Financial Statements of

DISTRESS CENTRE CALGARY

And Independent Auditors’ Report thereon

Year ended December 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Directors of Distress Centre Calgary

Opinion

We have audited the financial statements of Distress Centre Calgary (the Entity), which comprise:

- the statement of financial position as at December 31, 2021
- the statement of operations for the year then ended
- the statement of changes in net assets for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at December 31, 2021, and its results of 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 "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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 opinion.

Emphasis of Matter – Comparative Information

We draw attention to Note 10 to the financial statements ("Note 10"), which explains that certain comparative information presented for the year ended December 31, 2020 has been restated.

Note 10 explains the reason for the restatement and also explains the adjustments that were applied to restate certain comparative information.

Our opinion is not modified in respect of this matter.

Other Matter – Comparative Information

The financial statements for the year ended December 31, 2020, excluding the adjustments that were applied to restate certain comparative information, were audited by another auditor who expressed an unmodified opinion on those financial statements on February 25, 2021.

As part of our audit of the financial statements for the year ended December 31, 2021, we also audited the adjustments that were applied to restate certain comparative information presented for the year ended December 31, 2020. In our opinion, such adjustments are appropriate and have been properly applied.

Other than with respect to the adjustments that were applied to restate certain comparative information, we were not engaged to audit, review or apply any procedures to the financial statements for the year ended December 31, 2020. Accordingly, we do not express an opinion or any other form of assurance on those financial statements taken as a whole.

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.

Auditors' 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 auditors' 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 the 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 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 auditors' 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 auditors' 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.
- 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.

KPMG LLP

Chartered Professional Accountants

Calgary, Canada

February 23, 2022

DISTRESS CENTRE CALGARY

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	Operating fund	Sustainability fund	Subtotal	Capital fund	2021 Total	2020 Total (Restated Note 10)
Assets						
Current assets:						
Cash and cash equivalents	$ 1,940,010	$ 5,343	$ 1,945,353	$ 7,299	$ 1,952,652	$ 2,551,666
Short term investments (note 4)	–	1,353,247	1,353,247	–	1,353,247	926,890
Accounts receivable	214,975	9,103	224,078	–	224,078	84,958
Prepaid expenses	70,256	–	70,256	–	70,256	60,551
Interfund balances	–	–	–	–	–	1,077,397
	2,225,241	1,367,693	3,592,934	7,299	3,600,233	4,701,462
Non-current assets:						
Capital assets (note 5)	–	–	–	187,222	187,222	209,203
Long term investments (note 4)	–	897,343	897,343	–	897,343	–
	$ 2,225,241	$ 2,265,036	$ 4,490,277	$ 194,521	$ 4,684,798	$ 4,910,665
Liabilities						
Current liabilities:						
Accounts payable	$ 276,231	$ –	$ 276,231	$ –	$ 276,231	$ 201,615
Deferred contributions (note 6)	1,503,715	–	1,503,715	–	1,503,715	1,337,353
Interfund balances	–	–	–	–	–	1,077,397
	1,779,946	–	1,779,946	–	1,779,946	2,616,365
Non-current liabilities:						
Deferred lease liability	147,941	–	147,941	–	147,941	117,602
	1,927,887	–	1,927,887	–	1,927,887	2,733,967
Net assets:						
Invested in capital assets	–	–	–	187,222	187,222	209,203
Restricted	–	–	–	7,299	7,299	7,299
Unrestricted	297,354	2,265,036	2,562,390	–	2,562,390	1,960,196
	297,354	2,265,036	2,562,390	194,521	2,756,911	2,176,698
Contractual obligations (note 7)						
	$ 2,225,241	$ 2,265,036	$ 4,490,277	$ 194,521	$ 4,684,798	$ 4,910,665

See accompanying notes to the financial statements.

