



BISSELL CENTRE
FINANCIAL STATEMENTS
March 31, 2019



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INDEPENDENT AUDITOR'S REPORT

To the Members of Bissell Centre

Qualified Opinion

We have audited the accompanying financial statements of Bissell Centre, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Bissell Centre as at March 31, 2019, and the results of its activities and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Bissell Centre derives revenue from resource development and sales, 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to resource development and sales, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1, 2018 and April 1, 2017, and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in 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 Entity 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.

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 judgement 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 Entity'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 Entity'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 Entity 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.



Bergeron & Co. Chartered Professional Accountants

June 17, 2019
Edmonton, AB

BISSELL CENTRE
STATEMENT OF OPERATIONS
For the year ended March 31, 2019

	<u>2019</u>	<u>2018</u>
REVENUE		
Government grants	\$ 5,729,268	\$ 5,237,199
Resource development	2,118,510	2,426,113
Sales	946,552	988,771
United Way	371,694	371,626
Fees for services	366,541	434,719
Other income	<u>38,015</u>	<u>22,202</u>
	<u>9,570,580</u>	<u>9,480,630</u>
EXPENSES		
Wages and benefits	7,355,246	6,991,726
Service delivery and activities	813,698	1,163,951
Building costs	521,044	444,264
Office and general	343,891	339,461
Publicity and promotion	266,807	244,543
Travel	136,968	142,154
Finance and legal costs	90,268	84,651
Food services	<u>42,146</u>	<u>110,015</u>
	<u>9,570,068</u>	<u>9,520,765</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES BEFORE OTHER ITEMS	<u>512</u>	<u>(40,135)</u>
OTHER ITEMS		
Amortization of deferred capital contributions (Note 11)	270,590	254,977
Amortization of capital assets	(398,031)	(393,958)
Share of excess (deficiency) of revenues over expenses in a joint venture (Note 6)	<u>7,985</u>	<u>(12,415)</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (118,944)</u>	<u>\$ (191,531)</u>

See accompanying Notes to Financial Statements

BISELL CENTRE
STATEMENT OF FINANCIAL POSITION
March 31, 2019

	<u>2019</u>	<u>2018</u>
ASSETS		
CURRENT		
Cash (Note 3)	\$ 2,121,196	\$ 2,003,510
Accounts receivable (Note 4)	429,708	563,299
Goods and Services Tax recoverable	38,105	47,476
Prepaid expenses	87,489	53,908
EFAN trust (Note 5)	<u>54,279</u>	<u>53,794</u>
	2,730,777	2,721,987
INTEREST IN A JOINT VENTURE (Note 6)	141,796	133,811
SERVUS CREDIT UNION COMMON SHARES	1,794	1,739
CAPITAL ASSETS (Note 7)	<u>7,888,639</u>	<u>8,003,182</u>
TOTAL ASSETS	<u>\$ 10,763,006</u>	<u>\$ 10,860,719</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 119,977	\$ 342,696
Payroll liabilities (Note 9)	535,648	511,336
Deferred revenues (Note 10)	1,840,803	1,629,931
EFAN trust (Note 5)	<u>54,279</u>	<u>53,794</u>
	2,550,707	2,537,757
DEFERRED CAPITAL CONTRIBUTIONS (Note 11)	<u>4,142,402</u>	<u>4,134,121</u>
TOTAL LIABILITIES	<u>6,693,109</u>	<u>6,671,878</u>
NET ASSETS		
Net assets invested in capital assets	3,746,238	3,869,061
Internally restricted net assets (Note 13)	111,000	111,000
Unrestricted net assets (Note 14)	<u>212,659</u>	<u>208,780</u>
	4,069,897	4,188,841
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 10,763,006</u>	<u>\$ 10,860,719</u>

Approved by the Governors:


 _____, Governor


 _____, Governor

BISSELL CENTRE
STATEMENT OF CHANGES IN NET ASSETS
For the year ended March 31, 2019

