Financial Statements of

THE KENSINGTON HEALTH CENTRE

March 31, 2021

TINKHAM LLP | CHARTERED PROFESSIONAL ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of
THE KENSINGTON HEALTH CENTRE

We have audited the accompanying financial statements of The Kensington Health Centre ("the Centre"), which comprise the balance sheet as at March 31, 2021, and the statement of operations and 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 Centre as at March 31, 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 Centre 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 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 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 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.

TORONTO, Ontario
September 21, 2021

Licensed Public Accountants

THE KENSINGTON HEALTH CENTRE
Balance Sheet

As at March 31,	2021	2020
Assets		
Current		
Cash	**$ 4,943,414**	$ 5,999,718
Accounts receivable	**185,046**	215,843
Public service body rebate receivable	**704,622**	425,757
Inventory and prepaid expenses	**591,549**	328,509
Due from related organizations (note 5(a))	**1,100,344**	1,534,452
	7,524,975	8,504,279
Capital assets (note 6)	**36,968,197**	36,115,173
	$ 44,493,172	$ 44,619,452
Liabilities		
Current		
Accounts payable and accrued liabilities (note 7)	**$ 3,406,916**	$ 3,190,347
Deferred revenue	**789,179**	-
Promissory note payable (note 8)	**-**	3,500,000
Current portion of secured long term debt payable (note 9)	**6,506,574**	2,838,225
	10,702,669	9,528,572
Promissory note payable (note 8)	**3,500,000**	-
Secured long term debt (note 9)	**289,110**	6,795,684
Deferred capital contributions (note 10)	**12,660,193**	12,777,475
	27,151,972	29,101,731
Net Assets		
Unrestricted	**16,541,200**	14,717,721
Internally restricted (note 2(e))	**800,000**	800,000
	17,341,200	15,517,721
	$ 44,493,172	$ 44,619,452

Contingencies and commitment (notes 13 and 14, respectively)

See accompanying notes to financial statements.

On behalf of the Board of Directors:

______________________Director

______________________Director

THE KENSINGTON HEALTH CENTRE

Statement of Operations

Period ended March 31,	**2021 (12 months)**	2020 (15 months)
Revenue		
Government funding (note 11)	**$ 24,874,527**	$ 25,214,448
Resident co-payment	**8,023,695**	10,730,793
Donations and grants	**2,230,137**	2,837,804
Other income	**225,283**	675,672
	35,353,642	39,458,717
Expense		
Salaries, wages and benefits	**24,494,250**	27,401,722
Operations	**7,746,955**	8,738,834
Interest	**487,829**	780,116
	32,729,034	36,920,672
Excess of revenue over expense for the period before undernoted items	**2,624,608**	2,538,045
Amortization of deferred capital contributions (note 10)	**685,107**	827,207
Amortization of capital assets	**(1,486,236)**	(1,889,757)
Excess of revenue over expense for the period before discontinued operations	**1,823,479**	1,475,495
Discontinued operations (note 4)	**-**	(154,253)
Excess of revenue over expense for the period	**$ 1,823,479**	$ 1,321,242

See accompanying notes to financial statements.

THE KENSINGTON HEALTH CENTRE
Statement of Changes in Net Assets

Period ended March 31,			**2021**	2020
	Internally restricted capital and debt repayment	**Unrestricted**	**Total (12 months)**	Total (15 months)
Net assets, beginning of the period	**$ 800,000**	**$ 14,717,721**	**$ 15,517,721**	$ 13,725,154
Excess of revenue over expense for the period	**-**	**1,823,479**	**1,823,479**	1,321,242
Transfer (note 3)	**-**	**-**	**-**	218,850
Transfer (note 4)	**-**	**-**	**-**	252,475
Net assets, end of the period	**$ 800,000**	**$ 16,541,200**	**$ 17,341,200**	$ 15,517,721

