

Francis Winspear Centre for Music
Financial Statements
June 30, 2016

Management's Responsibility

To the Members of the Francis Winspear Centre for Music:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors and Audit Committee are composed primarily of Directors who are neither management nor employees of the Organization. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Organization's external auditors.

MNP LLP is appointed by the members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

October 26, 2016



Executive Director



Director of Finance and Operations

Independent Auditors' Report

To the Members of the Francis Winspear Centre for Music:

We have audited the accompanying financial statements of Francis Winspear Centre for Music which comprise the statement of financial position as at June 30, 2016 and the statements of operations and changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

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.

Auditors' Responsibility

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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Francis Winspear Centre for Music derives part of its revenue from the general public in the form of donations, 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 Francis Winspear Centre for Music. Therefore, we were not able to determine whether any adjustments might be necessary to patron donations or corporate sponsorships, excess (deficiency) of revenues over expenses and cash flows from operations for the years ended June 30, 2016 and 2015 and current assets as at June 30, 2016 and 2015, and net assets as at July 1 and June 30 for both 2016 and 2015 years. Our audit opinion on the financial statements for the year ended June 30, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the known and possible effects of the matters described in the Basis for Qualified Opinion paragraphs, the financial statements present fairly in all material respects the financial position of Francis Winspear Centre for Music as at June 30, 2016 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.

Edmonton, Alberta

October 26, 2016

MNP LLP

Chartered Professional Accountants

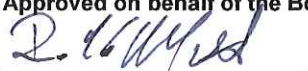
Francis Winspear Centre for Music

Statement of Financial Position

As at June 30, 2016

	<i>Operating Fund</i>	<i>Capital Fund</i>	<i>Endowment Fund</i>	2016	2015
Assets					
Current					
Cash and cash equivalents	17,259	1,011,857	-	1,029,116	376,381
Accounts receivable	330,551	2,956	-	333,507	280,971
Prepaid expenses and deposits	137,631	-	-	137,631	117,058
Inventory	34,924	-	-	34,924	38,137
Due from Edmonton Symphony & Concert Hall Foundation	-	-	-	-	201,358
Due from Edmonton Symphony Society (Note 5)	601,199	-	-	601,199	-
Due (to) from other funds	1,259,848	(1,427,244)	167,396	-	-
	2,381,412	(412,431)	167,396	2,136,377	1,013,905
Capital assets (Note 3)	-	24,989,214	-	24,989,214	25,630,048
Investments (Note 4)	-	2,512,876	4,925,973	7,438,849	7,299,808
	2,381,412	27,089,659	5,093,369	34,564,440	33,943,761
Liabilities					
Current					
Accounts payable and accruals	276,507	7,747	-	284,254	565,471
Deferred contributions	197,349	-	-	197,349	302,332
Due to Edmonton Symphony Society	-	-	-	-	4,170
Due to Edmonton Symphony & Concert Hall Foundation (Note 5)	55,124	-	-	55,124	-
Third party ticket sales (Note 6)	283,067	-	-	283,067	472,111
	812,047	7,747	-	819,794	1,344,084
Capital lease obligations	-	33,152	-	33,152	-
	812,047	40,899	-	852,946	1,344,084
Commitments (Note 9)					
Contingencies (Note 10)					
Net Assets					
Share capital (Note 11)	100	-	-	100	100
Contributed surplus	1,634	-	-	1,634	1,634
Fund balances	1,567,631	27,048,760	5,093,369	33,709,760	32,597,943
	1,569,365	27,048,760	5,093,369	33,711,494	32,599,677
	2,381,412	27,089,659	5,093,369	34,564,440	33,943,761

Approved on behalf of the Board




The accompanying notes are an integral part of these financial statements

Francis Winspear Centre for Music
Statement of Operations and Changes in Fund Balances

