

FINANCIAL STATEMENTS
For
BLACK CREEK COMMUNITY HEALTH CENTRE
For year ended
MARCH 31, 2023

INDEPENDENT AUDITOR'S REPORT

To the Trustees of

BLACK CREEK COMMUNITY HEALTH CENTRE

Opinion

We have audited the financial statements of Black Creek Community Health Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, changes in fund balances 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 Centre as at March 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 Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our 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.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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 Centre'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 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 responsibility is to express an opinion on these 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 financial statements are free from material misstatement.

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.



Chartered Professional Accountants
Licensed Public Accountants

Toronto, Ontario
May 29, 2023.

BLACK CREEK COMMUNITY HEALTH CENTRE

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 1,555,420	\$ 1,472,339
Short-term investments (note 3)	775,673	855,928
Accounts receivable	1,039,028	881,888
Prepaid expenses	<u>99,192</u>	<u>77,747</u>
	3,469,313	3,287,902
CAPITAL ASSETS (note 4)	<u>265,794</u>	<u>371,017</u>
	<u>\$ 3,735,107</u>	<u>\$ 3,658,919</u>
<u>LIABILITIES AND FUND BALANCES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 726,905	\$ 688,531
Government remittances payable	203,006	148,109
Due to Ontario Health - Core Operations (note 5)	1,084,503	770,943
Due to Ontario Health - Moms Addiction Program (note 6)	<u>-</u>	<u>7,226</u>
	<u>2,014,414</u>	<u>1,614,809</u>
FUND BALANCES		
Externally restricted funds	672,660	739,911
Growth and development fund - internally restricted	782,239	933,182
Capital asset fund - internally restricted	<u>265,794</u>	<u>371,017</u>
	<u>1,720,693</u>	<u>2,044,110</u>
	<u>\$ 3,735,107</u>	<u>\$ 3,658,919</u>

Approved by the Board:

C Prescod

..... Director

[Signature]

..... Director

(See accompanying notes)

**BLACK CREEK COMMUNITY HEALTH CENTRE
STATEMENT OF CHANGES IN FUND BALANCES
YEAR ENDED MARCH 31, 2023**

	Externally Restricted Fund (Schedule 1)	Internally Restricted		2023 Total	2022 Total
		Growth and Development Fund	Capital Asset Fund		
Balance, beginning of year	\$ 739,911	\$ 933,182	\$ 371,017	\$ 2,044,110	\$ 1,947,033
Net revenue (expense)	<u>(67,251)</u>	<u>(150,943)</u>	<u>(105,223)</u>	<u>(323,417)</u>	<u>97,077</u>
Balance, end of year	<u>\$ 672,660</u>	<u>\$ 782,239</u>	<u>\$ 265,794</u>	<u>\$ 1,720,693</u>	<u>\$ 2,044,110</u>

(See accompanying notes)