NET ASSETS	Internally Restricted (Note 13)	Invested in capital assets (Note 14)	Unrestricted	Total 2019	Total 2018
Balance, beginning of year	\$ 111,000	\$ 3,869,061	\$ 208,780	\$ 4,188,841	\$ 4,381,568
Deficiency of revenues over expenses	-	(127,442)	8,498	(118,944)	(191,531)
Investment in capital assets	-	4,619	(4,619)	-	-
Prorated share in ICYHP repayment of Alberta Senior subsidy	-	-	-	-	(1,196)
Balance, end of year	<u>\$ 111,000</u>	<u>\$ 3,746,238</u>	<u>\$ 212,659</u>	<u>\$ 4,069,897</u>	<u>\$ 4,188,841</u>

**BISSELL CENTRE
CASH FLOW STATEMENT
For the year ended March 31, 2019**

	<u>2019</u>	<u>2018</u>
OPERATING ACTIVITIES		
Cash received from grants	6,167,451	5,302,257
Cash received from donations	2,446,668	3,590,004
Cash received from sales and other income	1,300,925	1,457,604
Cash paid for operations	(2,483,801)	(2,174,104)
Cash paid to employees	<u>(7,308,938)</u>	<u>(7,020,640)</u>
	<u>122,305</u>	<u>1,155,121</u>
FINANCING ACTIVITIES		
Capital grants received	<u>178,608</u>	<u>972,103</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(183,227)	(992,914)
Proceeds from sale of investments	<u>-</u>	<u>30,000</u>
	<u>(183,227)</u>	<u>(962,914)</u>
INCREASE IN CASH	117,686	1,164,310
CASH, beginning of year	<u>2,003,510</u>	<u>839,200</u>
CASH, end of year	<u>\$ 2,121,196</u>	<u>\$ 2,003,510</u>

See accompanying Notes to Financial Statements



BISSELL CENTRE
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

1. PURPOSE OF THE NOT-FOR-PROFIT ORGANIZATION

Bissell Centre ("Bissell" or the "Centre") is an Edmonton, Alberta based organization established to relieve poverty for individuals or families who are poor, of low income, or in need. Bissell works with communities to empower people to move from poverty to cultural, social and economic prosperity. Bissell builds relationships with those who access their programs and services, those who volunteer and work at Bissell, and those in the greater community committed to addressing issues of poverty.

Bissell Centre is a registered charity incorporated under the Societies Act of Alberta, and therefore is exempt from income tax pursuant to the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

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

Management's use of estimates

- a) The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, 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 year. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

Revenue recognition

- b) The Centre uses the deferral method of accounting for contributions (i.e. government grants, resource development, and income from the United Way). Externally restricted contributions are recorded as deferred contributions and they are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount can be estimated and collection is reasonably assured.

Sales, fees for services, and other income are recognized as revenue when performance has been achieved or the goods have been received by the client, the amount is determinable and collection is reasonably assured.

Contributions restricted for the purchase of capital assets to be amortized are deferred. They will be recognized in revenues using the same method and rate used for amortization of capital assets acquired to which they relate.



BISELL CENTRE
NOTES TO FINANCIAL STATEMENTS
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Financial instruments

- c) The Centre initially measures its financial assets and financial liabilities at fair value. Bissell subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash, accounts receivable, EFAN Trust account and Servus Credit Union common shares.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, payroll liabilities, and the EFAN trust account.

Transaction costs related to financial instruments that are subsequently measured at amortized cost are recorded with the financial asset or liability and amortized to income using a straight-line amortization method over the duration of the financial instrument.

Impairment

- d) Financial assets measured at cost or amortized cost are tested for impairment if there are indications of possible impairment. The amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, either directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment loss not been recognized previously. The amount of the reversal is recognized in net income.

Cash and cash equivalents

- e) The Centre's policy is to present bank balances, including bank overdrafts when bank balances fluctuate frequently from being positive to overdrawn. Term deposits with a maturity period of three months or less from the date of acquisition are presented under cash and cash equivalents if term deposits do not relate to reserves that the Centre cannot use for current transactions.

Inventory measurement

- f) Inventory is not recorded in these financial statements as all products sold are donated products and sold for a nominal charge.