For the year ended June 30, 2016

	Operating Fund		Capital Fund		Endowment Fund		Total	
	2016	2015	2016	2015	2016	2015	2016	2015
Revenue								
Individual ticket sales - Winspear Presents	332,581	483,625	-	-	-	-	332,581	483,625
Patron donations	398,968	28,638	-	-	-	-	398,968	28,638
Corporate sponsorships (Note 12)	32,793	86,300	-	-	-	-	32,793	86,300
Grant revenue	114,883	294,927	4,196,512	75,000	-	-	4,311,395	369,927
Facility (Note 5)	557,115	569,012	-	-	-	-	557,115	569,012
Patron services personnel	471,201	468,900	-	-	-	-	471,201	468,900
Bar, concession, merchandise	729,967	691,954	-	-	-	-	729,967	691,954
Stage production	482,676	454,290	-	-	-	-	482,676	454,290
Parking	603,799	572,648	-	-	-	-	603,799	572,648
Miscellaneous revenue (expense)	18,856	13,500	-	-	-	-	18,856	13,500
Capital replacement fund	323,881	349,955	-	-	-	-	323,881	349,955
Investment income	-	-	15,832	1,979	(12,771)	621,724	3,061	623,703
Donation in-kind (Note 5)	80,351	-	-	-	-	-	80,351	-
	4,147,071	4,013,749	4,212,344	76,979	(12,771)	621,724	8,346,644	4,712,452
Expenses								
Core patron	23,410	119,767	-	-	-	-	23,410	119,767
Individual ticket sales	56,268	58,499	-	-	-	-	56,268	58,499
Education and outreach	73,845	-	-	-	-	-	73,845	-
Special events	-	4,246	-	-	-	-	-	4,246
Community relations	246,310	105,618	-	-	-	-	246,310	105,618
Branding and overhead	33,209	25,121	-	-	-	-	33,209	25,121
Stage production	558,521	632,949	-	-	-	-	558,521	632,949
Patron services personnel	585,278	515,052	-	-	-	-	585,278	515,052
Bar, concession, merchandise	224,461	212,370	-	-	-	-	224,461	212,370
Facility	1,177,703	1,155,649	-	50,650	-	-	1,177,703	1,206,299
Artistic	268,981	362,170	-	-	-	-	268,981	362,170
Administration (Note 5)	802,304	771,956	875	-	-	-	803,179	771,956
Loss on sale of assets	-	-	1,255	-	-	-	1,255	-
Amortization	-	-	1,187,407	1,182,156	-	-	1,187,407	1,182,156
	4,050,290	3,963,397	1,189,537	1,232,806	-	-	5,239,827	5,196,203
Excess (deficiency) of revenue over expenses	96,781	50,352	3,022,807	(1,155,827)	(12,771)	621,724	3,106,817	(483,751)
Opening fund balance, beginning of year	1,543,150	1,346,380	23,725,953	24,721,780	7,328,840	7,013,534	32,597,943	33,081,694
Transfer from endowment fund	227,700	306,418	-	-	(227,700)	(306,418)	-	-
Transfer to capital fund	(300,000)	(160,000)	300,000	160,000	-	-	-	-
Transfer to Edmonton Symphony & Concert Hall Foundation (Note 5)	-	-	-	-	(1,995,000)	-	(1,995,000)	-
Closing fund balance, end of year	1,567,631	1,543,150	27,048,760	23,725,953	5,093,369	7,328,840	33,709,760	32,597,943

The accompanying notes are an integral part of these financial statements

Francis Winspear Centre for Music
Statement of Operations
For the year ended June 30, 2016

	<i>Operating Fund</i>	<i>Capital Fund</i>	<i>Endowment Fund</i>	2016	<i>2015</i>
Distribution of funds	-	-	-	-	50,000
Transfer to internally restricted fund	-	-	-	-	(50,000)
Fund balances, end of year	1,567,631	27,048,760	5,093,369	33,709,760	32,597,943

