



Financial Statements of

**HALDIMAND-NORFOLK, RESOURCE,  
EDUCATION AND COUNSELLING HELP  
(H-N R.E.A.C.H.)**

And Independent Auditor's Report thereon  
year ended March 31, 2025



## GOOD REDDEN KLOSLER

Supporting Growth. Providing Direction.

Chartered Professional Accountants

### INDEPENDENT AUDITORS' REPORT

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To the Board of Directors of:

**HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP**

#### **Qualified Opinion**

We have audited the accompanying financial statements of Haldimand-Norfolk R.E.A.C.H. which comprise the statement of financial position as at March 31, 2025, statement of changes in fund balances, statement of operations and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position as at March 31, 2025, 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 Qualified Opinion**

In common with many not-for-profit organizations, Haldimand-Norfolk R.E.A.C.H. derives revenue from the general public through donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of Haldimand-Norfolk R.E.A.C.H.. Therefore, we were not able to determine whether any adjustments might be necessary to revenue and net assets.

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 Haldimand-Norfolk R.E.A.C.H. 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 qualified audit 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 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 or cease operations, or has no realistic alternative but to do so.

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

Continued

## 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 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 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 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.

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.

*Good Redden Klosler LLP*

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CHARTERED PROFESSIONAL ACCOUNTANTS  
Licensed Public Accountants

Simcoe, Ontario  
July 23, 2025



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2025

	Operating Fund	Charity Fund	Nevada Fund	Replacement Reserve Fund	Total 2025	Total 2024
<b>ASSETS</b>						
Current						
Cash	3,210,866	363,911	42,220	-	3,616,997	3,124,185
Accounts receivable	1,169,186	-	-	-	1,169,186	1,041,058
Prepaid expenses	81,669	-	-	-	81,669	74,416
Investments	326,187	-	-	16,750	342,937	415,964
	4,787,908	363,911	42,220	16,750	5,210,789	4,655,623
Property, equipment and leasehold improvements - Note 3	1,555,287	-	-	-	1,555,287	1,601,425
	<b>6,343,195</b>	<b>363,911</b>	<b>42,220</b>	<b>16,750</b>	<b>6,766,076</b>	<b>6,257,048</b>
<b>LIABILITIES AND FUND BALANCES</b>						
Current						
Accounts payable and accrued liabilities	2,085,569	-	-	-	2,085,569	2,292,057
Government remittances payable	231,633	-	-	-	231,633	19,949
Current portion of mortgages payable - Note 4	37,670	-	-	-	37,670	36,723
	2,354,872	-	-	-	2,354,872	2,348,729
Mortgages payable - Note 4	458,306	-	-	-	458,306	494,382
Deferred contributions - Notes 6 and 7	581,017	-	-	-	581,017	211,240
Contingency - Note 12	863,648	-	-	-	863,648	863,648
	4,257,843	-	-	-	4,257,843	3,917,999
<b>Fund Balances</b>						
Unrestricted	2,085,352	363,911	42,220	-	2,491,483	2,285,359
Externally restricted - Note 8	-	-	-	16,750	16,750	53,690
	<b>6,343,195</b>	<b>363,911</b>	<b>42,220</b>	<b>16,750</b>	<b>6,766,076</b>	<b>6,257,048</b>

Approved by: Panderson



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## STATEMENT OF CHANGES IN FUND BALANCES

For the year ended March 31, 2025

	Operating Fund	Charity Fund	Nevada Fund	Replacement Reserve Fund	2025	2024
Fund Balance, Beginning of Year	1,854,155	348,267	82,937	53,690	2,339,049	2,122,957
Excess of revenue over expenditures	131,177	34,622	2,942	443	169,184	216,092
Interfund transfers	100,020	(18,978)	(43,659)	(37,383)	-	-
<b>Fund Balance, End of Year</b>	<b>2,085,352</b>	<b>363,911</b>	<b>42,220</b>	<b>16,750</b>	<b>2,508,233</b>	<b>2,339,049</b>