BISSELL CENTRE
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

Capital assets

- g) Purchased capital assets are recorded at cost. Assets costing less than \$5,000 are recorded as expenses and are not amortized. Contributed capital assets are recorded at fair value at the date of contribution, if a fair value is determinable. Amortization is recorded at the following rates, which have been established by estimates of useful lives. Additions during the current year are amortized at one-half their normal rates, and no amortization is taken in the year of disposition. Amortization expense is reported in the statement of operations. Construction in progress is not amortized until the construction project is completed and fully operational.

Automotive equipment	2 & 3.33 yrs	straight-line
Furniture and equipment	5 yrs	straight-line
Computer hardware	3 yrs	straight-line
Leasehold improvements	2 yrs	straight-line
Building	25 yrs	straight-line
Moonlight Bay Centre	25 yrs	straight-line

When a tangible capital asset no longer has any long-term service potential for the Centre, the excess of its net carrying amount over any residual value should be recognized as an expense in the statement of operations.

Interest in a joint venture

- h) Interest in a joint venture is accounted for using the equity method. The investment is initially measured at cost and subsequently adjusted to include the Centre's pro-rated share of the earnings of the joint venture, computed by the consolidation method. The Centre also applies this method in accounting for a change in ownership.

Contributed materials and services

- i) Due to the complexity of valuing contributed time, items, products or services. The organization does not record those contributions in these financial statements.

Cost allocation

- j) Expenses identifiable to specific programs are charged directly and applied consistently each year. Administrative expenditures are allocated to regular programs in proportion to the full time equivalency of each department. Amortization expense is allocated directly to program costs when specific assets are easily linked to the program; whereas occupancy space is used to allocate building amortization and general repairs and maintenance. All other general amortization expense is allocated to the administrative program.

BISSELL CENTRE
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

3. RESTRICTED CASH

	<u>2019</u>	<u>2018</u>
Internally restricted cash - Future Forward Fund	\$ 10,000	\$ 10,000
Internally restricted cash - Building Capital Fund	101,000	101,000
Externally restricted cash - Deferred revenues	<u>1,840,803</u>	<u>1,629,931</u>
Total restricted cash	1,951,803	1,740,931
Unrestricted cash	<u>169,393</u>	<u>262,579</u>
Cash	<u>\$ 2,121,196</u>	<u>\$ 2,003,510</u>

4. ACCOUNTS RECEIVABLE

	<u>2019</u>	<u>2018</u>
Trade receivables	\$ 142,224	\$ 78,588
Resource development receivable	28,641	59,660
Grants receivable	<u>258,843</u>	<u>425,051</u>
	<u>\$ 429,708</u>	<u>\$ 563,299</u>

5. TRUST ASSETS AND LIABILITIES

The Centre maintains bank accounts which represent monies held in trust for the Edmonton Fetal Alcohol Network Society (EFAN) for which the Bissell Centre is acting as its custodian. The balances in these accounts at March 31, 2019 totaled \$54,279 (2018 - \$53,794).

BISSELL CENTRE
NOTES TO FINANCIAL STATEMENTS
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6. INTEREST IN A JOINT VENTURE

The Centre is a co-owner in the Inner City Youth Housing Project, an unincorporated joint venture along with Boyle Street Community Services and Edmonton City Centre Church Corporation. Each owner has a 33.33% interest in the joint venture. The share of the Centre in the assets, liabilities, net assets, revenues, expenses and in the cash flows from operating, financing and investing are as follows:

	<u>2019</u>	<u>2018</u>
FINANCIAL POSITION		
Assets	\$ <u>276,818</u>	\$ <u>276,027</u>
Liabilities	\$ 135,022	\$ 142,216
Net Assets	<u>141,796</u>	<u>133,811</u>
	<u>\$ 276,818</u>	<u>\$ 276,027</u>
OPERATIONS		
Revenues	\$ 82,897	\$ 76,512
Expenses	\$ <u>(74,913)</u>	\$ <u>(88,928)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 7,984</u>	<u>\$ (12,416)</u>
CASH FLOWS		
Cash flows from operations	\$ 21,069	\$ (7,968)
Cash flows from financing activities	\$ (11,267)	\$ (12,576)
Cash flows from investing activities	<u>\$ 12,048</u>	<u>\$ (2,239)</u>
Increase (Decrease) in cash	<u>\$ 21,850</u>	<u>\$ (22,783)</u>

