

**CENTRE FOR SEXUALITY**  
**(formerly Calgary Sexual Health Centre Society)**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2021**

**CENTRE FOR SEXUALITY  
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DECEMBER 31, 2021  
WITH COMPARATIVE INFORMATION FOR 2020**

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## INDEPENDENT AUDITOR'S REPORT

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**To the Directors of  
Centre for Sexuality**

*Opinion*

We have audited the financial statements of Centre for Sexuality (the "Society") , which comprise the statement of financial position as at December 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and the results of its operations, changes in fund balances, and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for Opinion*

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

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## INDEPENDENT AUDITOR'S REPORT, continued

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### *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 Society'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 Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, 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 opinion. Our conclusions are based on the audit evidence obtained up to the date of auditor's report. However, future events or conditions may cause the Society 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.

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**INDEPENDENT AUDITOR'S REPORT, continued**

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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.

**CALGARY, ALBERTA  
MARCH 29, 2022**

*Baker Tilly Catalyst LLP*

**CHARTERED PROFESSIONAL  
ACCOUNTANTS**

**CENTRE FOR SEXUALITY**  
**STATEMENT OF FINANCIAL POSITION**  
**DECEMBER 31, 2021**  
**WITH COMPARATIVE INFORMATION FOR 2020**

	<u>2021</u>	<u>2020</u>
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 225,935	\$ 367,455
Short-term investments (Note 3)	706,337	205,718
Accounts receivable	170,453	131,001
Prepaid expenses	19,151	15,754
Goods and services tax receivable	7,734	7,738
	1,129,610	727,666
<b>Capital assets (Note 4)</b>	210,457	232,833
<b>Security deposit</b>	11,624	11,624
	<u>\$ 1,351,691</u>	<u>\$ 972,123</u>

**Liabilities and fund balances**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 57,426	\$ 79,380
Salaries payable	5,256	7,849
Deferred contributions (Note 6)	919,756	584,680
Current portion of deferred lease inducement (Note 7)	21,193	21,193
	1,003,631	693,102
<b>Deferred lease inducement (Note 7)</b>	127,154	148,346
	<u>1,130,785</u>	<u>841,448</u>
Internally restricted reserve (Note 3)	205,834	205,718
Investment in capital assets	210,457	232,833
Unrestricted net deficit	(195,385)	(307,876)
	<u>220,906</u>	<u>130,675</u>
	<u>\$ 1,351,691</u>	<u>\$ 972,123</u>

**Commitments (Note 8)**

**Subsequent events (Note 12)**

Approved on behalf of the Board



Director

*Zachary Little*

Director

The accompanying notes are an integral part of the financial statements

**CENTRE FOR SEXUALITY**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH COMPARATIVE INFORMATION FOR 2020**

	Community Outreach	Education	WiseGuyz	Training Centre	WAGE	2021 Total	2020 Total
<b>Revenue</b>							
Contract funding							
Family and Community Support Services (Note 9)	\$ 387,986	\$ 48,750	\$ 266,394	\$ -	\$ -	\$ 703,130	\$ 670,120
Other Grants	2,475	210,005	71,347	217,100	-	500,927	268,405
United Way	-	375,000	60,000	60,000	-	495,000	546,101
City of Calgary	120,000	-	75,000	-	-	195,000	160,000
ACHF	127,931	-	-	-	-	127,931	92,290
Anonymous donor	-	-	-	-	-	-	66,667
Government of Canada	-	-	-	-	39,420	39,420	-
Calgary foundation	-	27,500	-	-	-	27,500	-
Government of Alberta	-	-	-	-	-	-	271,389
	<u>250,406</u>	<u>612,505</u>	<u>206,347</u>	<u>277,100</u>	<u>39,420</u>	<u>1,385,778</u>	<u>1,404,852</u>
Other revenue							
Fundraising and donations	55,093	52,110	65,198	51,000	-	223,401	273,408
Training and resource centre	-	-	-	99,108	-	99,108	62,774
Casino revenue	-	36,780	-	-	-	36,780	36,199
	<u>693,485</u>	<u>750,145</u>	<u>537,939</u>	<u>427,208</u>	<u>39,420</u>	<u>2,448,197</u>	<u>2,447,353</u>
<b>Expenditures</b>							
Salaries and benefits - Programs	356,201	366,826	301,388	324,168	27,755	1,376,338	1,646,291
Salaries and benefits - Administration	118,000	106,700	48,300	50,787	-	323,787	292,326
Occupancy (Note 7)	50,874	54,382	22,221	21,838	-	149,315	148,229
Program specific	38,264	30,041	26,667	41,211	-	136,183	151,080
General and administrative	23,045	25,340	27,778	24,268	-	100,431	89,893
Fundraising	18,878	3,426	30,300	7,342	-	59,946	80,080
Project development	43,500	126,773	41,997	48,450	11,665	272,385	73,088
Amortization	15,000	7,500	1,200	13,388	-	37,088	38,153
Professional fees	2,000	5,000	5,000	1,038	-	13,038	13,000
Professional development	4,500	1,000	10,000	-	-	15,500	10,483
	<u>670,262</u>	<u>726,988</u>	<u>514,851</u>	<u>532,490</u>	<u>39,420</u>	<u>2,484,011</u>	<u>2,542,623</u>
Other income (expenditure)							
Government assistance (Note 10)	-	-	-	128,343	-	128,343	179,358
Loss on disposal of capital assets	(575)	(574)	(574)	(574)	-	(2,297)	-
	<u>(575)</u>	<u>(574)</u>	<u>(574)</u>	<u>127,769</u>	<u>-</u>	<u>126,046</u>	<u>179,358</u>
<b>Excess of revenue over expenditures</b>	<u>\$ 22,648</u>	<u>\$ 22,583</u>	<u>\$ 22,514</u>	<u>\$ 22,487</u>	<u>\$ -</u>	<u>\$ 90,232</u>	<u>\$ 84,088</u>

