

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Financial Statements**

**August 31, 2022**

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Index to Financial Statements**

**Year Ended August 31, 2022**

---

	Page
<b>INDEPENDENT AUDITOR'S REPORT</b>	1 - 2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 13

---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Dancer Transition Resource Centre / Centre de Ressources et Transition pour Danseurs

### *Opinion*

We have audited the financial statements of Dancer Transition Resource Centre / Centre de Ressources et Transition pour Danseurs (the Centre), which comprise the statement of financial position as at August 31, 2022, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at August 31, 2022, 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 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 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 opinion.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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.

*(continues)*

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 this financial information.

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.

*Hogg, Shain & Scheck PC*

Toronto, Ontario  
December 16, 2022

Authorized to practise public accounting by the  
Chartered Professional Accountants of Ontario

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Statement of Financial Position**

**As at August 31, 2022**

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 130,885	\$ 203,704
Short-term investments (Note 3)	321,682	351,382
Accounts receivable	32,444	88,874
Prepaid expenses	2,995	5,156
	<u>488,006</u>	<u>649,116</u>
<b>LONG-TERM INVESTMENTS (Note 3)</b>	<b>1,619,680</b>	<b>1,724,706</b>
<b>PROPERTY AND EQUIPMENT (Note 4)</b>	<b>-</b>	<b>8,725</b>
	<u>\$ 2,107,686</u>	<u>\$ 2,382,547</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 28,552	\$ 17,856
Prepaid membership fees	9,745	17,300
Deferred revenues (Note 6)	30,000	49,352
Dancer grants payable	398,451	446,878
Current portion of obligations under lease inducement	-	3,150
	<u>466,748</u>	<u>534,536</u>
<b>CANADA EMERGENCY BUSINESS ACCOUNT LOAN PAYABLE (Note 7)</b>	<b>60,000</b>	<b>60,000</b>
	<u>526,748</u>	<u>594,536</u>
<b>NET ASSETS</b>		
<b>ENDOWMENT FUND - WALTER CARSEN (Note 8)</b>	<b>200,000</b>	<b>200,000</b>
<b>ENDOWMENT FUND - AMANDA HANCOX (Note 8)</b>	<b>500,000</b>	<b>500,000</b>
<b>INTERNALLY DESIGNATED (Note 9)</b>	<b>880,800</b>	<b>920,000</b>
<b>UNRESTRICTED</b>	<b>138</b>	<b>168,011</b>
	<u>1,580,938</u>	<u>1,788,011</u>
	<u>\$ 2,107,686</u>	<u>\$ 2,382,547</u>

COMMITMENTS (Note 10)

APPROVED ON BEHALF OF THE BOARD

 Director

 Director

See the accompanying notes to these financial statements

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Statement of Operations  
Year Ended August 31, 2022**

	2022	2021
<b>REVENUES</b>		
Grants <i>(Note 11)</i>	\$ 742,079	\$ 729,736
Donations and fundraising <i>(Note 12)</i>	169,764	218,074
Government assistance		
Department of Canadian Heritage - Recovery Fund	90,000	-
Canada Council for the Arts - Reopening Fund	10,000	-
Canada Emergency Wage Subsidy <i>(Note 16)</i>	-	135,339
Ministry of Heritage, Sport, Tourism and Culture Industries - Arts Recovery Funding	-	49,503
Department of Canadian Heritage - Emergency Assistance	-	30,000
Canada Emergency Rent Subsidy <i>(Note 16)</i>	-	10,773
Membership fees	70,871	74,140
Interest and other <i>(Note 14)</i>	62,311	59,538
Realized gain (loss) on investments	(14,384)	4,962
	<b>1,130,641</b>	<b>1,312,065</b>
<b>EXPENSES</b>		
Programs and services		
Dancer grants and awards	430,075	550,220
Regional programs and services	194,847	196,906
Dancer consulting services <i>(Note 13)</i>	156,173	149,495
Conferences, workshops and outreach	63,743	59,607
	<b>844,838</b>	<b>956,228</b>
Administrative		
Salaries and benefits <i>(Note 13)</i>	206,559	200,273
Office and purchased services	80,922	81,142
Professional fees	24,693	23,081
Rent <i>(Note 13)</i>	22,568	16,990
Amortization of property and equipment	8,724	9,238
	<b>343,466</b>	<b>330,724</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>(57,663)</b>	<b>25,113</b>
<b>OTHER</b>		
Unrealized gain (loss) on investments	(114,423)	54,972
Expenditures on Strategic Initiatives <i>(Note 9)</i>	(34,987)	-
	<b>(149,410)</b>	<b>54,972</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	<b>\$ (207,073)</b>	<b>\$ 80,085</b>