THE KENSINGTON HEALTH CENTRE
Statement of Cash Flows

Period ended March 31,	2021 (12 months)	2020 (15 months)
Operating activities		
Cash received from government funders	**$ 25,681,165**	$ 25,326,606
Cash received from resident co-payments	**7,998,715**	10,727,496
Cash received from operating donations and grants	**2,456,534**	2,801,087
Cash received from other services and interest	**254,243**	723,600
Cash paid to employees and suppliers	**(32,419,473)**	(35,017,799)
Net cash provided by operating activities	**3,971,184**	4,560,990
Financing activities		
Cash received from capital donations	**567,825**	1,380,291
Payments for interest and principal on secured long term debt	**(3,256,054)**	(4,071,122)
Net cash used by financing activities	**(2,688,229)**	(2,690,831)
Investing activities		
Purchase of capital assets	**(2,339,259)**	(1,018,591)
Cash received from The Second Mile Club of Toronto (note 3)	**-**	262,113
Cash paid to The Kensington Eye Institute (note 4)	**-**	(774,945)
	(2,339,259)	(1,531,423)
Cash flows from discontinued operations	**-**	(773,402)
Net cash used by investing activities	**(2,339,259)**	(2,304,825)
Decrease in cash	**(1,056,304)**	(434,666)
Cash, beginning of period	**5,999,718**	6,434,384
Cash, end of period	**$ 4,943,414**	$ 5,999,718

1 Organization

The Kensington Health Centre ("the Centre") was incorporated by letters patent on March 1, 1955. The Centre is a registered charity under the Income Tax Act (Canada) and accordingly is exempt from income taxes.

The Centre is committed to improving the health of its community by working with consumers and other providers to deliver culturally appropriate health care and related social service programs for people of all ages, as well as a continuum of long term care and complementary programs for seniors.

The Kensington Health Centre owns and operates a 350 bed long term care facility ("Kensington Gardens"), a 10 bed hospice ("Kensington Hospice").

Effective September 30, 2019 the assets and programs of the The Second Mile Club of Toronto ("SMC") were transferred into the Centre. SMC is a community support agency that serves seniors and older adults with disabilities in the City of Toronto. SMC provides a diverse range of services and programs designed to support the independence, social well being and health of a multicultural community of seniors and older adults, along with a helping hand and respite for families and caregivers.

Until September 30, 2019 the Centre operated The Eye Bank of Canada (Ontario Division) ("EBOC") and the Kensington Diagnostic Imaging Centre ("KDIC"). The EBOC collects, processes and distributes donated human eyes and tissue for sight-saving transplants. The KDIC provides x-ray, ultrasound, mammography and bone mineral density testing. Effective September 30, 2019 the assets and programs of the EBOC and KDIC were transferred from the Centre to The Kensington Eye Institute.

Effective October 1, 2019, the Centre, The Kensington Eye Institute, The Kensington Research Institute and The Second Mile Club of Toronto are controlled by a common Board of Directors. Effective March 17, 2021, SMC appointed an independent Board of Directors and as a result the SMC is no longer under common control.

The Kensington Health Foundation is a related party because of its mandate to raise funds for the use of the Centre. The Kensington Health Foundation also raises funds for other organizations in the community.

Certain directors may serve on more than one Board of the related organizations.

The assets, liabilities and operating activities of the related corporations are excluded from the Centre's financial statements.

2 Significant accounting policies

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

(a) Revenue recognition

(i) Contributions

The Centre follows the deferral method of accounting for contributions which include donations and government grants.

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

Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight line basis, at a rate corresponding with the amortization rate for the related capital assets. Contributions received to assist with the repayment of secured long term debt loan interest have been deferred and are being amortized straight line over the term of the debt.

2 Significant accounting policies (continued)

(a) Revenue recognition (continued)

(ii) Resident revenue

Resident revenue is recognized when services are provided.

(iii) Fees for services

Fees for services revenue is recorded once the service has been completed.

(iv) Investment income

Investment income comprises interest from cash and investments. Revenue is recognized on an accrual basis. Interest on fixed income investments is recognized over the terms of these investments using the effective interest rate method.

(b) Cash

Cash includes cash on hand and deposits in the bank.

(c) Inventory

Inventories are valued at the lower of cost and replacement cost. The cost of inventories includes all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition, and is determined on a first-in, first-out basis.