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## STATEMENT OF OPERATIONS

For the year ended March 31, 2025

	Operating Fund	Charity Fund	Nevada Fund	Replacement Reserve Fund	2025	2024
<b>REVENUE</b>						
Ministry funding	11,304,366	-	-	-	11,304,366	10,421,389
County funding	2,455,820	-	-	-	2,455,820	2,281,323
Hamilton Health Sciences Corp. funding	1,703,176	-	-	-	1,703,176	1,129,101
Other major funders	75,664	20,947	-	-	96,611	365,289
User fees	1,389,653	-	-	-	1,389,653	1,605,889
Interest and other	384,501	14,889	2,962	443	402,795	461,364
	17,313,180	35,836	2,962	443	17,352,421	16,264,355
<b>EXPENDITURES</b>						
Salaries and wages	7,326,703	-	-	-	7,326,703	7,010,812
Benefits	1,825,259	-	-	-	1,825,259	1,821,570
Travel	149,090	20	-	-	149,110	140,766
Professional development	41,554	-	-	-	41,554	62,186
Occupancy	684,090	-	-	-	684,090	773,938
Professional fees	265,352	-	-	-	265,352	137,825
Program supplies and start-up costs	150,558	976	-	-	151,534	151,692
Purchased services - client	1,003,831	210	-	-	1,004,041	940,279
Food	47,499	-	-	-	47,499	56,104
Community initiatives	3,782,881	-	-	-	3,782,881	3,031,679
Advertising and promotion	10,882	-	-	-	10,882	18,405
Telephone and internet	59,818	-	-	-	59,818	71,809
Office administration	175,038	8	20	-	175,066	157,706
Dues, fees and licences	38,995	-	-	-	38,995	21,314
Insurance	92,501	-	-	-	92,501	82,382
Capital asset expensed	1,146	-	-	-	1,146	14,212
Board and general meeting	13,789	-	-	-	13,789	7,761
Amortization	170,878	-	-	-	170,878	227,420
Caregiver, provider and facilitator fees	158,366	-	-	-	158,366	133,353
Respite contracts	1,032,462	-	-	-	1,032,462	927,361
Mortgage and loan interest	17,774	-	-	-	17,774	12,943
Funds repaid to funders	36,366	-	-	-	36,366	111,286
Accounts receivable write-offs	-	-	-	-	-	4,074
Other	97,171	-	-	-	97,171	131,386
	17,182,003	1,214	20	-	17,183,237	16,048,263
<b>Excess of Revenue over Expenditures</b>	<b>131,177</b>	<b>34,622</b>	<b>2,942</b>	<b>443</b>	<b>169,184</b>	<b>216,092</b>



## HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

### STATEMENT OF CASH FLOWS

For the year ended March 31, 2025

	2025	2024
<b>Operating Activities</b>		
Excess of revenue over expenditures	169,184	216,092
Amortization of property, equipment and leasehold improvements	170,878	236,782
	340,062	452,874
Change in non-cash working capital accounts		
Accounts receivable	(128,128)	39,657
Prepaid expenses	(7,253)	(28,153)
Investments	73,028	(14,710)
Accounts payable and accrued liabilities	(206,488)	606,880
Government remittances payable	211,684	11,140
Deferred contributions	369,777	69,425
	652,682	1,137,113
<b>Investing Activities</b>		
Purchase of property, equipment and leasehold improvements	(124,741)	(54,079)
<b>Financing Activities</b>		
Repayment of mortgages payable	(35,129)	(45,021)
<b>Net Cash Flow</b>	492,812	1,038,013
<b>Cash Balance at Beginning of Year</b>	3,124,185	2,086,172
<b>Cash Balance at End of Year</b>	3,616,997	3,124,185





# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

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### 1. PURPOSE OF THE ORGANIZATION

Haldimand-Norfolk Resource, Education and Counselling Help (the "Organization") is a regional organization operating programs to ensure that there will be a socially and emotionally secure community of individuals and families living within the counties of Haldimand and Norfolk. The Organization is a not-for-profit organization and is a registered charity under the Income Tax Act.