*See the accompanying notes to these financial statements*

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET TRANSITION POUR DANSEURS**

**Statement of Changes in Net Assets**

**Year Ended August 31, 2022**

	Endowment Fund - Walter Carsen	Endowment Fund - Amanda Hancox	Internally Designated	Unrestricted	<b>Total 2022</b>	Total 2021
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 200,000	\$ 500,000	\$ 920,000	\$ 168,011	\$ <b>1,788,011</b>	\$ 1,707,926
Excess (deficiency) of revenues over expenses	-	-	-	(207,073)	<b>(207,073)</b>	80,085
Interfund transfer <i>(Note 9)</i>	-	-	(39,200)	39,200	-	-
<b>NET ASSETS - END OF YEAR</b>	\$ 200,000	\$ 500,000	\$ 880,800	\$ 138	\$ <b>1,580,938</b>	\$ 1,788,011

*See the accompanying notes to these financial statements*

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Statement of Cash Flows  
Year Ended August 31, 2022**

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenues over expenses	\$ (207,073)	\$ 80,085
Items not affecting cash:		
Amortization of property and equipment	8,724	9,238
Leasehold inducement	(3,150)	(3,150)
Unrealized (gain) loss on investments	114,423	(54,972)
	<u>(87,076)</u>	<u>31,201</u>
Changes in non-cash working capital:		
Accounts receivable	56,430	(67,884)
Prepaid expenses	2,161	846
Accounts payable and accrued liabilities	10,695	840
Prepaid membership fees	(7,555)	9,295
Deferred revenues	(19,352)	(119,754)
Dancer grants payable	(48,427)	(34,712)
	<u>(6,048)</u>	<u>(211,369)</u>
Cash flows used by operating activities	<u>(93,122)</u>	<u>(180,168)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from (purchase of) short-term investments (net)	29,700	213,088
Proceeds from (purchase of) long-term investments (net)	(9,397)	(33,607)
Cash flows from investing activities	<u>20,303</u>	<u>179,481</u>
<b>FINANCING ACTIVITY</b>		
Proceeds from Canada Emergency Business Account loan payable	-	60,000
<b>NET INCREASE (DECREASE) IN CASH</b>	<b>(72,819)</b>	<b>59,313</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>203,704</b>	<b>144,391</b>
<b>CASH - END OF YEAR</b>	<b>\$ 130,885</b>	<b>\$ 203,704</b>

*See the accompanying notes to these financial statements*



**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

---

**1. NATURE AND PURPOSE OF THE ORGANIZATION**

Dancer Transition Resource Centre (the "Centre") was incorporated by letters patent as a not-for-profit organization under the Canada Corporations Act and was continued under the Canada Not-for-profit Corporations Act. The Centre is exempt from income tax in Canada as a registered national arts organization, which qualifies for tax-exempt status under subsection 149.1(6) of the Income Tax Act (Canada).

The mission of the Centre is to serve professional Canadian dancers from diverse backgrounds, dance forms and practices, both at home and abroad, by being a resource for career development and transition.

