# Financial Statements

## Bissell Centre

## March 31, 2024

# Contents

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# Independent Auditor's Report

To the Members of
Bissell Centre

## Qualified opinion

We have audited the financial statements of Bissell Centre (the "Centre"), which comprise the statement of financial position as at March 31, 2024, 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 effects of the matter described in the Basis for qualified opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2024, 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 qualified opinion

In common with many not-for-profit organizations, the Centre derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to resource development revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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 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 qualified opinion.

## Other matter

The financial statements of the Centre for the year ended March 31, 2023 were audited by another firm of Chartered Professional Accountants who expressed an unmodified opinion on those financial statements on June 26, 2023.

# Independent Auditor's Report (continued)

## 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 significant doubt on the Centre's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Centre to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Grant Thornton

# Independent Auditor's Report (continued)

Grant Thornton LLP

Chartered Professional Accountants

Edmonton, Canada
June 25, 2024

## Bissell Centre
## Statement of Operations

| Year ended March 31 | 2024 | 2023 |
|---|---|---|
| **Revenue** | | |
| Government grants | **$ 13,490,786** | $ 11,888,392 |
| Resource development | **3,249,473** | 3,590,530 |
| Sales | **2,188,100** | 1,899,379 |
| Fees for services | **1,672,597** | 1,413,813 |
| United Way | **513,496** | 229,951 |
| Other income | **163,731** | 114,584 |
| | **21,278,183** | 19,136,649 |
| **Expenditures** | | |
| Wages and benefits | **13,719,077** | 11,471,167 |
| Service delivery and activities | **3,925,372** | 3,257,374 |
| Building costs | **1,047,620** | 932,704 |
| Office and general | **629,963** | 580,219 |
| Publicity and promotion | **336,318** | 382,877 |
| Professional fees | **249,006** | 172,194 |
| Travel | **201,440** | 161,094 |
| Food services | **166,968** | 132,681 |
| | **20,275,764** | 17,090,310 |
| Excess of revenue over expenditures before other items | **1,002,419** | 2,046,339 |
| **Other items** | | |
| Amortization of deferred capital contributions | **514,044** | 508,167 |
| Amortization of capital assets | **(721,274)** | (665,490) |
| Inner City Youth Housing Project (Note 7) | **(72,579)** | (68,494) |
| | **(279,809)** | (225,817) |
| Excess of revenue over expenditures for the year | **$ 722,610** | $ 1,820,522 |

# Bissell Centre
## Statement of Changes in Net Assets
Year ended March 31

| | Internally restricted | Invested in capital assets | Unrestricted | **Total 2024** | Total 2023 |
|---|---|---|---|---|---|
| Balance, beginning of year | $ 3,500,000 | $ 4,067,513 | $ 4,923,910 | $ **12,491,423** | $ 10,670,899 |
| Excess (deficiency) of revenue over expenditures | - | (207,230) | 929,840 | **722,610** | 1,820,524 |
| Invested in capital assets | (1,888,607) | 1,888,607 | - | - | - |
| Allocation of excess revenue over expenses | 736,607 | - | (736,607) | - | - |
| Balance, end of year | $ **2,348,000** | $ **5,748,890** | $ **5,117,143** | $ **13,214,033** | $ 12,491,423 |

See accompanying notes to the financial statements.

# Bissell Centre
## Statement of Financial Position

| March 31 | 2024 | 2023 |
|---|---|---|
| **Assets** | | |
| Current | | |
| Cash (Note 3) | **$ 6,472,551** | $ 13,691,134 |
| Short term investment (Note 3) | **3,636,212** | - |
| Accounts receivable (Note 4) | **1,441,621** | 913,781 |
| Prepaid expenses | **144,907** | 265,537 |
| EFAN trust (Note 5) | **299,315** | 401,988 |
| Goods and services tax receivable | **75,073** | 52,199 |
| | **12,069,679** | 15,324,639 |
| Inner City Youth Housing Project (Note 6) | **-** | 72,579 |
| Property and equipment (Note 7) | **9,734,972** | 8,230,005 |
| | **$ 21,804,651** | $ 23,627,223 |

