

BERMUDA CANCER AND HEALTH CENTRE

Financial Statements

(With Independent Auditor's Report Thereon)

For the year ended December 31, 2016



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Independent Auditor's Report

To the Members of Bermuda Cancer and Health Centre

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Bermuda Cancer and Health Centre (the "Centre"), which comprise the statement of financial position as at December 31, 2016, the statements of revenues and expenditures, change in net assets and cash flows for the year then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, except for the possible effects of the matter described in Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at December 31, 2016, and of its financial performance and its cash flows for the year then ended in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada ("ANSFPO").

Basis for Qualified Opinion

The Centre derives a portion of its revenue from the general public in the form of donations and contributions, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donations and deferred contributions was limited to the amounts recorded in the records of the Centre. Therefore, we were not able to determine whether any adjustments might be necessary to donations, amortization of deferred contributions and excess of revenues over expenditures reported in the statement of revenues and expenses for the year ended December 31, 2016, and deferred contributions and net assets reported in the statement of financial position as at that date.

We conducted our audit in accordance with International Standards on Auditing ("ISA"). 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 Bermuda and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ANSFPO 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 ISA 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 ISA 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.

KPMG Audit Limited

Chartered Professional Accountants
Hamilton, Bermuda
March 23, 2017

BERMUDA CANCER AND HEALTH CENTRE

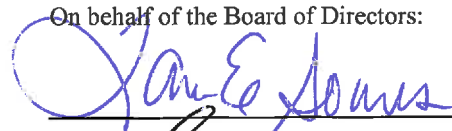
Statement of Financial Position

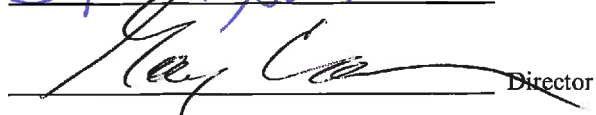
As at December 31, 2016
(Expressed in Bermuda Dollars)

	<u>2016</u>	<u>2015</u>
Assets		
Current assets		
Cash and cash equivalents	\$ 3,234,461	\$ 3,074,262
Donations receivable (Note 6)	842,000	—
Accounts receivable	227,786	385,669
Prepaid expenses	82,657	109,047
Inventories (Note 2(d))	<u>46,273</u>	<u>109,569</u>
Total current assets	4,433,177	3,678,547
Investments (Note 3)	167,403	139,611
Term deposits (Note 3)	500,000	500,000
Capital assets (Note 4)	<u>6,511,050</u>	<u>3,565,885</u>
Total assets	<u>\$ 11,611,630</u>	<u>\$ 7,884,043</u>
Liabilities and net assets		
Current liabilities		
Bank loan, current (Note 5)	\$ 500,000	\$ —
Accounts payable and accrued liabilities (Notes 10 and 14)	<u>616,104</u>	<u>293,936</u>
Total current liabilities	1,116,104	293,936
Bank loan, non-current (Note 5)	1,027,841	—
Deferred contributions (Note 6)	<u>5,671,563</u>	<u>3,817,278</u>
Total liabilities	<u>7,815,508</u>	<u>4,111,214</u>
Net assets		
Unrestricted net assets	2,446,157	777,847
Restricted net assets (Note 7)	<u>1,349,965</u>	<u>2,994,982</u>
Total net assets	<u>3,796,122</u>	<u>3,772,829</u>
Total liabilities and net assets	<u>\$ 11,611,630</u>	<u>\$ 7,884,043</u>

The accompanying notes are an integral part of these financial statements

On behalf of the Board of Directors:



Director

Director

BERMUDA CANCER AND HEALTH CENTRE

Statement of Revenues and Expenditures

For the year ended December 31, 2016

(Expressed in Bermuda Dollars)