In addition to the Centre's National office in Toronto, there are offices in Montreal and Vancouver, which assist the Centre in carrying out its mandate. The operations, assets and liabilities of all offices are included in these financial statements.

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Basis of Presentation

These financial statements are the representation of management and have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Canada Handbook and include the following significant accounting policies.

Net assets

The net assets of the Centre have been divided into three categories that reflect the following:

- Endowment funds - Endowments to be held and invested in perpetuity (*Note 8*).
- Internally designated - Net assets designated by the Board of Directors to be held as a reserve to provide for future financial stability of the Centre, including a risk contingency reserve and a reserve for strategic initiatives. The investment income earned on designated funds is available for operations (*Note 9*).
- Unrestricted - The balance of net assets earned from operations.

Revenue recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions, including grants, donations and fundraising, are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets when received.

Membership fees are recognized when received. Fees clearly indicated for the next fiscal year are recorded as deferred revenues.

Interest and other income are recognized when earned. Realized and unrealized gains (losses) are recognized when they arise. Related investment costs are expensed as incurred.

*(continues)*

---

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

---

**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Donated goods and services

Donated goods and services, which are not normally purchased by the Centre, are not recorded in the accounts.

The operations of the Centre depend on the contributions of time by volunteers, the fair value of which cannot be reasonably determined and are not reflected in these financial statements.

Expense recognition

Expenses are recorded when goods or services are consumed. The full amount of all awards, including special awards, is recorded in the year the awards are granted.

Property and equipment

Property and equipment are recorded at cost less accumulated amortization. They are amortized on a straight-line basis over their estimated useful lives as follows:

Leasehold improvements	Over the lease term
Furniture and equipment	3 years

Impairment of long-lived assets

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

Financial instruments

The Centre's financial instruments consist of cash, short-term investments, accounts receivable, long-term investments, accounts payable, dancer grants payable and Canada Emergency Business Account loan payable.

All financial instruments are initially measured at fair value, and subsequently, at amortized cost, with the exception of long-term investments, which are measured at fair value. Changes in fair value of long-term investments are recognized as unrealized gains (losses) in the Statement of Operations.

Impairment of financial instruments

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

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 at the date of the financial statements and the reported amounts of revenues and expenses during the year. Such estimates are reviewed periodically and any adjustments are reported in the year in which they become known. Such estimates include the collectability of accounts receivable, useful lives of property and equipment, accrued liabilities and eligibility for government assistance subsidies. Actual results could differ from these estimates.

---

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

**3. INVESTMENTS**

	2022		2021	
	Cost	Market	Cost	Market
		-		
Cash and short-term investments	\$ 585,468	\$ 585,113	\$ 643,391	\$ 643,061
Canadian equities	149,326	199,605	143,349	176,609
US equities	113,847	140,540	117,463	156,203
International equities	189,875	182,774	164,280	190,743
Fixed income	938,879	833,330	929,192	909,472
	<u>1,977,395</u>	<u>1,941,362</u>	<u>1,997,675</u>	<u>2,076,088</u>
Less: short-term investments	<u>\$ (321,682)</u>	<u>\$ (321,682)</u>	<u>\$ (351,382)</u>	<u>\$ (351,382)</u>
	<u>\$ 1,655,713</u>	<u>\$ 1,619,680</u>	<u>\$ 1,646,293</u>	<u>\$ 1,724,706</u>

Investments held under long-term cover the amounts set aside as endowment and internally designated net assets, including investment income earned and reinvested.

Fixed income investments consist of government and corporate bonds and commercial mortgages (2021 - government and corporate bonds), which earn interest ranging from 1.50% to 3.75% (2021 - 1.50% to 3.50%), with maturity dates from June 2024 to June 2032 (2021 - June 2022 to June 2030).