| | | |
|---|---|---|
| **Liabilities** | | |
| Current | | |
| Accounts payable and accrued liabilities | **$ 1,137,776** | $ 484,225 |
| Payroll liabilities (Note 8) | **429,614** | 626,186 |
| Prepaid sales | **25,378** | 21,479 |
| EFAN trust liability (Note 6) | **299,315** | 401,988 |
| Deferred contributions (Note 9) | **2,712,453** | 5,439,431 |
| | **4,604,536** | 6,973,309 |
| Deferred capital contributions (Note 11) | **3,986,082** | 4,162,491 |
| | **8,590,618** | 11,135,800 |
| **Fund balances** | | |
| Internally restricted | **2,348,000** | 3,500,000 |
| Invested in capital assets | **5,748,890** | 4,067,513 |
| Unrestricted | **5,117,143** | 4,923,910 |
| | **13,214,033** | 12,491,423 |
| | **$ 21,804,651** | $ 23,627,223 |

On behalf of the Board

Lee-Ann Leitch Member

Lee-Ann Leitch, Board Chair

Member

Ryan Turpin, Board Committee Chair

## Bissell Centre
## Statement of Cash Flows

| Year ended March 31 | 2024 | 2023 |
|---|---|---|
| Increase (decrease) in cash | | |
| **Operating** | | |
| Excess of revenue over expenditures | $ 722,610 | $ 1,820,522 |
| Items not affecting cash | | |
| Amortization of capital asset | 721,274 | 665,490 |
| Gain on sale of asset | (500) | - |
| Amortization of deferred capital contribution | (514,044) | (508,167) |
| Loss on Inner City Youth Housing Project | 72,579 | 68,494 |
| | 1,001,919 | 2,046,339 |
| Change in non-cash working capital items | | |
| Accounts receivable | (664,053) | 1,302,695 |
| Prepaid expenses | 120,630 | (170,868) |
| EFAN trust asset | 102,673 | 324,789 |
| Goods and services tax | (22,874) | (14,506) |
| EFAN trust liability | (102,673) | (324,789) |
| Accounts payable and accrued liabilities | 622,522 | 263,290 |
| Payroll liabilities | (196,572) | 47,246 |
| Prepaid sales | 3,899 | 7,084 |
| Deferred contributions | (2,726,978) | 28,257 |
| | (1,861,507) | 3,509,537 |
| **Financing** | | |
| Deferred contributions received for additions to capital assets | 337,635 | 18,438 |
| **Investing** | | |
| Purchase of investment | (3,500,000) | - |
| Proceeds on sale of asset | 500 | - |
| Purchase of property and equipment | (2,195,211) | (401,374) |
| | (5,694,711) | (401,374) |
| (Decrease) increase in cash | (7,218,583) | 3,126,601 |
| Cash | | |
| Beginning of year | 13,691,134 | 10,564,533 |
| End of year | $ 6,472,551 | $ 13,691,134 |

See accompanying notes to the financial statements.

### 1. Nature of operations

Bissell Centre (the "Centre") is incorporated as a not-for-profit organization under the Societies Act of Alberta. The mission of the Centre is to work in community to remove barriers and support people as they move out of poverty. The Centre builds relationships with those who access their programs and services, those who volunteer and work at the Centre, and those in the greater community committed to addressing issues of poverty. The core values of Respect, Human-Centred, Collaboration, Integrity, Equity, and Accountability are reflected in all aspects of the Centre's work and within the culture of Bissell. The Centre is committed to the above values to ensure its participants, employees, and stakeholders are involved with an organization that puts people first.

The Centre is a registered charity under the Income Tax Act and is exempt from income tax.

### 2. Summary of significant accounting policies

The financial statements of the Centre were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

**Use of estimates**

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and reported amounts of revenues and expenses during the period. Management reviews the carrying amounts of items in the financial statements at each balance sheet date to assess the need for revision or any possibility of impairment. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from those estimates. Significant estimates include the useful lives of property and equipment.

**Revenue recognition**

The Centre follows the deferral method of accounting for contributions.