BLACK CREEK COMMUNITY HEALTH CENTRE

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31, 2023

	2023					2022				
	Externally Restricted		Internally Restricted			Externally Restricted		Internally Restricted		
	Core Operations Fund	Other Externally Restricted Funds (Schedule 1)	Growth & Development Fund	Capital Asset Fund	Total	Core Operations Fund	Other Externally Restricted Funds (Schedule 1)	Growth & Development Fund	Capital Asset Fund	Total
Revenue										
Ontario Health	\$ 14,843,033	\$ -	\$ -	\$ -	\$ 14,843,033	\$ 14,113,244	\$ -	\$ -	\$ -	\$ 14,113,244
Other grant funding	-	2,265,577	67,158	-	2,332,735	-	2,084,784	478,519	-	2,563,303
Interest income	13,082	-	-	-	13,082	10,689	-	-	-	10,689
Miscellaneous	49,535	16,566	-	-	66,101	39,465	25,856	-	-	65,321
	<u>14,905,650</u>	<u>2,282,143</u>	<u>67,158</u>	<u>-</u>	<u>17,254,951</u>	<u>14,163,398</u>	<u>2,110,640</u>	<u>478,519</u>	<u>-</u>	<u>16,752,557</u>
Expenses										
Salaries	7,412,600	974,766	-	-	8,387,366	7,441,339	779,689	-	-	8,221,028
Benefits and relief (note 8)	1,937,757	130,028	-	-	2,067,785	1,850,977	115,062	-	-	1,966,039
Purchased services	908,415	741,732	-	-	1,650,147	495,036	815,240	-	-	1,310,276
Rent and accommodation	1,129,275	-	-	-	1,129,275	1,129,275	-	-	-	1,129,275
Non-insured diagnostic and specialists	317,776	-	-	-	317,776	317,776	-	-	-	317,776
Office	159,875	26,042	-	-	185,917	142,660	11,371	-	-	154,031
Telephone and internet	140,000	5,485	-	-	145,485	142,000	3,587	-	-	145,587
Medical supplies	192,690	-	-	-	192,690	120,000	-	-	-	120,000
Computer services and supplies	165,302	-	-	-	165,302	165,302	-	-	-	165,302
Meetings	1,493,698	437,806	-	-	1,931,504	1,284,460	523,605	-	-	1,808,065
Legal and audit fees	73,649	-	-	-	73,649	66,500	-	-	-	66,500
Clinical and professional insurance	54,121	-	-	-	54,121	55,300	-	-	-	55,300
Furniture and equipment	299,218	4,997	-	-	304,215	50,000	16,205	-	-	66,205
Staff development	39,374	-	-	-	39,374	60,724	-	-	-	60,724
Maintenance and repairs	85,809	-	-	-	85,809	50,000	-	-	-	50,000
Memberships	30,662	-	-	-	30,662	30,300	-	-	-	30,300
Travel and transportation	9,724	7,713	-	-	17,437	30,803	3,000	-	-	33,803
Physician on-call	28,500	-	-	-	28,500	28,500	-	-	-	28,500
Resource materials	90,866	20,825	-	-	111,691	26,667	33,744	-	-	60,411
Chiropody and orthotic supplies	12,548	-	-	-	12,548	15,000	-	-	-	15,000
Postage and courier	4,541	-	-	-	4,541	4,500	-	-	-	4,500
Board expenses	5,000	-	-	-	5,000	5,000	-	-	-	5,000
Recruitment	690	-	-	-	690	700	-	-	-	700
Growth and development expenses	-	-	218,101	-	218,101	-	-	81,896	-	81,896
Amortization	-	-	-	105,223	105,223	-	-	-	108,683	108,683
	<u>14,592,090</u>	<u>2,349,394</u>	<u>218,101</u>	<u>105,223</u>	<u>17,264,808</u>	<u>13,512,819</u>	<u>2,301,503</u>	<u>81,896</u>	<u>108,683</u>	<u>16,004,901</u>
Net revenue (expense) before amounts below	313,560	(67,251)	(150,943)	(105,223)	(9,857)	650,579	(190,863)	396,623	(108,683)	747,656
Amount repayable to Ontario Health (note 5)	<u>(313,560)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(313,560)</u>	<u>(650,579)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(650,579)</u>
Net revenue (expense)	<u>\$ -</u>	<u>\$ (67,251)</u>	<u>\$ (150,943)</u>	<u>\$ (105,223)</u>	<u>\$ (323,417)</u>	<u>\$ -</u>	<u>\$ (190,863)</u>	<u>\$ 396,623</u>	<u>\$ (108,683)</u>	<u>\$ 97,077</u>

(See accompanying notes)