The accompanying notes are an integral part of these financial statements

Francis Winspear Centre for Music

Statement of Cash Flows

For the year ended June 30, 2016

	Operating Fund	Capital Fund	Endowment Fund	2016	2015
Cash provided by (used for) the following activities					
Operating					
Excess (deficiency) of revenue over expenses	96,781	3,022,807	(12,771)	3,106,817	(483,751)
Amortization	-	1,187,407	-	1,187,407	1,182,156
Gain (loss) on disposal of capital assets	-	1,255	-	1,255	-
Non-cash donations	(80,351)	-	-	(80,351)	-
	16,430	4,211,469	(12,771)	4,215,128	698,405
Changes in working capital accounts					
Decrease (increase) in accounts receivable	(49,580)	(2,956)	-	(52,536)	72,769
Increase in inventory	3,213	-	-	3,213	(6,764)
Increase in prepaid expenses and deposits	(20,573)	-	-	(20,573)	(56,008)
Increase in accounts payable and accruals	(288,967)	7,746	-	(281,221)	142,643
Increase (decrease) in deferred contributions	(104,983)	-	-	(104,983)	167,835
Decrease in deferred contributions for capital assets	-	-	-	-	(83,323)
Increase (decrease) in third party ticket sales	(189,044)	-	-	(189,044)	57,798
Interfund transfers	615,215	(476,850)	(138,365)	-	-
	(18,289)	3,739,409	(151,136)	3,569,984	993,355
Financing					
Advances of capital lease obligations	-	33,152	-	33,152	-
Increase (decrease) in due to related parties	(268,533)	-	-	(268,533)	(541,312)
	(268,533)	33,152	-	(235,381)	(541,312)
Investing					
Transfer of investments to Edmonton Symphony & Concert Hall Foundation (Note 5)	-	-	(1,995,000)	(1,995,000)	-
Purchase of capital assets	-	(291,466)	-	(291,466)	(775,894)
Purchase of capital assets relating to Completion Project	-	(266,650)	-	(266,650)	(723,444)
Proceeds on disposal of capital assets	-	10,288	-	10,288	-
Purchase of investments	-	(2,512,876)	-	(2,512,876)	(1,300,000)
Proceeds on disposal of investments	-	-	2,361,065	2,361,065	2,280,000
Investment transfer	(72,300)	300,000	(227,700)	-	306,418
Reinvested investment earnings	-	-	12,771	12,771	(10,534)
	(72,300)	(2,760,704)	151,136	(2,681,868)	(223,454)
Increase (decrease) in cash resources	(359,122)	1,011,857	-	652,735	228,589
Cash resources, beginning of year	376,381	-	-	376,381	147,792
Cash resources, end of year	17,259	1,011,857	-	1,029,116	376,381

The accompanying notes are an integral part of these financial statements

Francis Winspear Centre for Music

Notes to the Financial Statements

For the year ended June 30, 2016

1. Organization

Francis Winspear Centre for Music (the "Centre"), formerly Edmonton Concert Hall Foundation, is a non-profit organization incorporated under the Alberta Companies Act. The Edmonton Symphony Society (the "Society") owns a 100% interest in the Centre.

The Centre's purpose is to provide the most outstanding conditions to experience music and to be the outstanding musical arts centre for the Edmonton Capital Region serving the Society and other community organizations. This is done in a way that nurtures and elevates the performances of all the community's musical arts organizations, both professional and amateur, and attracts great artists from around the world so that the musical and cultural richness of the community is continuously broadened and deepened.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The accounts of the Centre are maintained in accordance with principles of restricted fund accounting for contributions. The accounts have been segregated into the operating, capital and endowment funds to reflect the purposes for which funds are designated.

- a) The Operating Fund accounts for the Centre's program delivery and administrative activities.
- b) The Capital Fund reports the assets, liabilities, revenue and expenses related to the Centre's capital assets.
- c) The Endowment fund reports resources contributed for endowment and the entire balance has been internally restricted.

Revenue recognition

Donation revenue is recognized in the year of receipt. Revenue from ticket sales and special events is recognized in income in the year the performance or event is held.

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

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

Capital Replacement Fund revenue is collected on tickets sold. To the extent capital repairs and additions are less than capital reserve revenue collected in a year, the excess funds are transferred to the Capital Fund for future capital expenditures. Deferred Capital Replacement Fund fees collected in 2016 and included in deferred contributions for capital assets are \$nil (2015 - \$nil).

Bar, concession, and merchandise revenue is recognized at the point of sale.

Facility, patron services personnel, stage production and parking revenues are recognized when services have been rendered.

Investment income is comprised of interest, dividends, and realized and unrealized gains and losses.