Unrestricted contributions and unrestricted investment income 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 included in government grants and resource development are recognized as revenue as expenses are incurred. Restricted contributions received for the purchase of property and equipment that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired property and equipment. Revenue relating to sales, fee for service 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.

## 2. Summary of significant accounting policies (continued)

### Property and equipment

Equipment is recorded at cost. The Centre provides for amortization using the following methods at rates designed to amortize the cost of the equipment over its estimated useful life. The annual amortization rates and methods are as follows:

| | |
|---|---|
| Furniture and equipment | 5 years Straight-line |
| Buildings | 25 years Straight-line |
| Leasehold improvements | Over the term of the lease |
| Computer hardware | 3 years Straight-line |
| Automotive equipment | 2-3 years Straight-line |

### Impairment of long-lived assets

The Centre tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of assets may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount. Fair value is determined based on quoted market prices where available, otherwise on discounted cash flows over the life of the asset.

### Cash

Cash is comprised of cash on hand, and bank balances including bank savings accounts, net of bank overdrafts and cashable term deposits.

### Short-term investments

Short-term investments are comprised of term deposits with maturity of less than a year.

### Contributed services, materials and property and equipment

Volunteers assist the Centre in carrying out certain activities. Because of the difficulty of determining the fair value and the fact that such assistance is generally not otherwise purchased, contributed services are not recognized in the financial statements.

Contributed materials for resale are not recorded in the financial statements.

Contributed materials and property and equipment are recorded at fair value when the fair value can be reasonably estimated and when the materials and property and equipment are normally purchased by the Centre.

## 2. Summary of significant accounting policies (continued)

### Financial instruments

Initial measurement:

The Centre's financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement:

At each reporting date, the Centre measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets). The financial instruments measured at amortized cost are cash, short term investment, accounts receivable, and payables and accruals. The carrying value of financial instruments approximates their fair value due to the short-term nature, unless otherwise noted.

For financial assets measured at cost or amortized cost, the Centre regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Centre determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

## 3. Cash and short term investment

| | 2024 | 2023 |
|---|---|---|
| Internally restricted cash - Opportunity Reserve | $ - | $ 250,000 |
| Internally restricted cash - Building Capital Fund | - | 3,000,000 |
| Internally restricted cash - Emergency Reserve | - | 250,000 |
| Total internally restricted cash | - | 3,500,000 |
| Externally restricted cash - Deferred contributions | 2,712,453 | 5,439,431 |
| Externally restricted cash - Deferred income | 25,378 | 21,479 |
| Total externally restricted cash | 2,737,831 | 5,460,910 |
| Unrestricted cash | 3,734,720 | 4,730,224 |
| Internally restricted investment - Reserves | 3,636,212 | - |
| Total cash and investment | $ 10,108,763 | $ 13,691,134 |

During the year, the Centre purchased a $3,500,000, one year GIC maturing July 5, 2024 with an interest rate of 5.25%. The short term investment is to support the internally restricted fund balances (Note 13).

## 4. Accounts receivable

| | 2024 | 2023 |
|---|---|---|
| Trade accounts receivable | $ 120,265 | $ 51,414 |
| Resource development receivable | 158,263 | 197,792 |
| Grants receivable | 1,161,093 | 661,625 |
| Due from employees | 2,000 | 2,950 |
| | $ 1,441,621 | $ 913,781 |

## 5. EFAN trust

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, 2024 totaled $299,315 (2023 - $401,988).

## 6. Inner City Youth Housing Project

The Inner City Youth Housing Project ("ICYHP") was owned equally by three not-for-profit organizations (the Centre, Edmonton City Centre Church Corporation, and Boyle Street Community Services, collectively the "Co-owners"); therefore, the Centre had a 33% interest in ICYHP's assets, liabilities and net assets. The Centre's share of ICYHP's assets, liabilities as of March 31, 2023 was as follows:

| | 2023 |
|---|---|
| FINANCIAL POSITION | |
| Assets | $ 157,325 |
| Liabilities | 84,746 |
| Net assets | 72,579 |
| | 157,325 |
| OPERATIONS | |
| Revenues | 94,116 |
| Expenses | (96,491) |
| Termination adjustment | (66,119) |
| Deficiency of revenues over expenses | (68,494) |
| CASH FLOWS | |
| Cash flows used in operations | (12,530) |
| Cash flows used in financing activities | (12,276) |
| Cash flows from investing activities | 11,053 |
| Decrease in cash | (13,753) |