The accompanying notes are an integral part of the financial statements

**CENTRE FOR SEXUALITY**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH COMPARATIVE INFORMATION FOR 2020**

	Invested in capital assets	Internally restricted reserve	Unrestricted net deficit	2021	2020
<b>Fund balances (deficiency), beginning of year</b>	\$ 232,833	\$ 205,718	\$ (307,876)	\$ 130,675	\$ 46,587
<b>Excess (deficiency) of revenue over expenditures</b>	(39,385)	-	129,617	90,232	84,088
<b>Transfers between funds during the year (Note 11)</b>	17,009	116	(17,126)	-	-
<b>Fund balances (deficiency), end of year</b>	<u>\$ 210,457</u>	<u>\$ 205,834</u>	<u>\$ (195,385)</u>	<u>\$ 220,907</u>	<u>\$ 130,675</u>

The accompanying notes are an integral part of the financial statements



**CENTRE FOR SEXUALITY**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH COMPARATIVE INFORMATION FOR 2020**

	<b>2021</b>	<b>2020</b>
<b>Cash flows from operating activities</b>		
Excess of revenues over expenditures for the year	\$ 90,232	\$ 84,088
Adjustments for		
Amortization of capital assets	37,088	38,153
Amortization of deferred lease inducement	(21,193)	(21,193)
Loss on disposal of capital assets	2,297	-
	108,424	101,048
Change in non-cash working capital items		
Accounts receivable	(39,452)	(68,176)
Prepaid expenses	(3,397)	(9,851)
Accounts payable and accrued liabilities	(21,954)	33,863
Goods and services tax receivable	4	896
Salaries payable	(2,593)	(16,559)
Deferred contributions	335,076	(114,579)
	376,108	(73,358)
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(17,009)	(5,938)
Purchase of short-term investments	(655,765)	(205,718)
Proceeds on sale of short-term investments	155,146	203,394
	(517,628)	(8,262)
Decrease in cash	(141,520)	(81,620)
Cash, beginning of year	367,455	449,075
Cash, end of year	\$ 225,935	\$ 367,455

The accompanying notes are an integral part of the financial statements

**CENTRE FOR SEXUALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH COMPARATIVE INFORMATION FOR 2020**

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**1. Nature of operations**

Centre for Sexuality (the "Society") , formerly Calgary Sexual Health Centre Society, is a non-profit organization incorporated under the Societies Act of Alberta that provides programs and services that address sexual health issues in a comprehensive way, including sexual health education in schools, individual counselling, and specialized programming for specific populations. The Society also operates a Training Centre, which provides educational workshops to professionals to better equip them to integrate healthy sexuality policy and practice into their work.

**2. Significant accounting policies**

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

**(a) Cash**

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at year-end.

**(b) Financial instruments**

**(i) Measurement of financial instruments**

The Society initially measures its financial assets and liabilities at fair value.

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

Financial assets measured at amortized cost include cash, short-term investments, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, and salaries payable.

The Society has not designated any financial asset or financial liability to be measured at fair value.

**CENTRE FOR SEXUALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Significant accounting policies, continued**

**(b) Financial instruments, continued**

**(ii) Impairment**

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. The previously recognized impairment loss may be reversed to the extent of the improvement, 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 not been recognized previously. The amount of the reversal is recognized in the statement of operations.

**(c) Fund accounting**

The Society uses fund accounting to represent the core programs that the Society operates and includes: Community Outreach, Education, WiseGuyz, Training Centre, and Women and Gender Equality ("WAGE").