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### (a) Basis of Presentation

The financial statements are prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

#### (b) Fund Accounting

##### (i) Operating Fund

Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund.

##### (ii) Charity Fund

Revenues and expenses related to general fundraising activities are reported in the Charity Fund.

##### (iii) Nevada Fund

Revenues and expenses related to Nevada tickets fundraising activities are reported in the Nevada Fund.

##### (iv) Replacement Reserve Fund

Revenues and expenses related to the statutory maintenance of a replacement reserve fund for the Ministry of Children, Community and Social Services funding, relating to repairs for the Union (Simcoe) property, are reported in the Replacement Reserve Fund.

#### (c) Revenue Recognition

The Organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue of the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and if collection is reasonably assured.

User fee revenue is recognized for services that have been provided, it is recognized when it is received or receivable and collection can be reasonably assured. Interest revenue is accrued as it is earned.

Other revenue includes revenue from rental units, funds that have been transferred from other budgets and is off set by the central administration allocation. Other revenue is recognized when it is received or receivable and collection can be reasonably assured.

#### (d) Expenses

Expenses are reported on the accrual basis of accounting. The cost of goods and services are recorded in the year acquired regardless whether or not payment has been made.

#### (e) Cash

Cash consists of cash on hand and balances with banks. The Organization has separate bank accounts for the Operating Fund, Charity Fund, Nevada Fund, and C.A.P.C. (see Note 10).





# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (f) Investments

All of the investments are carried at their fair market value and consist of guaranteed investment certificates (GIC's).

#### (g) Property, Equipment and Leasehold Improvements

Purchased property, equipment and leasehold improvements are recorded in the Operating Fund at cost.

Contributed property, equipment and leasehold improvements are recorded in the Operating Fund at their fair market value at the date of the contribution.

Restricted property and equipment purchases funded through government programs or agencies are recorded at cost and the corresponding revenue is deferred and amortized on the same basis as the asset.

Property, equipment and leasehold improvements purchased using unrestricted funding received as outlined in external funding agreements is capitalized in the year of purchase, with the corresponding funding being recognized as revenue in the year received. The Organization's threshold for capitalization of capital expenditures is \$5,000. All capital expenditures incurred below this threshold are expensed to the corresponding expense account.

Amortization on capitalized property and equipment is calculated on a straight-line basis over the capital assets' estimated useful lives at the following annual rates:

Building - Bramble (Townsend)	10 years
Building - Union (Simcoe)	10 years
Building - John (Simcoe)	40 years
Ramsey (Dunnville)	20 years
Furniture and equipment	5 years
Information technology equipment	3 years
Information technology software	5 years
Leasehold improvements	Evenly over the term of the lease
Vehicles	10 years

In accordance with the Ministry of Children, Community and Social Services accounting requirements, the Union (Simcoe) and the Bramble (Townsend) properties are amortized over the life of their related mortgages. Their annual amortization expense matches the mortgage principal payments made during the year on each property.

The costs associated with capital in progress are capitalized during the development phase of the capital project. Upon completion of the project, the assets are allocated to their respective property and equipment class and amortized at the applicable class rate.

#### (h) Accumulated Fund Balances

The Ministry of Children, Community and Social Services (MCCSS), the Ministry of Health (MOH), Haldimand and Norfolk Health and Social Services (HNHSS, or Norfolk County), and Hamilton Health Sciences Corporation (HHSC) provide the majority of the funding for the Organization. The applicable funding organization will request the repayment of excess funds. The excess funds are set up as accounts payable and recoverable by the funder.



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (i) Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred. Financial instruments are comprised of accounts receivable, short and long term investments, accounts payable and accrued liabilities and long-term debt. All financial instruments are subsequently carried at amortized cost.

#### (j) Allocation of Expenses

The Organization engages in several client support services and programs. The costs of each program includes the cost of personnel, marketing, premises and other expenses that are directly related to providing the program. The Organization also incurs a number of general support expenses that are common to the administration of the Organization and its programs. The Organization allocates its general overhead and marketing expenses by identifying the portion of support applicable to each contract or program and/or the amount permitted by the funding source, which is generally based on a percentage of funding.