The co-owners of ICYHP have agreed to dissolve the joint venture in January of 2023 effective on June 1, 2023. The co-owners assigned and set over to Edmonton City Centre Church Corporation ("e4c") all the rights, title, and benefit to the joint venture property; and e4c accepts to

## 6. Inner City Youth Housing Project (continued)

unconditionally assume all of the rights, liabilities and obligations and duties with respect to the joint venture property. Therefore, the Centre's equity in the joint venture was transferred to e4c as a contribution thereby reducing its investment by the value as of the date of dissolution.

The Centre de-recognized the investment as follows at June 1, 2023:

| | 2024 |
|---|---|
| Total assets | $ (157,325) |
| Total liabilities and reserves | 84,746 |
| Net impact in Statement of Operations (included in Other items) | $ (72,579) |

## 7. Property and equipment

| | Cost | Accumulated Amortization | 2024 Net Book Value | 2023 Net Book Value |
|---|---|---|---|---|
| Buildings | $ 14,304,064 | $ 7,630,597 | $ **6,673,467** | $ 5,137,672 |
| Land | 1,622,167 | - | **1,622,167** | 1,622,167 |
| Leasehold improvements | 1,548,316 | 712,436 | **835,880** | 1,047,112 |
| Capital projects in progress | 409,357 | - | **409,357** | 331,578 |
| Furniture and equipment | 704,110 | 543,766 | **160,344** | 46,471 |
| Computer hardware | 144,131 | 123,122 | **21,009** | 45,005 |
| Automotive equipment | 129,845 | 117,097 | **12,748** | - |
| | $ 18,861,990 | $ 9,127,018 | $ **9,734,972** | $ 8,230,005 |

Amortization on capital projects in progress will commence when the assets are available for use.

## 8. Payroll liabilities

Payroll liabilities include government remittances payable $60,609 (2023 - $57,839).

## 9. Deferred contributions

| | April 1, 2023 | Funds received | Funds used | March 31, 2024 |
|---|---|---|---|---|
| Operating | $ 5,303,663 | $ 11,059,040 | $ (13,650,250) | $ 2,712,453 |
| Capital | 135,768 | - | (135,768) | - |
| | $ 5,439,431 | $ 11,059,040 | $ (13,786,018) | $ 2,712,453 |

## 10. Operating line of credit

The Centre has arranged for a demand operating loan with CIBC authorized to a maximum balance of $500,000. The facility is secured by general security agreement providing a first charge security interest in and to all of the Centre's present and after acquired personal property.

The demand operating line bears interest at CIBC's prime rate, compounded daily and payable monthly in arrears. CIBC's prime rate at March 31, 2024 was 7.20%.

## 11. Deferred capital contributions

| | April 1, 2023 | Funds received | Amounts amortized to revenue | March 31, 2024 |
|---|---|---|---|---|
| Buildings | $ 2,633,694 | $ 272,016 | $ 249,962 | $ 2,655,748 |
| Furniture & equipment | - | 50,619 | 5,062 | 45,557 |
| Moonlight Bay | 519,583 | 15,000 | 61,421 | 473,162 |
| Leasehold improvements | 1,009,214 | - | 197,599 | 811,615 |
| | $ 4,162,491 | $ 337,635 | $ 514,044 | $ 3,986,082 |