BLACK CREEK COMMUNITY HEALTH CENTRE
SCHEDULE OF EXTERNALLY RESTRICTED FUNDS
YEAR ENDED MARCH 31, 2023

	Charity Fund	Social Fund	Addiction Services of Central Ontario Fund	Falstaff Community Fund	PHAC Jane & Finch Way Project Fund	Black Entrepreneurship Alliance Fund	Other Fund	2023 Total	2022 Total
Revenue									
Other grant funding	\$ -	\$ -	\$ 418,569	\$ 54,000	\$ -	\$ 934,357	\$ 858,651	\$ 2,265,577	\$ 2,084,784
Miscellaneous	<u>14,024</u>	<u>2,542</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>16,566</u>	<u>25,856</u>
	<u>14,024</u>	<u>2,542</u>	<u>418,569</u>	<u>54,000</u>	<u>-</u>	<u>934,357</u>	<u>858,651</u>	<u>2,282,143</u>	<u>2,110,640</u>
Expenses									
Salaries	-	-	276,965	34,030	-	361,072	302,699	974,766	779,689
Benefits and relief	-	-	58,141	2,930	-	46,069	22,888	130,028	115,062
Purchased services	-	-	15,130	7,800	-	561,975	156,827	741,732	815,240
Office	12,090	6,423	-	1,830	-	5,699	-	26,042	11,371
Telephone and internet	-	-	5,125	360	-	-	-	5,485	3,587
Meetings	-	-	63,964	7,050	-	-	366,792	437,806	523,605
Furniture and equipment	-	-	-	-	-	4,997	-	4,997	16,205
Travel and transportation	-	-	-	-	-	5,168	2,545	7,713	3,000
Resource materials	-	-	-	-	-	-	20,825	20,825	33,744
	<u>12,090</u>	<u>6,423</u>	<u>419,325</u>	<u>54,000</u>	<u>-</u>	<u>984,980</u>	<u>872,576</u>	<u>2,349,394</u>	<u>2,301,503</u>
Net revenue (expense)	1,934	(3,881)	(756)	-	-	(50,623)	(13,925)	(67,251)	(190,863)
Fund balance, beginning of year	<u>57,855</u>	<u>10,266</u>	<u>134,058</u>	<u>7,871</u>	<u>15,229</u>	<u>83,126</u>	<u>431,506</u>	<u>739,911</u>	<u>930,774</u>
Fund balance, end of year	<u>\$ 59,789</u>	<u>\$ 6,385</u>	<u>\$ 133,302</u>	<u>\$ 7,871</u>	<u>\$ 15,229</u>	<u>\$ 32,503</u>	<u>\$ 417,581</u>	<u>\$ 672,660</u>	<u>\$ 739,911</u>

(See accompanying notes)

BLACK CREEK COMMUNITY HEALTH CENTRE

STATEMENT OF CASH FLOWS

YEAR ENDED MARCH 31, 2023

	<u>2023</u>	<u>2022</u>
CASH FLOWS FROM (USED IN)		
OPERATING ACTIVITIES		
Net revenue (expense)	\$ (323,417)	\$ 97,077
Items not requiring a current cash outlay:		
Amortization of capital assets	<u>105,223</u>	<u>108,683</u>
	(218,194)	205,760
Changes in level of:		
Accounts receivable	(157,140)	(394,345)
Prepaid expenses	(21,445)	(16,503)
Accounts payable and accrued liabilities	38,374	156,150
Government remittances payable	54,897	20,981
Due to Ontario Health	<u>306,334</u>	<u>(164,119)</u>
	<u>2,826</u>	<u>(192,076)</u>
INVESTING ACTIVITIES		
Purchase of short-term investments, net	(767,254)	(855,928)
Proceeds from sale of short-tem investments	<u>847,509</u>	<u>854,480</u>
	<u>80,255</u>	<u>(1,448)</u>
INCREASE (DECREASE) IN CASH	83,081	(193,524)
CASH, BEGINNING OF YEAR	<u>1,472,339</u>	<u>1,665,863</u>
CASH, END OF YEAR	<u>\$ 1,555,420</u>	<u>\$ 1,472,339</u>

(See accompanying notes)

BLACK CREEK COMMUNITY HEALTH CENTRE

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2023

1. NATURE OF OPERATIONS

Black Creek Community Health Centre (the "Centre") is incorporated under the laws of Ontario as a non-profit corporation without share capital. The Centre is also a registered charity.