Approved by the Board

Director   Director

Duncan Melville, Chair

DISTRESS CENTRE CALGARY

Statement of Operations

Year ended December 31, 2021, with comparative information for 2020

	Operating fund	Sustainability fund	Subtotal	Capital fund	2021 Total	2020 Total
Revenue:						
United Way Alberta Capital Region	$ 1,944,933	$ –	$ 1,944,933	$ –	$ 1,944,933	$ 1,512,302
Other donations and fundraising	1,345,524	250,000	1,595,524	–	1,595,524	1,583,833
City of Calgary, Family and Community Support Services	1,316,729	–	1,316,729	–	1,316,729	1,410,309
Calgary Homeless Foundation	1,114,180	–	1,114,180	39,444	1,153,624	659,386
United Way of Calgary and Area	1,063,890	–	1,063,890	–	1,063,890	1,292,635
Alberta Health Services – addictions and mental health	433,013	–	433,013	–	433,013	433,013
Canada Suicide Prevention Service	245,533	–	245,533	–	245,533	146,684
City of Calgary – Community Safety Investment Fund	203,580	–	203,580	–	203,580	–
Red Deer – senior 211	169,673	–	169,673	–	169,673	59,065
City of Calgary – ES online	121,000	–	121,000	–	121,000	120,615
Gift in Kind	106,540	–	106,540	–	106,540	–
Calgary and Area Child and Family Services	84,130	–	84,130	–	84,130	131,660
Carya – Senior 211	80,300	–	80,300	–	80,300	50,000
Alberta Human Services	72,917	–	72,917	–	72,917	175,000
Casino proceeds utilized	37,121	–	37,121	–	37,121	38,301
Bow Valley 211	–	–	–	–	–	13,776
Interest income	1,239	12,508	13,747	–	13,747	12,313
Calgary Communities Against Sexual Abuse	5,000	–	5,000	–	5,000	5,000
Government wage subsidies	–	–	–	–	–	428,845
	8,345,302	262,508	8,607,810	39,444	8,647,254	8,072,737
Expenses:						
Personnel	6,209,468	–	6,209,468	–	6,209,468	5,207,712
Basic needs fund	338,914	–	338,914	–	338,914	368,772
Building	329,589	–	329,589	–	329,589	514,333
Communication	299,999	–	299,999	–	299,999	181,009
IT	205,901	–	205,901	–	205,901	195,026
Marketing and fundraising	174,356	–	174,356	–	174,356	55,349
Office administration	148,935	10,356	159,291	–	159,291	236,515
Program Costs	152,257	–	152,257	–	152,257	–
Finances	80,924	–	80,924	–	80,924	37,129
Amortization	–	–	–	75,878	75,878	96,668
Volunteer and training	40,464	–	40,464	–	40,464	33,132
	7,980,807	10,356	7,991,163	75,878	8,067,041	6,925,645
Excess (deficiency) of revenue over expenses	$ 364,495	$ 252,152	$ 616,647	$ (36,434)	$ 580,213	$ 1,147,092

See accompanying notes to the financial statements.

DISTRESS CENTRE CALGARY

Statement of Changes in Net Assets

Year ended December 31, 2021, with comparative information for 2020

	Operating fund	Sustainability fund	Subtotal	Capital fund	2021 Total	2020 Total
Balance, beginning of year	$ (52,688)	$ 2,012,884	$ 1,960,196	$ 216,502	$ 2,176,698	$ 1,029,606
Excess (deficiency) of revenues over expenses	364,495	252,152	616,647	(36,434)	580,213	1,147,092
Interfund transfers	(14,453)	–	(14,453)	14,453	–	–
Balance, end of year	$ 297,354	$ 2,265,036	$ 2,562,390	$ 194,521	$ 2,756,911	$ 2,176,698

See accompanying notes to the financial statements.

DISTRESS CENTRE CALGARY
Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020 (Restated Note 10)
Operations:		
Excess of revenue over expenses	$ 580,213	$ 1,147,092
Item not affecting cash:		
Amortization	75,878	96,668
Deferred lease liability	30,339	117,602
	686,430	1,361,362
Changes in non-cash working capital item:		
Accounts receivable	(139,120)	(30,892)
Prepaid expenses	(9,705)	174,374
Accounts payable	74,616	12,110
Deferred contributions	166,362	364,398
	778,583	1,881,352
Investing:		
Purchase of capital assets	(53,897)	(206,738)
Proceeds from sale of investments	926,890	–
Purchase of investments	(2,250,590)	(926,890)
	(1,377,597)	(1,133,628)
Increase in cash and cash equivalents	(599,014)	747,724
Cash and cash equivalents, beginning of year	2,551,666	1,803,942
Cash and cash equivalents, end of year	$ 1,952,652	$ 2,551,666

See accompanying notes to the financial statements.