#### (k) Government Grants

Government grants and funding are recorded when there is reasonable assurance that the Organization has complied with and will continue to comply with all necessary conditions to obtain the grants and funding.

#### (l) Programs

The Organization administers many different types of programs. Some of these programs are "managed by the Organization", while others are "managed on behalf of others". All programs are subject to audit attestation. Only programs "managed by the Organization" are included in the combined statement of operations. The programs are segregated in the index to these financial statements between "managed by the Organization" and "managed on behalf of others".

#### (m) Measurement Uncertainty

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO) requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant estimates in the financial statements include the useful life of capital assets and the determination of accruals.

#### (n) Contributed Services

Volunteers contribute numerous hours to assist the Organization in carrying out certain aspects of its service delivery activities. The fair value of these contributed services is not readily determinable and, as such, is not reflected in the financial statements.





# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### (o) Economic Dependence

The Ministry of Children, Community and Social Services (MCCSS), the Ministry of Health (MOH), Haldimand and Norfolk Health and Social Services (HNHSS, or Norfolk County), and Hamilton Health Sciences Corporation (HHSC) provide the majority of the funding for the Organization, and as such the Organization has the ability to continue viable operations and is dependent upon continued funding by these external funders. The funding is based on approved expenditure levels for each program as set out by an agreement between the funders and the Organization. Any excess of revenue over expenditures subsidized by the funders will be requested to be returned.

### 3. PROPERTY, EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated Amortization	2025	2024
Land - Bramble (Townsend)	39,500	-	39,500	39,500
Land - John (Simcoe)	132,975	-	132,975	132,975
Land - Ramsey (Dunnville)	75,000	-	75,000	75,000
Building - Bramble (Townsend)	178,710	165,412	13,298	16,406
Building - Union (Simcoe)	298,612	298,612	-	-
Building - John (Simcoe)	377,234	53,135	324,099	333,531
Building - Ramsey (Dunnville)	912,255	213,995	698,260	743,872
Furniture and equipment	871,488	783,512	87,976	139,461
Information technology equipment	391,061	285,486	105,575	72,576
Information technology software	368,864	367,319	1,545	14,290
Leasehold improvements	298,319	235,201	63,118	15,983
Vehicles	38,903	24,962	13,941	17,831
	<b>3,982,921</b>	<b>2,427,634</b>	<b>1,555,287</b>	<b>1,601,425</b>

### 4. MORTGAGE AND LOAN PAYABLE

Two loans are secured by the Ramsey (Dunnville) property. One loan bears interest at 4.35% per annum, is repayable in blended monthly instalments of \$1,685 and matures on December 19, 2026. The current portion of the loan principal balance is \$11,714 (2024 – \$11,328) and the long-term portion is \$208,067 (2024 – \$219,564). A second loan bears floating interest of 5.09% per annum, is repayable in blended monthly instalments of \$1,909 and matures February, 2027. The current portion of the loan principal balance is \$13,783 (2024 – 13,578) and the long-term portion is \$238,680 (2024 – \$251,063).

The loan payable is secured by the John (Simcoe) property. The loan bears interest at 2.98% per annum, is repayable in blended monthly instalments of \$1,062 and matures on February 8, 2027. The current portion of the loan principal balance is \$12,173 (2024 – \$11,470) and the long-term portion is \$11,559 (2024 – \$36,533).



# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

### 4. MORTGAGE AND LOAN PAYABLE (CONTINUED)

The Organization has the following anticipated total principal repayments over the next 5 years:

	John (Simcoe)	Ramsey	Total
2026	12,173	25,497	37,670
2027	11,559	26,104	37,663
2028	-	26,727	26,727
2029	-	27,368	27,368
2030	-	28,026	28,026

### 5. OPERATING LINE OF CREDIT

The Organization has an available line of credit for \$185,000 at prime lending rate plus 0.75%. The outstanding balance as at March 31, 2025 was \$nil (2024 - \$nil).