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Centre's operations and would otherwise have been purchased.

Cash and cash equivalents

Cash and cash equivalents include balances with banks, cash floats, and short-term investments with maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Francis Winspear Centre for Music
Notes to the Financial Statements
For the year ended June 30, 2016

2. **Significant accounting policies** *(Continued from previous page)*

Inventory

Inventory is valued at the lower of cost and net realizable value. Cost is determined by the first in, first out method. Net realizable value is the estimated selling price in the ordinary course of business less selling costs.

Investments

Investments consist of bonds, debentures and equities which are all traded in the public markets. Investments are recorded at fair value, with changes to fair value recorded as investment income or loss. The Centre's investment policy prescribes the investment asset mix, including the degree of liquidity and concentration, the amount of foreign content and the credit ratings of debt issuers.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided for using rates intended to amortize the cost of assets over their estimated useful lives of the asset. Instruments and Artwork are not amortized.

When the capital asset no longer contributes to the Centre's ability to provide services, the carrying amount is written down to residual value. The amount of the impairment loss is determined as the excess of the carrying value of the asset over its residual value.

The rates of amortization use are:

	Method	Rate
Building	declining balance	4 %
Furniture and fixtures	declining balance	20 %
Computers	straight-line	5 years

Employee future benefits

The Centre sponsors a defined contribution group retirement savings plan for employees. The cost of the plan, representing the Centre's contributions in accordance with the plan agreement, is recorded in expenses for the year during which the services are rendered. The cost of the plan for 2016 was \$57,304 (2015 - \$48,403).

Allocation of expenses

Salary expenses are allocated based on the time contributed to each function by staff member.

Foreign currency translation

Transaction amounts denominated in foreign currencies are translated into their Canadian dollar equivalents at exchange rates prevailing at the transaction dates. Carrying values of monetary assets and monetary liabilities reflect the exchange rates at the statement of financial position date. Gains and losses on translation or settlement are included in the determination of excess (deficiency) of revenues over expenses for the current period.

Francis Winspear Centre for Music Notes to the Financial Statements

For the year ended June 30, 2016

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Centre recognizes its financial instruments when the Centre becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with CICA 3840 *Related Party Transactions* (refer to Note 5).

At initial recognition, the Centre may irrevocably elect to subsequently measure any financial instrument at fair value.

The Centre subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Centre's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Measurement uncertainty (use of 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable and due from Edmonton Symphony Society are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets. Included in the Francis Winspear Centre for Music Completion Project is an allocation of internal labour costs.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Capital assets

	Cost	Accumulated amortization	2016 Net book value	2015 Net book value
Building	40,004,472	20,647,426	19,357,046	20,139,384
Furniture and fixtures	3,733,634	2,741,941	991,693	990,585
Instruments	2,257,963	-	2,257,963	2,257,963
Computers	1,467,172	1,299,473	167,699	293,953
Artwork	155,859	-	155,859	155,859
Francis Winspear Centre for Music Completion Project	2,058,954	-	2,058,954	1,792,304
	49,678,054	24,688,840	24,989,214	25,630,048

Francis Winspear Centre for Music Completion Project includes costs relating to engineering and research with a carrying value of \$2,058,954 (2015 - \$1,792,304). No amortization of this asset has been recorded during the current year because it is currently under development.

Francis Winspear Centre for Music Notes to the Financial Statements

For the year ended June 30, 2016

4. Investments

Included in investments is \$1,364,275 (2015 - \$1,343,254) which represents contributions from the Estate of the late Stuart Davis and is restricted specifically for the care, maintenance and performance of the Davis concert organ.

5. Due to (from) related parties

The Edmonton Symphony Society's box office collected a facility fee on tickets sold on behalf of the Centre, amounting to \$314,304 (2015 - \$360,468). Under current agreements with the Centre, the Society paid \$387,925 (2015 - \$281,163) to the Centre in respect of office space and hall rental fees. Finance and administrative services are shared between the Society and the Centre, and the related costs are allocated between the parties. These amounts are included in expenses on the statement of operations and changes in fund balance.