	<u>2016</u>	<u>2015</u>
Revenues		
Mammography services	\$ 1,674,789	\$ 1,573,680
Donations	493,841	374,079
Amortization of deferred contributions (Note 6)	441,603	440,695
Densitometry services	440,554	656,857
Ultrasound services	336,282	317,126
Donations for uninsured and underinsured patients	146,127	120,244
Biopsy service - breast	85,470	108,012
Prescription sales	60,901	61,576
Net change in fair value of investments (Note 3)	27,792	-
Interest income	22,129	19,155
Biopsy service – prostate	10,208	2,260
Dividends from investments	6,583	4,112
Rent and other income	<u>375</u>	<u>9,180</u>
 Total revenues	 <u>3,746,654</u>	 <u>3,686,976</u>
 Expenditures		
General and administrative (Note 8)	2,964,287	2,912,461
Mammography services	232,586	220,548
Fundraising and education	163,440	144,310
Donation to uninsured patients (Note 9)	98,941	97,837
Radiation Therapy expenses	71,969	158,341
Prescription purchases (Note 2 (d))	57,947	59,394
Subsidy for underinsured patients (Note 9)	55,205	30,911
Densitometry services	30,842	31,010
Ultrasound services	27,311	25,549
Biopsy expenses - breast	20,764	16,863
Biopsy expenses – prostate	69	1,642
Net change in fair value of investments (Note 3)	<u>-</u>	<u>2,070</u>
 Total expenditures	 <u>3,723,361</u>	 <u>3,700,936</u>
 Excess (deficit) of revenues over expenditures	 <u>\$ 23,293</u>	 <u>\$ (13,960)</u>

The accompanying notes are an integral part of these financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Changes in Net Assets

Year ended December 31, 2016

(Expressed in Bermuda Dollars)

	Restricted net assets (Note 7)							2015	2016
	Radiation Therapy	Scholarship	Cancer Information Services	Under/ uninsured	Men's Health	Total	Unrestricted net assets	Total	Total
Balance beginning of year	\$ 1,823,128	\$ 541,473	\$ 287,030	\$ 146,189	\$ 197,162	\$ 2,994,982	\$ 777,847	\$ 3,772,829	\$ 3,786,789
Net appropriations for assets under construction	(1,668,716)	-	-	-	-	(1,668,716)	1,668,716	-	-
Excess (deficit) of revenues over expenses	120,000	10,829	(15,358)	(70,970)	(20,802)	23,699	(406)	23,293	(13,960)
Balance at end of year	\$ 274,412	\$ 552,302	\$ 271,672	\$ 75,219	\$ 176,360	\$ 1,349,965	\$ 2,446,157	\$ 3,796,122	\$ 3,772,829

The accompanying notes are an integral part of these financial statements

BERMUDA CANCER AND HEALTH CENTRE

Statement of Cash Flows

For the year ended December 31, 2016

(Expressed in Bermuda Dollars)

	<u>2016</u>	<u>2015</u>
Operating activities		
Excess (deficit) of revenues over expenditures	\$ 23,293	\$ (13,960)
Adjustments for:		
Depreciation of capital assets	574,775	551,460
Amortization of deferred contributions	(441,603)	(440,695)
Net change in fair value of investments	(27,792)	2,070
Changes in non-cash working capital balances:		
Accounts receivable	157,883	(134,341)
Donations receivable	(842,000)	-
Prepaid expenses	26,390	99,811
Inventories	63,296	6,226
Accounts payable and accrued liabilities	<u>322,168</u>	<u>(18,285)</u>
Cash (used in) provided by operating activities	<u>(143,590)</u>	<u>52,286</u>
Investing activities		
Purchase of capital assets	(3,519,940)	(249,261)
Redemption of term deposits, net	<u>-</u>	<u>400,000</u>
Cash (used in) provided by investing activities	<u>(3,519,940)</u>	<u>150,739</u>
Financing activities		
Amount received on bank loan (Note 5)	1,527,841	-
Net cash contributions received and receivable for capital campaigns (Note 6)	<u>2,295,888</u>	<u>539,609</u>
Cash provided by financing activities	<u>3,823,729</u>	<u>539,609</u>
Net increase in cash and cash equivalents	160,199	742,634
Cash and cash equivalents at beginning of year	<u>3,074,262</u>	<u>2,331,628</u>
Cash and cash equivalents at end of year	<u>\$ 3,234,461</u>	<u>\$ 3,074,262</u>
Supplementary information:		
Interest paid	<u>\$ 7,582</u>	<u>\$ -</u>

The accompanying notes are an integral part of these financial statements

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2016

1. General

The Bermuda Cancer and Health Centre (the "Centre") is a registered charity formed on July 17, 1945 for the purpose of assisting tuberculosis, cancer and diabetic patients in Bermuda. On July 2, 2007, the Centre converted from an unincorporated Association to a company limited by guarantee and changed its name from Bermuda Tuberculosis, Cancer and Health Association to Bermuda Cancer & Health Resource Centre. On August 31, 2007, the Centre changed its name to Bermuda Cancer and Health Centre.