As co-owner of ICYHP, the Centre has guaranteed 33.33% of the mortgages with Canada Mortgage and Housing Corporation. The Centre may also be liable for the guarantee provided by the other investors. The Centre has not demanded any consideration in exchange for these obligations. As of March 31, 2019 the mortgages have a balance of \$341,566 (2018 - \$374,662) and are secured by land and buildings of ICYHP having a net book value of \$433,628 (2018 - \$444,284).

There are no significant differences in accounting policies from those followed by the Centre.

BISSELL CENTRE
NOTES TO FINANCIAL STATEMENTS
March 31, 2019

7. CAPITAL ASSETS

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2019</u>	<u>2018</u>
Automotive equipment	\$ 155,823	\$ 155,823	\$ -	\$ -
Furniture and equipment	457,965	437,601	20,364	36,184
Computer hardware	171,636	171,636	-	4,548
Leasehold improvements	5,976	5,976	-	-
Building	9,754,473	4,462,355	5,292,118	4,439,296
Moonlight Bay Centre	1,936,562	1,069,376	867,186	928,884
Construction in progress	86,804	-	86,804	972,103
Land	<u>1,622,167</u>	<u>-</u>	<u>1,622,167</u>	<u>1,622,167</u>
	<u>\$14,191,406</u>	<u>\$ 6,302,767</u>	<u>\$ 7,888,639</u>	<u>\$ 8,003,182</u>

8. OPERATING LINE OF CREDIT

The Centre has arranged for an authorized overdraft with Servus Credit Union authorized to \$500,000. The authorized overdraft is secured by Servus Credit Union's collateral mortgage on two of the Bissell Centre's buildings and lands. The net book value of the two buildings and parcels of land held as collateral for the authorized overdraft is \$4,545,226 (2018 - \$3,635,119).

The organization has also negotiated a line of credit with Service Credit Union authorized to \$300,000. The line of credit is secured by a general security agreement providing a first charge and security interest in and to all of the Centre's present and after acquired personal property.

Both credit facilities bear interest at Servus Credit Union's prime rate + 1.20%, compounded daily and payable monthly in arrears. As at March 31, 2019, Servus Credit Union's prime rate was 3.70%

9. GOVERNMENT REMITTANCES

The amount owing for government remittances is \$72,744 (2018 - \$75,457). This amount is included in payroll liabilities.

10. DEFERRED REVENUES

	<u>Opening</u>	<u>Funds received</u>	<u>Funds used</u>	<u>Ending</u>
OPERATING				
Core services	\$ 580,640	\$ 2,051,356	\$ (1,523,056)	\$ 1,108,940
Safe affordable housing	572,230	2,527,380	(2,739,190)	360,420
Financial stability services	26,652	-	(26,652)	-
Health and wellness	9,794	23,316	(9,794)	23,316
CAPITAL ASSETS				
Learning and development	<u>440,615</u>	<u>7,040</u>	<u>(99,528)</u>	<u>348,127</u>
	<u>\$ 1,629,931</u>	<u>\$ 4,609,092</u>	<u>\$ 4,398,220</u>	<u>\$ 1,840,803</u>

**BISSELL CENTRE
NOTES TO FINANCIAL STATEMENTS
March 31, 2019**

11. DEFERRED CAPITAL CONTRIBUTIONS

	<u>Opening</u>	<u>Funds received</u>	<u>Amounts amortized to revenue</u>	<u>Ending</u>
Buildings	\$ 3,313,308	\$ 192,066	\$ (209,764)	\$ 3,295,610
Moonlight Bay	820,813	-	(60,825)	759,988
Leasehold improvements	-	86,804	-	86,804
	<u>\$ 4,134,121</u>	<u>\$ 278,870</u>	<u>\$ (270,589)</u>	<u>\$ 4,142,402</u>

12. HOMEWARD TRUST DISCLOSURE REQUIREMENTS

The Bissell Centre manages contracts from Homeward Trust through the Centre's Safe Affordable Housing and its Core Services programs. The following is a breakdown of the revenue received during the year, the accounts receivable as at March 31, 2019 and the amounts of revenue deferred as at March 31, 2019.