**4. PROPERTY AND EQUIPMENT**

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Leasehold improvements	\$ 36,210	\$ 36,210	\$ -	\$ 7,242
Furniture and equipment	8,209	8,209	-	1,483
	<u>\$ 44,419</u>	<u>\$ 44,419</u>	<u>\$ -</u>	<u>\$ 8,725</u>

**5. GOVERNMENT REMITTANCES PAYABLE**

Accounts payable and accrued liabilities at August 31, 2022 include government remittances payable of \$nil (2021 - \$8,025).

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

---

**6. DEFERRED REVENUES**

Deferred revenues consist of the following:

	<u>2022</u>	<u>2021</u>
Toronto Arts Council	\$ 15,000	\$ -
Canada Council for the Arts - Projects	-	23,417
Department of Canadian Heritage	-	10,935
Deferred government funding	<u>15,000</u>	<u>34,352</u>
Scholarship contribution	<u>15,000</u>	<u>15,000</u>
	<u>\$ 30,000</u>	<u>\$ 49,352</u>

The continuity of deferred revenues is as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 49,352	\$ 169,106
Add: funds received from contributors	892,491	858,056
Less: amounts recognized in revenues in fiscal year		
Grants (Note 11)	(742,079)	(729,736)
Donations and fundraising	(169,764)	(218,074)
Department of Canadian Heritage - Emergency assistance	-	(30,000)
Balance, end of year	<u>\$ 30,000</u>	<u>\$ 49,352</u>

---

**7. CANADA EMERGENCY BUSINESS ACCOUNT LOAN PAYABLE**

Prior to fiscal 2022, the Centre applied for and received the \$60,000 Canada Emergency Business Account ("CEBA") loan. The CEBA loan is non-interest bearing up to the initial term date of December 31, 2023. From the period commencing December 31, 2023 to the extended term date of December 31, 2025, the loan bears an annual interest of 5%.

Under the CEBA Term Loan Agreement, if at least \$40,000 of the loan is repaid by December 31, 2023, the remaining \$20,000 balance will be forgiven.

---

**8. ENDOWMENT FUNDS**

In fiscal 2013, the Centre received an endowment to be held and invested in perpetuity as The Walter Carsen Retraining Endowment Fund. Income from the fund supports dancers who qualify for retraining.

In fiscal 2020, the Centre received another endowment to be held and invested in perpetuity as The Amanda Hancox Endowment Fund. Income from the fund provides a scholarship for a dancer for a minimum period of one year to a maximum of \$20,000.

---

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

**9. INTERNALLY DESIGNATED NET ASSETS**

During fiscal 2022, the Board approved a transfer of \$39,200 from internally designated net assets to unrestricted net assets to release certain reserves related to strategic initiatives that were undertaken during the year. During fiscal 2021, \$20,000 was transferred from unrestricted net assets to internally designated net assets.

The Centre undertook two strategic initiatives during fiscal 2022. One project was a pilot workshop specifically targeted to the needs of IBPOC (Indigenous, Black and People of Colour) dancers, and is ongoing. The other project involved the use of technology to strengthen the business operations of the Centre. The initial phase of this project is now complete.

**10. COMMITMENTS**

The Centre is committed under two lease agreements for its offices in Toronto until August 31, 2025, Montreal until October 31, 2024. Rent is adjusted annually to reflect changes in common area costs. The Centre also maintains a virtual office in Vancouver and do not have any lease commitment.

Minimum annual lease payments are as follows:

	Toronto Office	Montreal Office	Total
2023	\$ 69,240	\$ 12,864	\$ 82,104
2024	75,010	13,120	88,130
2025	80,780	2,193	82,973

**11. GRANTS**

	2022	2021
Department of Canadian Heritage - core	\$ 600,000	\$ 600,000
Canada Council for the Arts - operating	50,000	50,000
Canada Council for the Arts - project	23,417	16,583
Ontario Arts Council - operating	49,503	49,503
Cultural Human Resource Council	19,159	8,000
Toronto Arts Council	-	5,650
	\$ 742,079	\$ 729,736