(d) Capital assets

The Centre records capital assets at cost. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use. When conditions indicate a capital asset no longer contributes to the Centre's ability to provide services or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount, its net carrying amount is written down to its fair value or replacement cost. As at March 31, 2021, no such impairment exists.

Capital assets are depreciated over their estimated useful lives using the straight-line method as follows:

Building	14 to 40 years
Furniture and equipment	3 to 5 years
Computer software	1 year

A half-year of amortization is taken in the year of acquisition.

Amortization methods, useful lives and residual values are reviewed annually and adjusted if necessary.

(e) Internally restricted reserve funds

The Board of Directors has established a Capital and Debt Repayment Reserve Fund to provide for future capital requirements. These internally restricted funds are not available for program delivery or other purposes without prior approval of the Board of Directors.

(f) Employee pension plans

Eligible unionized employees of the Centre are members of the Nursing Homes and Related Industries Pension Plan, a multi-employer target-benefit pension plan for members of the participating unions. The plan is funded by contributions made by the employees and matched by the Centre as defined by the collective agreement. The Centre follows defined contribution plan accounting for its plan, whereby contributions are expensed when due.

Eligible non-unionized employees of the Centre are members of the Ontario Long Term Care Association Pension Plan, a multi-employer defined contribution plan. The Organization follows defined contribution plan accounting for this plan, whereby contributions are expensed when due.

2 Significant accounting policies (continued)

(g) Contributed goods and services

The value of goods and services is recorded as revenue and an expense in the financial statements when the fair value can be reasonably estimated and when the goods and services would otherwise be purchased if not donated.

Volunteers provide invaluable donated services to the Centre. Since the fair value of volunteer time is not reliably determinable, these contributed services are not recognized in the financial statements.

(h) Financial instruments

(i) Measurement

The Centre initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

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

(ii) Impairment

At the end of each reporting period, the Centre assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment includes observable data that comes to the attention of the Centre. When there is an indication of impairment, the Centre determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. There are no indications of impairment as at March 31, 2021.

(i) Management estimates

The preparation of financial statements in conformity 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, 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. Significant estimates include the impairment of accounts receivable, the useful lives of capital assets, the retroactive liability representing wage accruals for unionized employees and settlements with government funders.

All estimates are reviewed periodically and adjustments are made to the statement of operations as appropriate in the year they become known.

3 Asset and program transfer from The Second Mile Club of Toronto

The Centre and SMC entered into an Asset and Program Transfer Agreement ("the SMC Agreement") with an effective date of September 30, 2019. Pursuant to the SMC Agreement, the Centre accepted a transfer of all of the assets and programs of SMC, and assumed all of its liabilities.

The transaction has been recorded at the carrying amount.

The assets, liabilities and net assets transferred to the Centre on September 30, 2019 are as follows:

Assets (including cash of $262,113)	$ 364,624
Liabilities	$ 145,774
Net assets	$ 218,850

The programs and business activities of SMC outlined in the agreements with the Ministry of Health and Long-Term Care, Ministry for Seniors and Accessibility and City of Toronto are carried out as a program of the Centre effective October 1, 2019. Effective April 1, 2020 the program activities of the Seniors Active Living Centre funded by Ministry for Seniors and Accessibility and the City of Toronto have been transferred back to The Second Mile Club of Toronto, a related company.

4 Discontinued operations

The Centre and The Kensington Eye Institute ("KEI") entered into an Asset and Program Transfer Agreement ("the KEI Agreement") with an effective date of September 30, 2019. Pursuant to the KEI Agreement, the Centre transferred all of the assets and programs of the EBOC and the KDIC and assigned all if its related liabilities to KEI. KEI accepted the transfer of such assets and programs and assumed such obligations in accordance with the KEI Agreement.