1. Nature of operations:

Distress Centre Calgary (the “Centre”) provides immediate crisis support to anyone in crisis through its 24-hour crisis line, online crisis services, and professional counselling. The Centre also provides referral services through the 211 information and referral line. Calgarians experiencing homelessness are served out of the Safe Communities Opportunities and Resource Centre (SORCe). The Centre is a not-for-profit organization incorporated under the Societies Act (Alberta). The Centre is dependent on its contributors to continue as a going concern.

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

2. Basis of presentation:

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, specifically Canadian accounting standards for not-for-profit organizations (“ASNFPO”), using the restricted fund method to report restricted contributions.

3. Significant accounting policies:

(a) Fund accounting:

The Centre uses the restricted fund method to report restricted contributions.

General funds

General Funds include the Operating Fund and Sustainability Fund.

The Operating Fund is used for program delivery and administrative activities. This fund is comprised of restricted grants, restricted donations, and unrestricted contributions.

The Sustainability Fund accounts for unrestricted resources. This fund was established to sustain the existence and ensure the continuing activities of the Centre. The funds will be utilized to fund operating deficits and future projects at the Board’s discretion.

Capital fund

This fund accounts for capital assets and any related capital funding.

3. Significant accounting policies (continued):

(b) Cash and cash equivalents:

Cash and cash equivalents include cash on hand, balances with banks and Guaranteed Investment Certificates ("GICs") with original maturities less than or equal to 90 days.

(c) Investments:

Investments are comprised of Guaranteed Investment Certificates ("GICs") and fixed income instruments with original maturities greater than 90 days and related accrued interest. Investments maturing in one year or less from the date of the statement of financial position are classified as short-term investments; investments with longer original maturities are classified as long-term investments.

(d) Capital assets:

Purchased capital assets are recorded in the Capital Fund account at cost. Contributed capital assets are recorded in the Capital Fund at fair value at the date of contribution. Capital assets are amortized using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Building improvements are amortized using the straight-line method over the remaining term of the lease. Capital assets acquired during the year are amortized beginning when they are placed into use.

Capital asset	Rate
Telephone system	5 years
Furniture and fixtures	5 years
Website	2 years
Computer equipment	3 years
Leasehold improvements	remaining term of the lease
Computer software	2 years

The Centre regularly reviews its capital assets for obsolescence, and assets determined to be obsolete are derecognized. When a capital asset no longer contributes to the Centre's ability to provide goods and services, or when the value of future economic benefits or service potential associated with it is less than its net carrying amount, its carrying amount is written down to its residual value.

(e) Deferred lease liability:

Lease expenses for the premises are recognized on a straight-line basis over the term of the lease with the calculated lease expense in excess of payments under the terms of the lease accounted for as a deferred lease liability.

3. Significant accounting policies (continued):

(f) Revenue recognition:

Restricted contributions related to the Operating and Sustainability Funds are recognized as revenue using the deferred contribution method whereby revenue is recognized in the year in which related costs are incurred. Restricted contributions related to the Capital Fund are recognized as revenue when received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Unrestricted contributions are recorded in the Operating Fund in the year received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

(g) Contributed materials and services:

The value of contributed materials and services is recorded when the fair value can be reasonably estimated, when the material and services are used in the normal course of operations and would otherwise have been purchased.

Volunteers have contributed a variety of services to assist the Centre in carrying out its objectives. The fair value of such services is not recognized in these financial statements.

(h) Government assistance:

Government grants are recorded as revenue when eligibility criteria are met and receipt is reasonably assured.

(i) Measurement uncertainty:

The preparation of financial statements in conformity with ASNFPO 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 revenue and expenses during the reporting period. The most significant of these estimates are related to the collectability of accounts receivable and the amortization period for and potential impairment of capital assets. Actual results could differ significantly from the estimates. Management reviews these estimates on a periodic basis and, if required, makes adjustments prospectively.