2. Significant accounting policies

These financial statements were prepared in accordance with accounting standards for not-for-profit organizations generally accepted in Bermuda and Canada ("ASNFP") contained in Part III of the Chartered Professional Accountants of Canada ("CPA Canada") Handbook – Accounting, and include the following significant accounting policies:

(a) Use of estimates

The preparation of these financial statements in conformity with ASNFP 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 expenditures during the period. These estimates are reviewed periodically and adjustments are made to revenues and expenditures as appropriate in the year they become known.

(b) Revenue recognition

The Centre follows the deferral method of accounting for contributions. Restricted contributions that relate to expenses of future periods are deferred and recognized as revenue in the period 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.

Revenues from services are recognized when the service is provided to the client and the collectability of the related receivable from the client's insurance provider is reasonably assured.

All other income, except for contributions, is recognized on the accrual basis when earned.

(c) Cash and cash equivalents

The Centre considers all cash on hand, deposits with financial institutions that can be withdrawn without notice or penalty, and short-term deposits with an original maturity of ninety days or less as equivalent to cash. Interest earned on cash and cash equivalents is at rates ranging between nil% and 0.10% (2015 - nil% and 0.50%) per annum.

(d) Inventories

Inventories are carried at the lower of cost and net realizable value, and are valued on a first-in, first-out basis. Included in prescription purchases are recognized inventory expenses of \$57,947 (2015 - \$59,394). There were no inventories written off during the year (2015 - \$nil) and no provision for obsolete or slow-moving inventories at the reporting date (2015 - \$nil).

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2016

2. Significant accounting policies (continued)

(e) Capital assets

Capital assets are recorded at cost less accumulated depreciation. Land is not depreciated. Depreciation of buildings, equipment and other assets is provided over the estimated useful lives of the assets on a straight line basis as follows:

Buildings	20 years
Building improvements	10 years
Medical equipment	5-10 years
Vehicle	5 years
Furniture and fixtures	5 years
Office equipment	3 years
Website development	5 years

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. Recoverability of assets to be held and used is measured by a comparison of the carrying amount of an asset to estimated undiscounted future cash flows expected to be generated by the asset. If the carrying amount of an asset exceeds its estimated future cash flows, an impairment charge is recognized by the amount by which the carrying amount of the asset exceeds the fair value of the asset.

Capital assets under construction or not ready for use are capitalized at cost. Costs include construction costs professional fees, borrowing costs and all other directly attributable costs associated with the construction of the new Radiation Therapy Unit and the purchase of the associated Radiation Therapy equipment (Note 4). Depreciation of these assets, are on the same basis as capital assets, and will commence when the assets are ready for their intended use.

(f) Donated services

Volunteer efforts and non-cash donations are reflected in the financial statements only when a fair value can be reasonably estimated.

(g) Donations receivable

Donations receivable are recognized on the statement of financial position when the Centre can reliably estimate the amount to be received and collection of this amount is fairly certain. Donations receivable for longer than a 12 month period from the statement of financial position date are not recognized.

(h) Financial instruments

Financial instruments consist of cash and cash equivalents, term deposits, investments, accounts receivable, donations receivable and accounts payable.

Investments quoted in an active market are carried at fair value, with the related net change in fair value included in revenues and expenditures. The fair value of the investments is based on quoted market values. Transaction costs are recognized in revenues and expenditures in the period incurred.

Purchases and sales of investments are accounted for at the transaction date.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2016

2. Significant accounting policies (continued)

(h) Financial instruments (continued)

Accounts receivable and donations receivable are measured at amortized cost using the effective interest method, less any adjustment for impairment.

Accounts payable are measured at amortized cost using the effective interest method.

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 revenues and expenditures. Any 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 revenues and expenditures.