**12. DONATIONS AND FUNDRAISING**

	2022	2021
Corporate	\$ 82,879	\$ 38,000
Individuals	68,885	126,574
Foundations	18,000	53,500
	\$ 169,764	\$ 218,074

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

---

**13. COST ALLOCATIONS**

Staff perform more than one function within the Centre, and accordingly, their salaries and benefits have been allocated based on an estimate of the time devoted to each of these functions. Office costs are allocated based on estimated usage of space. These expenses have been allocated in the statement of operations as follows:

	Personnel	Rent/Office	<b>2022</b>	2021
Program and services	\$ 124,507	\$ 31,666	<b>\$ 156,173</b>	\$ 149,495
Administrative	206,559	22,568	<b>229,127</b>	217,263
	<b>\$ 331,066</b>	<b>\$ 54,234</b>	<b>\$ 385,300</b>	<b>\$ 366,758</b>

---

**14. ENDOWMENT HELD BY THE ONTARIO ARTS FOUNDATION**

The Ontario Arts Foundation ("OAF") operates an Ontario Arts Endowment Fund Program, in which it holds and administers funds on behalf of arts organizations. The assets held in this Fund, on behalf of the Centre, are controlled and managed by the OAF in accordance with its investment and income distribution policies and, accordingly, are not reflected in these financial statements.

During the fiscal year ended August 31, 2022, the Centre received \$9,699 (2021 - \$9,080) in investment income from the Fund.

As at August 31, 2022, the market value of the assets held for the Centre by the OAF was \$171,701 (2021 - \$202,805).

---

**15. FINANCIAL RISKS**

Financial instruments expose the Centre to risks which may affect the cash flows of the Centre. The following are those financial instruments considered particularly significant and their related financial risks.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre manages its liquidity risk by monitoring actual and projected cash flows to ensure that it will always have sufficient liquidity to meet its liabilities when due. The Centre expects to meet its financial obligations for accounts payable and accrued liabilities and dancer grants payable through cash flows from operations.

Currency risk

Currency risk is the risk to the Centre that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Centre is exposed to foreign currency exchange risk on its investments held in US and international equities.

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 market interest rates. The Centre is exposed to interest rate risk on its fixed income investments.

*(continues)*

---

**DANCER TRANSITION RESOURCE CENTRE / CENTRE DE RESSOURCES ET  
TRANSITION POUR DANSEURS**

**Notes to Financial Statements**

**Year Ended August 31, 2022**

---

**15. FINANCIAL RISKS (continued)**

*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 currency or interest rate 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 is exposed to other price risk arising from its investments in Canadian equities.

It is management's opinion that the Centre is not exposed to significant credit risk arising from its financial instruments.

---

**16. SIGNIFICANT EVENT**

On March 11, 2020, the World Health Organization characterized the outbreak of a strain of the novel coronavirus ("COVID-19") as a pandemic, which resulted in a series of public health and emergency measures that have been put in place to combat the spread of the virus.

During fiscal 2022, the demand for the Centre's core services and programs stabilized. The duration and impact of COVID-19 are unknown at this time. It is not possible to reliably estimate the impact that the length and severity of these developments will have on the financial results and condition of the Centre in future years. Management and directors continue to closely monitor and assess the impact on operations. It is the opinion of the management and directors that the Centre will have sufficient resources to mitigate any potential negative impact that may occur in fiscal 2023 as a result of ongoing COVID-19 implications.

As part of the response to COVID-19, the federal government introduced the Canada Emergency Wage Subsidy ("CEWS") to assist employers whose activities have been affected by COVID-19. In 2022, the Centre received \$Nil (2021 - \$135,339) in CEWS.

In addition to the CEWS, the Centre received the Canada Emergency Rent Subsidy ("CERS") of \$10,773, for the period September 1, 2022 to August 31, 2022.

---