The outbreak of the novel strain of coronavirus, specifically identified as “COVID-19” was declared a global pandemic by the World Health Organization on March 11, 2020. Governments worldwide enacted emergency measures to combat the spread of the virus. These measures, which include public health measures requiring periodic closures of non-essential businesses, requesting the public to stay home as much as possible, the implementation of travel bans, self-imposed quarantine periods and physical distancing, have caused material disruption to businesses globally resulting in an economic slowdown.

3. Significant accounting policies (continued):

(h) Measurement uncertainty (continued):

Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

As a result of the pandemic and government measures, the Centre cancelled in-person fundraising events, resulting in a decrease in revenues and related costs specific to those events. The Centre continues to operate, and has adopted health, safety, and physical distancing protocols.

As at the reporting date, the Centre has determined that COVID-19 has had no significant impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of COVID-19 pandemic and did not identify any negative impacts on its financial statements as of December 31, 2021.

The Centre continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As of December 31, 2021, the Centre continues to meet its contractual obligations within normal payment terms and the Centre’s exposure to credit risk remains largely unchanged.

(i) Financial instruments:

The Centre recognizes its financial instruments when the Centre becomes a party to the contractual provisions of the financial instrument. Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently measured at cost or amortized cost unless management has elected to carry the instruments at fair value. The Centre has not elected to carry any such financial instruments at fair value.

Transaction costs incurred through the acquisition of financial instruments that are subsequently measured at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred upon acquisition and by financing costs. These costs are amortized using the straight-line method.

3. Significant accounting policies (continued):

(i) Financial instruments (continued):

Financial assets measured at cost or amortized cost are tested for impairment on an annual basis at the end of the fiscal year if there are indicators that the asset may be impaired. If there is an indicator of impairment, the Centre determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset, or the amount the Centre expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial impairment charge.

4. Investments:

	2021	2020
Short term investments:		
Guaranteed investment certificate – maturity date May 11, 2022 with an annual interest rate of 0.25%	$ 1,001,241	$ –
Guaranteed investment certificate – maturity date June 20, 2022 with an annual interest rate of 0.25%	250,013	–
Guaranteed investment certificate – maturity date June 10, 2022 with an annual interest rate of 0.50%	101,993	–
Guaranteed investment certificate – maturity date January 31, 2021 with an annual interest rate of 1.55%	–	213,134
Guaranteed investment certificate – maturity date February 28, 2021 with an annual interest rate of 1.55%	–	71,616
Guaranteed investment certificate – maturity date May 6, 2021 with an annual interest rate of 1.30%	–	102,951
Guaranteed investment certificate – maturity date May 6, 2021 with an annual interest rate of 1.30%	–	102,951
Guaranteed investment certificate – maturity date May 6, 2021 with an annual interest rate of 1.30%	–	102,951

4. Investments (continued):

		2021		2020
Short term investments (continued):				
Guaranteed investment certificate – maturity date May 11, 2021 with an annual interest rate of 1.30%		–		4,026
Guaranteed investment certificate – maturity date May 19, 2021 with an annual interest rate of 1.30%		–		133,865
Guaranteed investment certificate – maturity date May 19, 2021 with an annual interest rate of 1.30%		–		104,056
Guaranteed investment certificate – maturity date May 1, 2021 with an annual interest rate of 0.45%		–		91,340
Balance, end of year	$	1,353,247	$	926,890

		2021		2020
Long term investments:				
Guaranteed investment certificate – maturity date June 10, 2023 with an annual interest rate of 0.65%	$	100,363	$	–
Guaranteed investment certificate – maturity date June 10, 2024 with an annual interest rate of 0.70%		100,397		–
Fixed income – maturity date June 2, 2025 with an annual interest rate of 2.60%		98,276		–
Fixed income – maturity date August 14, 2026 with an annual interest rate of 2.60%		94,892		–
Fixed income – maturity date June 1, 2027 with an annual interest rate of 2.60%		99,384		–
Fixed income – maturity date December 1, 2026 with an annual interest rate of 2.60%		101,656		–
Fixed income – maturity date June 2, 2029 with an annual interest rate of 2.60%		100,745		–

4. Investments (continued):

		2021		2020
Long term investments (continued):				
Fixed income – maturity date September 1, 2030 with an annual interest rate of 1.90%		100,470		–
Fixed income – maturity date June 18, 2031 with an annual interest rate of 1.55%		101,160		–
Balance, end of year	$	897,343	$	–

5. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Telephone system	$ 175,328	$ 175,272	$ 56	$ 1,222
Furniture and fixtures	289,272	195,286	93,986	124,529
Website	30,083	30,083	–	–
Computer equipment	343,405	322,852	20,553	41,684
Leasehold improvements	665,414	592,787	72,627	41,768
Computer software	427,898	427,898	–	–
	$ 1,931,400	$ 1,744,178	$ 187,222	$ 209,203

6. Deferred contributions:

The Centre's funders restrict certain contributions for specific purposes. Recognition of unused restricted amounts is deferred to future years in which the specified expenses are incurred. When the contributions are made for the acquisition of capital assets, revenue is recognized when the contributions are received or receivable.

6. Deferred contributions (continued):

Changes for the year in the balance are as follows:

	2021	2020
Balance, beginning of year	$ 1,337,353	$ 972,955
Contributions received in the year	8,681,104	8,284,497
Amounts recognized as revenue in year	(8,514,742)	(7,920,099)
Balance, end of year	$ 1,503,715	$ 1,337,353

The balance is comprised as follows:

	2021	2020
Unities Way Alberta Capital Region	$ 465,011	$ 863,280
Other donations and fundraising	324,155	220,497
Calgary Homeless Foundation	222,320	95,729
United Way of Calgary and area	166,731	86,569
Casino proceeds	119	37,236
City of Calgary, Family and Community Support Services	–	34,042
City of Calgary, Community Safety Investment Framework Fund	202,720	–
Crisis Services Canada	26,409	–
Alberta Human Services	96,250	–
	$ 1,503,715	$ 1,337,353

7. Contractual obligations:

Total obligations under the existing lease for premises (exclusive of operating costs) are as follows:

2022	$ 133,407
2023	139,701
2024	139,701
2025	139,701
2026	168,026
Thereafter	601,949
	$ 1,322,485

8. Expenses incurred for fundraising:

Expenses incurred for soliciting contributions were $399,806 (2020 – $241,175) including $210,686 (2020 – $193,190) paid to employees involved in securing contributions including fundraising. These expenses are included in office administration, finance, marketing and fundraising, building, and personnel.

9. Financial instruments:

The Centre's use of financial instruments and its exposure to risks associated with such instruments arises out of its normal course of operations and investing activities. The Centre is exposed to the following significant financial risks:

(a) Liquidity risk

Liquidity risk is the risk that the Centre will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Centre manages liquidity risk by monitoring its operating requirements and maintaining adequate cash and cash equivalents.

(b) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in interest rates. In seeking to minimize the risks from interest rate fluctuations, the Centre manages exposure through its normal operating and financing activities. The Centre is exposed to interest rate risk primarily through its guaranteed investment certificates.

(c) Credit risk

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Centre is exposed to credit risk with respect to its cash and investments, which are deposited with Canadian commercial banks and investment managers. The Centre is exposed to credit risk relating to accounts receivable, which is influenced by the individual characteristics of each debtor. The Centre has no significant concentration of credit risk with any one party and limits exposure to credit risks by dealing with only creditworthy organizations. Management does not expect any debtor to fail in meeting their obligation.

There have been no changes to this risk exposure since 2020 other than the potential impact of COVID-19 as disclosed in note 3(i).

10. Prior period adjustment:

During the year ended December 31, 2021, the Centre identified a re-classification error related to 2020. The Centre determined that the prior year cash and cash equivalents balance was overstated, due to the incorrect classification of short-term investments within cash and cash equivalents based on redemption features versus original maturity dates. This has been adjusted in the comparative figures to re-classify cash and cash equivalents as short-term investments based on original maturity dates beyond three months rather than demand redemption features at the Centre's option. The effect of the changes on the December 31, 2021 financial statements, relating to the year ended December 31, 2020, are as follows:

2020	As previously reported	Change	Revised
Balance sheet			
Cash and cash equivalents	$ 3,478,556	$ (926,890)	$ 2,551,666
Short term investments	–	926,890	926,890
Statement of cash flows			
Purchase of investments	-	(926,890)	(926,890)
Investing activities	(206,738)	(926,890)	(1,133,628)
Cash and cash equivalents, end of year	3,478,556	(926,890)	2,551,666