3. Investments and term deposits

Investments include marketable securities consisting of:

Number of shares	Securities held	2016		2015	
		Cost	Fair value	Cost	Fair value
2,318	Butterfield Bank	\$ 38,871	\$ 71,974	\$ 38,871	\$ 46,132
4,000	Somers Limited (formerly Bermuda Commercial Bank Ltd.)	21,575	55,000	21,575	57,000
4,509	Ascendant Group Ltd.	70,712	32,014	70,712	22,545
3,492	KeyTech Limited	<u>49,213</u>	<u>8,415</u>	<u>49,213</u>	<u>13,934</u>
		<u>\$ 180,371</u>	<u>\$ 167,403</u>	<u>\$ 180,371</u>	<u>\$ 139,611</u>

As at December 31, 2016, the Centre has \$500,000 (2015 - \$500,000) of its cash in 48 month certificate of deposit with a Bermuda bank with an annual interest rate of 2.5% payable quarterly.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2016

4. Capital assets

Capital assets consist of:

	<u>2016</u>			<u>2015</u>
	<u>Cost</u>	<u>Accumulated depreciation</u>	<u>Net book value</u>	<u>Net book value</u>
Land	\$ 987,428	\$ —	\$ 987,428	\$ 987,428
Assets under construction	3,201,276	—	3,201,276	—
Building and building improvements	3,709,986	2,408,107	1,301,879	1,490,424
Medical equipment	2,613,789	2,030,307	583,482	832,818
Vehicle	17,630	10,385	7,245	9,013
Office equipment and furniture	1,068,791	650,605	418,186	234,107
Website development	<u>40,446</u>	<u>28,892</u>	<u>11,554</u>	<u>12,095</u>
	<u>\$ 11,639,346</u>	<u>\$ 5,128,296</u>	<u>\$ 6,511,050</u>	<u>\$ 3,565,885</u>

The cost and accumulated depreciation of capital assets at December 31, 2015 were \$8,119,406 and \$4,553,521, respectively. During the year the Centre disposed of fully depreciated capital assets with a cost of \$nil (2015 - \$188,691) which were no longer in use at nil proceeds.

In May 2014, the Centre launched a capital campaign for the construction of a Radiation Therapy Unit. Assets under construction amounting to \$3,201,276 (2015 - \$nil) were capitalized during the year relating to this project. Depreciation on these assets under construction will commence when they are ready for their intended use.

5. Bank loan

	<u>2016</u>	<u>2015</u>
Current	\$ 500,000	\$ —
Long-term	<u>1,027,841</u>	<u>—</u>
Total	<u>\$ 1,527,841</u>	<u>\$ —</u>

The Centre has a \$5,000,000 loan facility with Bermuda Commercial Bank (the "Bank"). Interest is payable in arrears at a rate of three month LIBOR plus 4.5% per annum adjusted quarterly. The facility will be available through October 31, 2017 after which time any un-drawn funds will lapse unless the facility is renewed. Interest expense amounting to \$7,582 (2015 - \$nil) was recognized during the year. An arrangement fee expense for this facility in the amount of \$25,000 was incurred. Both interest expense and the arrangement fee were capitalized as part of assets under construction (Note 4).

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2016

5. Bank loan (continued)

The Bank has a fixed and floating charge over the Centre's building.

The Centre is subject to loan covenants imposed by the Bank for which it is fully compliant.

The minimum principal repayments due on the current drawn portion are as follows:

2017	\$ 500,000
2018	500,000
2019	500,000
2020	<u>27,841</u>
	\$ 1,527,841

6. Deferred contributions

Deferred contributions represent unamortized restricted contributions for capital campaigns. Changes in the deferred contributions balance are as follows:

	<u>2016</u>	<u>2015</u>
Balance, beginning of year	\$ 3,817,278	\$ 3,718,364
Net amount received during the current year	1,453,888	539,609
Net amount of donations receivable	842,000	-
Amounts amortized to revenue in the year	<u>(441,603)</u>	<u>(440,695)</u>
Balance, end of period	<u>\$ 5,671,563</u>	<u>\$ 3,817,278</u>

In 2000, the Centre launched a building campaign to raise \$4 million for a new Cancer Resource Centre.

In May 2014, the Centre launched a new capital campaign for a Radiation Treatment Centre. The deferred contributions balance comprises amounts contributed during the current year and prior years, which is externally restricted for the building of, and new equipment for, the Centre.

Donations receivable in the amount of \$842,000 has been recognized with respect to the Radiation Therapy Unit campaign. These amounts are expected to be received within the next 12 months from various donors.