The transaction has been recorded at the carrying amount of the assets, liabilities and net assets transferred to KEI on September 30, 2019 as follows:

Assets (including cash of $774,945)	$ 1,470,360
Liabilities	$ 1,722,835
Deficit	$ (252,475)

The past operations of the two programs have been presented as discontinued operations as follows:

Period ended	March 31, 2020
Revenue	$ 2,937,000
Expense	3,091,253
Deficiency of revenue over expense for the period	$ (154,253)

5 Related party transactions

Related party transactions are considered to be in the normal course of operations and have been recorded at the exchange amount, which is the amount agreed upon by both parties. Amounts due from related organizations are non-interest bearing and are repayable on demand.

(a) Due from related organizations

The Centre has recorded the following amounts as due from related organizations:

As at March 31,	**2021**	2020
The Kensington Eye Institute	**$ 998,839**	$ 1,271,077
The Kensington Health Foundation	**22,847**	263,375
The Kensington Research Institute	**75,000**	-
The Second Mile Club of Toronto	**3,658**	-
	$ 1,100,344	$ 1,534,452

The amounts due from The Kensington Health Foundation represent operational and capital grant funding provided to the Centre and donations collected on behalf of the Centre.

The amounts due from / to the other related organizations represent a reimbursement of expenses incurred by the Centre on behalf of these related organizations and prepayment for those expected expenses.

(b) Donations

Included in donations and grants revenue is $2,230,233 (2020 - $2,904,174) received from The Kensington Health Foundation.

In addition, The Kensington Health Foundation has provided $547,250 (2020 - $660,291) which has been recorded as capital contributions received.

5 Related party transactions (continued)

(c) Rental income

Included in other revenues is rent of $41,005 (2020 - $60,353) received from The Second Mile Club of Toronto.

(d) Rental expense

Included in operations expense is rent of $nil (2020 - $289,841) paid to The Kensington Health Foundation.

(e) Interest expense

Included in interest expense is $227,500 (2020 - $288,062) paid to The Kensington Health Foundation.

(f) Shared corporate services cost recovery

Salaries, wages and benefits expense is recorded net of corporate services cost recoveries from related parties, summarized as follows:

Period ended March 31,	**2021 (12 months)**	2020 (15 months)
The Kensington Eye Institute	**$ 1,168,620**	$ 1,196,545
The Kensington Research Institute	**75,000**	-
The Kensington Health Foundation	**200,000**	104,225
The Second Mile Club of Toronto	**35,000**	78,300
	$ 1,403,620	$ 1,379,070

6 Capital assets

As at March 31,	**2021**		2020	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
Land	**$ 1,308,078**	**$ -**	$ 1,308,078	$ -
Buildings	**57,260,404**	**21,819,024**	54,951,492	20,462,413
Computer software	**38,073**	**38,073**	38,073	38,073
Furniture and equipment	**4,562,047**	**4,343,308**	4,531,700	4,213,684
	$ 63,168,602	**$ 26,200,405**	$ 60,829,343	$ 24,714,170
Net book value		**$ 36,968,197**		$ 36,115,173

The Centre has undertaken to expand the Kensington Hospice facility. The Centre has incurred $3,090,213 (2020 - $800,714) in costs to date relating to the project which are included in building costs. These costs are not being amortized until such time as the construction is completed and the new building is placed into operation.

7 Accounts payable and accrued liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $26,036 (2020 - $66,074).

8 Promissory note payable

The term promissory note is due to The Kensington Health Foundation and matures on December 9, 2022. The promissory note requires minimum payments of interest-only at a rate of 2.00% per annum and is unsecured.

9 Secured long term debt payable

As at March 31,	**2021**	2020
First ranking secured loan with blended monthly payments of $210,603, bearing interest at 6.48% and maturing April 1, 2022	**$ 2,441,842**	$ 4,732,817
Second ranking secured loan with blended monthly payments of $48,627, bearing interest at 3.15% and maturing September 19, 2022	**853,842**	1,401,092
Third ranking secured loan with interest-only semi-annual payments, bearing interest at 4.50% and maturing October 31, 2021	**3,500,000**	3,500,000
	6,795,684	9,633,909
Less: current portion	**(6,506,574)**	(2,838,225)
	$ 289,110	$ 6,795,684

The first ranking secured loan is secured by a first ranking mortgage against the land and buildings of Kensington Gardens and a security interest in all present and future personal property (including rents and cash) of the Centre.