## 12. Homeward Trust Disclosure Requirements

The Bissell Centre manages contracts from Homeward Trust. The following is a breakdown of the revenue recognized during the year, the accounts receivable as at March 31, 2024 and the amounts of revenue deferred as at March 31, 2024:

| | **Revenue** | **Receivable** | **Deferred** |
|---|---|---|---|
| Intensive Case Management Team (ICMT) | $ 1,040,650 | $ 93,151 | $ 102,214 |
| Outreach Housing Prototype Team (OPT) | 1,542,500 | 126,314 | 221,890 |
| Outreach Housing Team (OHT) | 579,141 | 118,995 | 29,840 |
| Encampment Response Pilot (ERP) | 373,500 | - | 64,600 |
| Hope Terrace - King Edward Park (KEP) | 1,176,178 | 26,551 | 7,507 |
| Sector Emergency Response (SER) | - | 336,564 | - |
| | $ 4,711,969 | $ 701,575 | $ 426,051 |

## 13. Unrestricted and internally restricted net assets

**Operating Reserve**
The unrestricted net assets, named as the Operating Reserve, will be used to absorb or respond to temporary changes in the organization's environment or circumstances. This balance will ensure that sufficient funds are available to manage cash flow on a day-to-day basis and maintain financial flexibility. The targeted balance for this reserve, as passed by the Board of Governors, is from three to six months of the annual operating budget.

**Building and Capital Reserve**
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, as well as for reserving funds to acquire additional buildings to support the Centre's growth. The targeted balance for this reserve, as passed by the Board of Governors, is $1,000,000 to $3,000,000.

**Opportunity Reserve**
The Opportunity Reserve is intended for investment in areas of opportunity that further the mission and vision of the organization or increase organizational capacity. These new initiatives may or may not have the expectation of incremental or long-term increased income. This reserve can be accessed for special opportunities in the event of insufficient funds in the operating budget. The targeted balance for this reserve, as passed by the Board of Governors, is $100,000 to $250,000.

**Emergency Reserve**
The Program Emergency Reserve can be used to sustain, recover, or wind down financial operations in the unanticipated event of significant unbudgeted increases in expense or loss of revenue within a program. The targeted balance for this reserve, as passed by the Board of Governors, is $250,000 to $500,000. The minimum balance was determined by covering 90 days of a $1,000,000 annual program.

| | 2024 |
|---|---|
| Operating Reserve | $ 5,117,143 |
| Building and Capital Reserve | 1,848,000 |
| Opportunity Reserve | 250,000 |
| Emergency Reserve | 250,000 |
| Internally Restricted | 2,348,000 |
| Total | $ 7,465,143 |

## 14. Fund development

Resource development expenses incurred for the purpose of soliciting contributions were $1,437,027 (2023 - $1,104,958), of which $641,865 (2023 - $598,244) were paid as remuneration to employees whose duties mostly involve fundraising. An amount of $269,418 (2023 - $209,107) was paid to a third party to administer a campaign.

### 15. Edmonton Community Foundation's Bissell 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, 2023, the balance in the Foundation's Bissell Fund was $500,386 (2022 - $607,484).

### 16. Commitments

The Centre has entered into a lease agreements for space to provide its programs and services. Future minimum lease payments including operational costs for the current term of the leases total $515,931 and include the following payments over the next five years:

| | | |
|---|---|---|
| 2025 | $ | 152,150 |
| 2026 | | 154,139 |
| 2027 | | 99,139 |
| 2028 | | 85,211 |
| 2029 | | 25,292 |
| | $ | 515,931 |

As at March 31, 2024, the Centre has entered into agreements for capital projects totalling $392,525.

### 17. Financial instruments

The Centre's main financial instrument risk exposure is detailed as follows:

Liquidity risk

The Centre is exposed to liquidity risk as the Centre could encounter difficulty in meeting obligations associated with its financial liabilities. Therefore, the Centre is exposed to liquidity risk with respect to its payables and accruals. The Centre monitors its liquidity position and plans the purchase of investments accordingly.

Credit risk

The Centre is exposed to credit risk from financial institutions and community fundraising entities. Credit risk arises from the possibility that these entities may experience financial difficulty and be unable to fulfil their obligations. The Foundation's maximum exposure to credit risk is represented by the carrying amounts of accrued interest receivable and it is management's opinion that the likelihood of loss is low.

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 has fixed interest rate risk in relation to the short term investments. Since the short term investments have fixed rates, the risk is that the fair value of these instruments could be impacted by changes in market interest rates.