Black Creek Community Health Centre is committed to providing health care in a comprehensive manner within a safe, nurturing, and respectful environment. The Centre does this through multi-disciplinary teams and in partnership with other community organizations when needed.

The Centre is subject to the Charities Accounting Act and The Charitable Gifts Act. The Centre is exempt from income tax as it is registered under the Canada Revenue Agency as a charitable organization.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements have been prepared for filing with the Ontario Health and other funders. The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of accounting

The Centre follows the restricted fund method of accounting for contributions.

Restricted contributions related to general operations are recognized as receipts of the Core Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as receipts of the appropriate restricted fund.

Internally restricted contributions and unrestricted receipts are recognized as receipts of the Growth and Development Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

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.

Capital assets

Capital assets are measured at cost less accumulated amortization. Amortization is provided on a straight-line basis over their estimated useful lives. The annual amortization rates are as follows:

Leasehold improvements	- 8 years straight-line
Furniture and fixtures	- 3 to 5 years straight-line
Computer hardware	- 3 years straight-line

Contributed materials and services

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

BLACK CREEK COMMUNITY HEALTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

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

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the current period. Management makes estimates when determining the useful life of its tangible capital assets and significant accrued liabilities. 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. **SHORT-TERM INVESTMENTS**

Short-term investments consist of guaranteed investment certificates with interest rates of 1.50% and 2.22%, with maturity dates of April 12, 2023 and November 6, 2023, respectively.

4. **CAPITAL ASSETS**

	2023		2022	
	Cost	Accumulated amortization	Cost	Accumulated amortization
Leasehold improvements	\$ 1,594,421	\$ 1,341,466	\$ 1,594,421	\$ 1,290,875
Furniture and fixtures	151,768	138,929	151,768	126,091
Computer hardware	<u>175,874</u>	<u>175,874</u>	<u>175,874</u>	<u>134,080</u>
	1,922,063	<u>1,656,269</u>	1,922,063	<u>1,551,046</u>
Less: accumulated amortization	<u>(1,656,269)</u>		<u>(1,551,046)</u>	
	<u>\$ 265,794</u>		<u>\$ 371,017</u>	

5. **DUE TO ONTARIO HEALTH - CORE OPERATIONS**

Amount due to Ontario Health are due on demand and represents the unspent or uncommitted portion of grants received from the Ontario Health to support the capital and on-going operations of the Centre. Funds held as cash and short-term investments required to meet this obligation are not available for current operations and the interest earned on these funds is credited to Ontario Health.

The balance due is included in current liabilities and comprised as follows:

Funding from Ontario Health for 2022/2023 - Core operations	\$ 14,843,033
Interest income	13,082
Miscellaneous income	<u>49,535</u>
Total funding for 2022/2023	14,905,650
Deduct: eligible expenses	<u>(14,592,090)</u>
Excess of funding over expenses for year	313,560
Total amount due to Ontario Health, beginning of year	770,943
Amount repaid during year	<u>-</u>
Total amount due to Ontario Health, end of year	<u>\$ 1,084,503</u>
Amounts due to Ontario Health for Core Operations:	
Amount refundable to Ontario Health for 2020/2021	\$ 120,364
Amount refundable to Ontario Health for 2021/2022	650,579
Amount refundable to Ontario Health for 2022/2023	<u>313,560</u>
	<u>\$ 1,084,503</u>

BLACK CREEK COMMUNITY HEALTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

6. DUE TO ONTARIO HEALTH - MOMS ADDICTION PROGRAM

Amounts due to Ontario Health Central Region ("OH") are due on demand and represents the unspent portion of grants received from the OH to support the Moms Addiction Program. The Program ended in July 2018 and the remaining amount payable was paid during the year.

7. FUNDS

(a) Core Operations Fund - Externally restricted

The Core Operations are funded by the Ontario Health for the Community Health Centre's day-to-day operations. Any funding unspent at the end of the year and the interest received on these funds is refundable to the Ontario Health. The core operations includes the diabetes program and the chronic obstructive pulmonary disease program.