The second ranking secured loan is secured by a second ranking mortgage against the land and buildings of Kensington Gardens and a security interest in all present and future personal property (including rents and cash) of the Centre. This loan is also guaranteed by The Kensington Health Foundation.

The third ranking secured loan is payable to The Kensington Health Foundation, a related party and is secured by a third ranking mortgage against the land and buildings of Kensington Gardens and a security interest in all present and future personal property (including rents and cash) of the Centre. This loan was originally a second ranking secured loan but The Kensington Health Foundation provided a subordination and postponement of its mortgage and security in favour of the holder of second ranking secured loan described immediately above.

The minimum required principal repayments are as follows:

2022	$ 6,506,574
2023	289,110
	$ 6,795,684

10 Deferred capital contributions

Deferred capital contributions represent the unamortized amount of donations received from The Kensington Health Foundation and other donors to assist with the construction and equipping of the long term care facility, to construct the hospice and to purchase other properties.

Period ended March 31,	**2021 (12 months)**	2020 (15 months)
Balance, beginning of period	**$ 12,777,475**	$ 12,138,391
Contributions	**567,825**	1,380,291
Transfer (note 3)	**-**	86,000
Less: amounts recognized as revenue	**(685,107)**	(827,207)
Balance, end of period	**$ 12,660,193**	$ 12,777,475

11 Government funding

Period ended March 31,	**2021 (12 months)**	2020 (15 months)
Ministry of Long Term-Care operational funding	**$ 23,285,160**	$ 23,131,521
Toronto Central Local Health Integration Network operational funding	**1,568,025**	1,951,219
Ministry of Seniors Affairs	**-**	93,948
City of Toronto	**21,342**	37,760
	$ 24,874,527	$ 25,214,448

12 Pension

Employer contributions made to the plans during the year by the Centre total $516,013 (2020 - $579,908). These amounts are included in salaries, wages and benefits expense in the statement of operations.

13 Contingencies

The Centre has entered into funding agreements which govern the relationship with the various providers listed in note 11.

The Centre reports annually to the funders for the purpose of determining whether any funding amounts must be repaid. Any amounts repayable are estimated and accrued in the financial statements. Final settlement is subject to review and assessment by the funders. Any adjustments required as a result of the funding provider's review will be accounted for upon settlement.

Funding providers may terminate the funding agreement if it determines that the Centre is in breach of any of its terms and conditions and the breach is not cured within an established time period after written notice of the breach is provided. Upon termination, funding received in relation to certain capital assets may have to be repaid if the related assets are sold.

14 Commitment

The Centre has entered into a Construction Contract for the expansion of the Kensington Hospice. The remaining commitment under the contract price is $3,361,817 plus HST. Performance under the contract is expected to be substantially completed in early 2022.

15 Economic dependence

The Centre recognized $24,853,185 (2020 - $25,082,740) of funding from the Ministry of Long-Term Care and Toronto Central Local Health Integration Network. This funding represents approximately 70% (2020 - 64%) of total revenue.

16 Financial instruments

The Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the Centre's risk exposure and concentrations.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to credit risk through its cash and accounts receivable.

Accounts receivable includes $39,016 (2020 - $51,189) due from the Ministry Long-Term Care which are secured by provincial and/or federal governments. All other accounts receivable are unsecured.

The Centre's bank accounts are held at one financial institution. Funds on deposit exceed the maximum amount insured.

Liquidity risk

Liquidity risk is the risk that the Centre will not be able to meet a demand for cash or fund its obligations as they come due. The Centre meets its liquidity requirements by preparing and monitoring detailed forecasts of cash flows from operations and anticipating investing and financing activities.

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.

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

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 is subject to interest rate risk to the extent that its long term debt may be subject to interest rate changes on maturity and from its interest bearing assets. The Centre has not entered into any derivative agreements to mitigate this risk.

The Centre's cash includes amounts on deposit with financial institutions that earn interest at market rates. The Centre manages its exposure to the interest rate risk of its cash by maximizing the interest income earned on excess funds while maintaining the liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on the Centre’s results of operations.

Changes in risk

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