	<u>Revenue</u>	<u>Receivable</u>	<u>Deferred</u>
Homeless to Homes (H2H)	\$ 897,689	\$ 13,392	\$ 184,878
Hope Terrace (PSH)	695,604	5,888	38,336
Outreach Housing Team (OHT)	951,180	126,319	30,829
Seven cities bursary	1,795	1,795	-
	<u>\$ 2,546,268</u>	<u>\$ 147,394</u>	<u>\$ 254,043</u>

**BISELL CENTRE
NOTES TO FINANCIAL STATEMENTS
March 31, 2019**

13. INTERNALLY RESTRICTED NET ASSETS

Futures Forward Fund

The Futures Forward Fund is intended to provide funds to meet special targets of opportunity or that further the mission and vision of the Centre with may or may not have specific expectation of incremental or long-term increased income.

Building Capital Fund

The Building Capital Fund is to ensure there is funding available to cover major repairs on the Centre's facilities and equipment that would not normally be funded under normal operations. The Capital fund is intended for reserving funds to acquire additional buildings to support the Bissell Centre's growth.

The changes in the internally restricted fund balances are as follows:

	<u>Future</u> <u>Forward Fund</u>	<u>Building</u> <u>Capital Fund</u>	<u>2019</u>	<u>2018</u>
Opening balance	\$ 10,000	\$ 101,000	\$ 111,000	\$ 111,000
Transfers	-	-	-	-
Closing balance	<u>\$ 10,000</u>	<u>\$ 101,000</u>	<u>\$ 111,000</u>	<u>\$ 111,000</u>

14. UNRESTRICTED NET ASSETS

The Centre has made a commitment to establish a level of working capital equivalent to three months of operating revenues as a part of its long-term risk management strategy.

15. EDMONTON COMMUNITY FOUNDATION'S BISELL FUND

The Centre is the beneficiary of the Edmonton Community Foundation's Bissell Fund. Assets of this fund are not the property of the Bissell Centre but the income generated from the fund is transferred to the Centre. As at December 31, 2018, the balance in the Foundation's Bissell Fund was \$559,423 (2017 - \$588,593).

16. FUND DEVELOPMENT

Resource development expenses incurred for the purpose of soliciting contributions were \$531,409 (2018 - \$430,968). Of which \$373,830 (2018 - \$282,908) were paid as remuneration to employees whose duties mostly involve fundraising.

No expenditures for soliciting contributions were paid to a third party.

BISSELL CENTRE
NOTES TO FINANCIAL STATEMENTS
March 31, 2019



17. LEASE COMMITMENTS

The Centre has entered into a lease agreement for space to provide social daycare services expiring on September 30, 2028. Future minimum lease payments including operational costs for the current term of the lease total \$256,622 and include the following payments over the next five years:

2020	\$ 25,662
2021	25,662
2022	25,662
2023	25,662
2024	<u>25,662</u>
	<u>\$ 128,310</u>

18. FINANCIAL INSTRUMENTS

The Centre is exposed to various risks through its financial instruments.

Credit risk:

The Centre's main credit risks relate to its accounts receivable and grants receivable.

Interest rate risk:

The Centre is exposed to interest rate risk on its floating interest rate financial instruments, which include cash, and its operating line of credit. Changes in Servus Credit Union's prime interest rate represent a cash flow risk.

Liquidity risk:

The Centre is exposed to liquidity risk mainly in respect of its accounts payable, payroll liabilities and also through the security provided to the ICYHP joint venture for its mortgages.

19. COMPARATIVE INFORMATION

Certain corresponding amounts have been reclassified to conform with the current year presentation of the financial statements.

