,984	$ 12,793	$ 116,777	$ 120,129
Other	6,873	104,212	111,085	98,088
	110,857	117,005	227,862	218,217
Expenses				
Wages and benefits	112,087	100,721	212,808	202,673
Other	1,800	16,125	17,925	14,676
	113,887	116,846	230,733	217,349
Surplus (deficit)	$ (3,030)	$ 159	$ (2,871)	$ 868

15. FINANCIAL INSTRUMENTS

The Centre is exposed to and manages various financial risks resulting from operations. 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 Centre's main financial risk exposures and its financial risk management policies are as follows:

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 on this item to be remote. Management believes that the Centre's credit risk with respect to accounts receivable is limited. The organization manages its credit risk by reviewing accounts receivable aging and following up on outstanding amounts.

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 accounts payable and accrued liabilities. The Centre manages liquidity risk by monitoring its cash flow requirements on a regular basis. The Centre believes its overall liquidity risk to be minimal as the Centre's financial assets are considered to be highly liquid.

Market risk

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

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 the interest rate exposure related to these financial instruments is negligible.

iii) Other price risk

Other price risk is 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 these changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market. Management does not believe the Centre is 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.

16. COMPARATIVE FIGURES

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