7. Restricted net assets

Restricted net assets represent unspent resources internally restricted for the Scholarship Fund as well as restricted capital campaign funds. The externally restricted funds include the Cancer Information Services ("CIS"), Radiation Therapy, Men's Health and Underinsured/Uninsured Fund.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2016

8. General and administrative expenditures

	<u>2016</u>	<u>2015</u>
Salaries and related costs (Note 10)	\$ 1,560,078	\$ 1,521,842
Depreciation of capital assets (Note 4)	574,775	551,460
Radiologist support and outsourced costs	440,459	422,699
Professional fees	99,114	97,961
Building operation and maintenance	74,954	95,252
Insurance	63,142	61,546
Telephone and postage	42,731	47,042
Membership and licence fees	24,829	31,982
Electricity and water	20,652	22,043
Office supplies	17,060	25,379
Bad debt expense	16,060	--
Bank charges	10,510	13,910
Office equipment maintenance	9,058	12,169
Miscellaneous	8,627	6,049
System implementation expenses	1,818	2,727
Annual charity fee	<u>420</u>	<u>400</u>
	<u>\$ 2,964,287</u>	<u>\$ 2,912,461</u>

9. Donation to uninsured patients and subsidy for underinsured patients

The donation to uninsured patients of \$98,941 (2015 - \$97,837) represents services donated by the Centre for patients without insurance. The subsidy for underinsured patients of \$55,205 (2015 - \$30,911) represents services not covered by other agencies.

10. Employee future benefits

The Centre has a defined contribution pension plan providing pension benefits to all of its employees. Employee pension contributions of 5% are matched by the Centre. Pension expense incurred by the Centre in the current year was \$61,940 (2015 - \$61,973) and is included in general and administrative expenditures under salaries and related costs (Note 8). The pension liability as at December 31, 2016 amounted to \$nil (2015 - \$nil and is included in accounts payable and accrued liabilities in the statement of financial position.

BERMUDA CANCER AND HEALTH CENTRE

Notes to Financial Statements

December 31, 2016

11. Financial instruments

The estimated fair values of financial instruments, including cash and cash equivalents, term deposits, accounts receivable and accounts payable approximate their carrying values due to their relative short-term nature or the fact that they attract market rates of interest. The estimated fair value of marketable securities based on year-end quoted market bid prices is disclosed in Note 3.

The estimates of fair values presented herein are subjective in nature and are not necessarily indicative of the amounts that the Centre would realize in a current market exchange. Certain items such as inventories, deferred contributions and capital assets are excluded from the fair value disclosure. Thus the individual fair value amounts cannot be aggregated to determine the underlying fair value of the Centre.

The Centre is not exposed to any significant credit risk or liquidity risk. The Centre is exposed to market risk with respect to its marketable securities which comprise investments in Bermuda listed companies quoted on the Bermuda Stock Exchange and interest rate risk through the bank loan payable which bears interest at a variable rate.

The Centre holds cash and cash equivalents and term deposits with three Bermuda-based financial institutions which have credit ratings of BBB to A+. Management believes that the Centre is not exposed to any significant concentration of credit risk. The Centre monitors its accounts receivable balances and believes that no provision for impairment of accounts receivable (2015 - \$nil) is required.

12. Related party transactions

During the normal course of its operations, the Centre purchased employee health benefits of \$152,544 (2015 - \$153,071) and property contents, van, medical malpractice, and directors and officers liability insurance totaling \$63,097 (2015 - \$33,951), from BF&M Ltd. where a Board member of the Centre is the Senior Vice President. In addition, the Centre has a defined contribution pension plan (Note 10) administered by BF&M Ltd.

13. Capital management

The Centre defines capital, for its own purposes, as restricted and unrestricted fund balances. During the year the Centre's objective when managing capital, which was unchanged from previous years, was to hold sufficient unrestricted funds to enable it to withstand negative unexpected financial events and continue as a going concern. The Centre seeks to achieve this objective by holding sufficient cash and cash equivalents to maintain liquidity and enable it to meet its obligations as they become due. The Centre is not subject to any externally imposed requirements on capital.

14. Government remittances payable

Included in accounts payable and accrued liabilities are government remittances payable of \$25,366 (2015 - \$24,929).

15. Capital commitments

The Centre has contractual capital commitments totaling \$5,362,513 at December 31, 2016 relating to assets under construction (Note 4).