**(d) Revenue recognition**

The Society follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue when received or receivable when the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred contributions represent donations and grants received in advance, intended for use with specific programs in the subsequent fiscal year.

**(e) Government assistance**

Government assistance includes subsidies associated with the COVID-19 pandemic support initiatives, and is recognized when there is reasonable assurance that the assistance will be received.

Government assistance related to an expenditure item is recognized as other income in the period in which the subsidy is approved.

Government assistance recorded in current and prior periods is subject to government review, which could result in future adjustments to income.

**CENTRE FOR SEXUALITY**  
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**2. Significant accounting policies, continued**

**(f) Allocated expenditures**

The Society engages in education and fundraising activities. The costs of each activity consist of salaries and consulting expenditures directly related to the activity.

The Society allocates certain of its salary and consulting expenditures by identifying the appropriate basis of allocating each component expenditure, and applies that basis consistently each year.

Management and administration salaries, and consulting expenditures are allocated proportionately, based on an estimate of time spent on the activity.

**(g) Capital assets**

Capital assets are recorded at cost. The Society provides for amortization using the following methods at rates designed to amortize the cost of the capital assets over their estimated useful lives. One half of the year's amortization is recorded in the year of acquisition. No amortization is recorded in the year of disposal. The annual amortization rates and methods are as follows:

Leasehold improvements	Straight-line	12 years
Computer equipment	Declining balance	30%
Office equipment	Declining balance	8%
Furniture and fixtures	Declining balance	20%
Computer software	Declining balance	100%

**(h) Impairment of long-lived assets**

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

**(i) Deferred lease inducements**

Lease incentives received, including rent-free periods and tenant inducements for leasehold improvements, are recognized on a straight-line basis over the term of the lease as a reduction in occupancy expenditures.

**CENTRE FOR SEXUALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**2. Significant accounting policies, continued**

**(j) Internally restricted reserve**

The internally restricted reserve has been put in place by the Board of Directors of the Society to cover any unexpected costs to the Society in order to ensure its continued operations. The funds are internally restricted by means of deposit into Guaranteed Investment Certificates as described in Note 4 to these financial statements.

**(k) Measurement uncertainty**

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Significant areas requiring the use of estimates include: useful lives of capital assets. Actual results may differ from management's best estimates as additional information becomes available in the future.

**(l) Contributed services**

A substantial number of volunteers contribute a significant amount of time each year. Due to the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

**CENTRE FOR SEXUALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**3. Short-term investments**

Short-term investments include amounts which were put in place as an internally restricted reserve by the Society to fund any unexpected costs that may arise in the future. The breakdown between restricted and unrestricted investments are as follows:

	2021	2020
<b>Internally restricted investments</b>		
Guaranteed investment certificate bearing interest at 0.45% per annum, maturing March 30, 2022	\$ 105,076	\$ 104,960
Guaranteed investment certificate bearing interest at 0.35% per annum, maturing November 9, 2022	50,186	50,186
Low interest savings account, bearing interest at 0.45% per annum.	50,572	50,572
	205,834	205,718
<b>Unrestricted investments</b>		
Low interest savings account, bearing interest at 0.45% per annum.	400,503	-
Guaranteed investment certificate bearing interest at 0.15% per annum, maturing June 19, 2022	100,000	-
	500,503	-
	\$ 706,337	\$ 205,718

**4. Capital assets**

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
Leasehold improvements	\$ 280,270	\$ 116,340	\$ 163,930	\$ 187,193
Computer equipment	94,581	57,986	36,595	35,492
Office equipment	40,416	31,461	8,955	9,734
Furniture and fixtures	3,092	2,761	331	414
Computer software	1,293	647	646	-
	\$ 419,652	\$ 209,195	\$ 210,457	\$ 232,833

**CENTRE FOR SEXUALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**5. Credit facilities**

The Society has credit cards authorized combined maximum credit limit of \$240,000, bearing interest at 19.99% per annum. \$12,653 is held on these credit cards as at December 31, 2021 (2020 - \$16,215).

An operating line of credit has been authorized by the bank to a maximum of \$50,000 and bears interest at the bank's prime lending rate plus 2.5% per annum. A general security agreement covering all assets of the Society has been pledged as security. No amount is outstanding on the line of credit as at the year end (2020 - \$nil).