In addition to the above transactions, the following services are provided between the Society and the Centre for which no amount is recorded. The Society solely operates the box office and charges a provision to the Centre for administrative support provided by the box office staff, which relates to ticket sales for Concert Hall events. In addition, the Centre provided the use of box office hardware at no cost to the Society.

As a result of the above transactions, at June 30, 2016, there is \$601,199 receivable (2015 - \$4,170 payable) from the Society. These amounts are unsecured, bear no interest and have no specified terms of repayment.

Non-cash donations from the Foundation in the amount of \$80,351 (2015 - \$nil) occurred in the year as well as a management fee of \$39,870 (2015 - \$65,885).

As a result of these transactions, at June 30, 2016, there is \$55,124 payable (2015 - \$201,358 receivable) to the Foundation. These amounts are unsecured, bear no interest and have no specified terms of repayment.

The above transactions occurred in the normal course of business and were measured at exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the year Francis Winspear Centre for Music transferred \$1,995,000 to Edmonton Symphony and Concert Hall Foundation to match the contributions received from the Canada Culture Investment fund. The purpose of the federal funding is to increase the restricted assets of Edmonton Symphony and Concert Hall Foundation for the sole benefit of the arts organization.

6. Third party ticket sales

Third party ticket sales represents advance deposits on outside presenter concerts, ticket sales for events to be held in the 2016-2017 season and amounts collected from advance ticket sales to fund the replacement and purchase of specific capital assets from time to time.

7. Allocation of expenses

Total salary expenses amount to \$2,010,428 (2015 - \$1,818,241) and are allocated as follows:

	2016	2015
Administration	578,505	484,545
Patron services personnel	553,314	494,379
Stage production	480,852	502,555
Core patron	129,209	105,874
Community relations	113,960	101,964
Education and outreach	96,613	-
Artistic	56,669	56,839
Facility	1,306	72,085
	2,010,428	1,818,241

Francis Winspear Centre for Music

Notes to the Financial Statements

For the year ended June 30, 2016

8. Line of credit

The Centre has an authorized line of credit of \$500,000 bearing interest at prime, of which \$nil was drawn outstanding at the year end (2015 - \$nil). Any bank indebtedness position arising during the year is secured by a general security agreement.

9. Commitments

The Centre leases office equipment (photocopiers and mail machines) to conduct the affairs of the Centre. The committed payments over the next five years are as follows:

	2017	20,699
	2018	16,678
	2019	8,315
		45,692

Other commitments

Expenditures are committed for the services the International Alliance of Theatrical State Employees ("IATSE"). The latest agreement with IATSE will expire on June 30, 2017. The commitment is estimated to be approximately \$398,600 for the 2016-2017 operating season (2015-2016 actual - \$407,648).

10. Contingencies

Various legal claims have been filed against the Centre for matters for which the outcome is not determinable at this time. When the outcomes of the claims are determined, the amount, if any, in excess of provisions will be expensed in the year of determination.

11. Share capital

	2016	2015
Issued		
Common shares		
2 Class A shares	100	100

12. Contributed services and capital

The Centre receives substantial contributed services during the normal course of operations. These contributed services are recognized in the financial statements as corporate sponsorships based on the fair value at the date the contribution is made. Total services contributed to the Centre in 2016 amounted to \$32,000 (2015 - \$79,000).

Francis Winspear Centre for Music

Notes to the Financial Statements

For the year ended June 30, 2016

13. Financial instruments

The Centre, as part of its operations, carries a number of financial instruments. It is management's opinion that the Centre is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Centre to concentrations of credit risk consist of accounts receivable from donors or grants. Historically, the Centre had not experienced significant losses related to receivables.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Centre is exposed to interest rate cash flow risk with respect to its managed investments (Note 4).

Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or foreign currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Centre's investments in publicly-traded securities and corporate bonds exposes the Centre to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Centre enters into transactions to purchase, sell and earn income from its investment portfolio denominated in US Dollar (US\$) currency for which the related investment income and expenses are subject to exchange rate fluctuations. As at June 30, 2016, the following items are denominated in US dollar currency:

	2016	2015
	CAD\$	CAD\$
Cash	408	32,432
Investments	784,484	-