(b) Charity Fund - Externally restricted

These are staff contributions for emergency relief for the Centre's clients on a one time basis. These funds are externally restricted by the Staff Committee.

(c) Social Fund - Externally restricted

The Centre's staff contribute each pay period toward the fund which is used for staff social events. These funds are externally restricted by the Staff Committee.

(d) Addiction Services of Central Ontario Program Fund - Externally restricted

The project is funded by Addiction Services for York Region. It focuses on support for safer use of substances. One-on-one appointments, drop-programs, groups, case management support and referrals to services, are provided on an individualized basis.

(e) Falstaff Community Program Fund - Externally restricted

Funding to support residents of the Falstaff building at Jane & Wilson. Staff have been hired to connect residents to resources and to connect them to health and social services. Funding also has been allocated to provide programs on-site at the building to minimize the barriers to participation.

(f) PHAC Jane & Finch Way Project Fund - Externally restricted

Funding to support mental health programming and services for hard to reach youth and families in the Jane & Finch community. Includes a research component to identify and address gaps in mental health services for Black Canadians. Program implemented in collaboration with Promoting Education and Community Health (PEACH) and York University.

BLACK CREEK COMMUNITY HEALTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

7. **FUNDS** - Cont'd.

(g) Black Entrepreneurship Alliance Fund - Externally restricted

The three-year project is funded by the Federal Economic Development Agency. In partnership with York University, the project focuses on increasing education, mentorship, and opportunities via a curated collection of programs for Black entrepreneurs in the Humber River-Black Creek community and the broader Southern Ontario area.

(h) Growth and Development Fund - Internally restricted

The Centre has set aside this fund to be used for special projects and programs for which alternative funding is not available.

(i) Capital Asset Fund - Internally restricted

The Capital Asset Fund reflects the acquisitions of property and equipment during the year. The amortization based on the estimated useful lives of the assets is also reflected in this fund.

8. **PENSION**

Substantially all employees are eligible to be members of the Healthcare of Ontario Pension Plan ("the Plan") which is a multi-employer defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death that provides the highest earnings.

The most recent actuarial evaluation of the Plan was conducted on December 31, 2022. As of December 31, 2022, the Plan is in a surplus position with value of net assets of \$108,850 million and value of pension obligations of \$92,721 million.

Contributions to the Plan made during the year by the Centre on behalf of participating employees amounted to \$544,643 (2022 - \$538,159) and are included in benefits and relief on the statement of operations.

9. **COMMITMENTS**

The Centre leases office premises on Jane Avenue and York Gate Boulevard, Toronto, Ontario under operating leases which expire in December 2027. The minimum future payments under the leases are as follows:

2024	\$ 460,773
2025	465,938
2026	465,938
2027	465,938
2028	<u>268,112</u>
	<u>\$ 2,126,699</u>

BLACK CREEK COMMUNITY HEALTH CENTRE
NOTES TO THE FINANCIAL STATEMENTS - Cont'd.
YEAR ENDED MARCH 31, 2023

10. 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

Credit risk is the risk of loss resulting from the possibility that parties may default on their financial obligations. The maximum exposure to credit risk of the Centre is the sum of the carrying value of its cash, short-term investment, and receivables. The Centre's cash and short-term investment are with a Canadian chartered bank and as a result management believes the risk of loss on these items to be remote. The Centre actively manages and monitors its receivables on a regular basis to mitigate the risk related to receivables.

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to fund its obligations as they come due, including being able to liquidate needed assets in a timely manner at a reasonable price. To mitigate this risk, the Centre commits to spending on the various projects only after the funds are received from various funders or has reasonable assurance that the funds will be received.

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 interest rate risk, currency risk and other price risk.

i) *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 short-term investment earn interest at prevailing market rates. As a result the interest rate exposure related to these financial instruments is a result of interest rate movements.

The Centre is not exposed to significant currency risk or other price risk.

Changes in risk

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