**6. Deferred contributions**

	2021 Balance, Beginning	Contributions	Contributions Utilized	2021 Balance, Ending
RBC Silver Gummy	\$ 64,767	\$ 125,000	\$ (35,668)	\$ 154,099
CPHA	125,434	142,000	(121,778)	145,656
U of C Wiseguyz	48,924	163,991	(71,347)	141,568
WAGE	-	140,681	(39,420)	101,261
City of Calgary Mental Health	-	170,000	(85,000)	85,000
University of Western Ontario	40,201	47,157	(20,779)	66,579
Calgary Foundation	88,600	16,100	(41,700)	63,000
Calgary Homeless Foundation	-	45,000	-	45,000
FYrefly Pride Brunch	-	37,095	-	37,095
FYrefly WTRM	-	25,015	-	25,015
FYrefly	31,788	25,000	(31,788)	25,000
Canadian Women's Foundation	33,407	20,000	(33,407)	20,000
Burns Memorial Fund	-	10,000	-	10,000
Casino	32,100	-	(31,617)	483
Trico Foundation	50,000	-	(50,000)	-
United Way	40,000	-	(40,000)	-
Global Giving	18,248	-	(18,248)	-
Investment Readiness Pro	11,211	30,000	(41,211)	-
City of Calgary Crime Prevention	-	75,000	(75,000)	-
City of Calgary Emergency Relief	-	35,000	(35,000)	-
FCSS Criminal Justice	-	27,000	(27,000)	-
FCSS Airdrie	-	30,000	(30,000)	-
FCSS Rocky View County	-	18,750	(18,750)	-
	<b>\$ 584,680</b>	<b>\$ 1,182,789</b>	<b>\$ (847,713)</b>	<b>\$ 919,756</b>

**CENTRE FOR SEXUALITY**  
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**7. Deferred lease inducement**

In 2017, the Society received \$254,310 of leasehold improvements as an inducement to enter into a lease for office premises. The \$254,310 was recorded as a deferred lease inducement. The deferred lease inducement is being recognized on a straight-line basis over twelve years as a reduction of occupancy costs.

During the year, \$21,193 (2020 - \$21,193) was amortized against occupancy costs.

	2021	2020
Balance, beginning of year	\$ 148,346	\$ 169,539
Amortization to reduce occupancy costs	(21,193)	(21,193)
	127,153	148,346
Less: current portion	(21,193)	(21,193)
Balance, end of year	\$ 105,960	\$ 127,153

**8. Commitments**

The Society is committed under a lease on premises as well as monthly payments for office equipment leases. The estimated minimum annual payments, exclusive of occupancy costs, of the above commitments are as follows:

2022	\$ 81,808
2023	79,123
2024	79,123
2025	80,132
2026	80,132
Thereafter	267,642
	\$ 667,960



**CENTRE FOR SEXUALITY  
NOTES TO THE FINANCIAL STATEMENTS  
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**9. City of Calgary, Family and Community Support Services**

During 2021, the Society recognized \$654,380 (2020 - \$627,380) from the City of Calgary, Family and Community Support Services ("FCSS"). Expenses were mainly related to salaries and benefits and other expenses including professional services, transportation, office expenses, and insurance. \$30,000 (2020 - \$30,000) was recognized by FCSS Airdrie and \$18,750 (2020 - \$12,740) from FCSS Rocky View County for salaries and supplies.

**10. Government assistance**

In an attempt to mitigate the impact of the COVID-19 pandemic, the Canadian government has introduced several grants and subsidies. The Society has taken advantage of the Canada Emergency Wage Subsidy and the Temporary Wage Subsidy, which relate to wage assistance for Canadian companies and not-for-profit entities experiencing decreases in revenues as a result of the pandemic. These subsidies have been recorded in the Statement of Operations for the year.

	2021	2020
Canada Emergency Wage Subsidy	\$ 128,343	\$ 154,358
Temporary Wage Subsidy	-	25,000
	\$ 128,343	\$ 179,358

**11. Interfund transfers**

The unrestricted fund transferred \$116 to the internally restricted reserve for interest earned. The unrestricted fund transferred \$17,009 to the capital fund for the purchase of capital assets.

**12. Subsequent events**

In March 2022, the Society accepted funding from the Minister of Health for delivery of a new one-time program to educate the public on sexual and reproductive health. The program will be offered over three fiscal years, beginning in 2022, with total funding of approximately \$2.7 million.

**CENTRE FOR SEXUALITY**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
**WITH COMPARATIVE INFORMATION FOR 2020**

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**13. Financial instruments**

The Society is exposed to various financial risks through transactions in financial instruments. The following provides helpful information in assessing the extent of the Company's exposure to these risks.

**(a) Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to its accounts receivable.

**(b) Liquidity risk**

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, operating leases and salaries payable.

**(c) 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 Society is exposed to interest rate risk on its fixed interest rate financial instruments. Fixed-rate financial instruments subject the Society to a fair value risk.

There has been no change to the risk exposures from 2020. Unless otherwise noted, it is management's opinion that the Society is not exposed to significant currency risk or other price risks arising from these financial instruments.