### 6. DEFERRED CONTRIBUTIONS

Deferred Contributions represent funding provided to the Organization for specific programs which will not be utilized until future years.

	2025	2024
Deferred Contributions - Beginning of Year	211,240	141,815
Plus: Amount received in the year	379,188	108,830
Less: Amount recognized as revenue in the year	(62,782)	(39,405)
Closing balance	527,646	211,240
Deferred Capital Contributions	53,371	-
Closing balance	581,017	211,240

### 7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred Capital Contributions represent funding received specifically for the purchase of property, equipment and leasehold improvements, which is deferred and amortized into income over the same basis of amortization as its underlying capital asset.

	2025	2024
Deferred Capital Contributions - Beginning of Year	-	-
Plus: Amount received in the year	58,223	-
Less: Amount recognized as revenue in the year	(4,852)	-
Closing balance	53,371	-
Deferred Contributions	527,646	211,240
Closing balance	581,017	211,240





# HALDIMAND-NORFOLK RESOURCE, EDUCATION AND COUNSELLING HELP

## NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2025

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### 8. EXTERNAL RESTRICTIONS ON FUND BALANCES

The Replacement Reserve Fund is restricted by the Ministry of Children, Community and Social Services for repairs made on the Union (Simcoe) property. The fund balance of \$16,750 (2024 - \$53,690) is restricted for this purpose.

### 9. INTERFUND TRANSFERS

The Reserve Fund, Charity Fund, and the Nevada Fund each transferred funds to/from the Operating Fund to support programs operated by the Organization.

### 10. RELATED PARTY TRANSACTIONS

The Organization is the sponsor agency for Community Action Program for Children (C.A.P.C.) via a Letter of Understanding. Although C.A.P.C. is not a legal entity unto itself, it is regarded as a non-managed fund and it is required to maintain a separate bank account. C.A.P.C.'s net assets are included as a payable balance in the Statement of Financial Position under the Operating Fund and all of C.A.P.C.'s Statements of Revenues and Expenditures are reported as non-managed funds.

### 11. LEASE COMMITMENTS

The Organization has the following payments required under operating leases for rental property:

2026	317,304
2027	304,979
2028	239,086
2029	-
2030	-
	<u>861,369</u>

### 12. CONTINGENCY

In prior years, the Organization was required to apply for federal funding in order to secure certain funding. The Organization received funding under the Canadian Emergency Wage Subsidy Program which has resulted in a surplus of funding. The Organization recognizes that the surplus may need to be paid back to a funder and has recorded a provision for the remaining amount that has not been utilized of \$863,648 (2024 - \$863,648).

### 13. FINANCIAL INSTRUMENT RISK

Financial instruments consist of cash, accounts receivable, investments, accounts payable, accrued liabilities and mortgage payable. Cash, accounts receivable, accounts payable, and accrued liabilities are all short-term in nature and as such, their carrying values approximate fair value. Investments consist of guaranteed investment certificates (GIC's) which approximate their fair value. Mortgage payable is at the prevailing market rate and therefore approximates its fair value. Some fee-based-revenue is made on credit and is subject to normal credit risk for service agencies. Adequate provisions have been made for anticipated uncollectible amounts.



**NOTES TO THE FINANCIAL STATEMENTS**

**For the year ended March 31, 2025**

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**13. FINANCIAL INSTRUMENT RISK (CONTINUED)**

The Organization is exposed to various risks through financial instruments and has a framework to monitor, evaluate and manage these risks. The following analysis provides information about risk exposure and concentration as of March 31, 2025:

**(a) Credit Risk**

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The nature and significant number of service participants and the significance of the funding received from external funders minimizes the exposure to credit risk as the Organization does not extend significant credit in the form of trade receivables.

**(b) Liquidity Risk**

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect of its receipt of funds from service participants and other related sources and financial obligations with banking institutions. The nature and significant number of service participants and suppliers minimizes liquidity risk as the Organization does not maintain significant trade payables or receivables. Current amounts due in respect of long term financial obligations are considered manageable.

**(c) Market Risk**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Organization is mainly exposed to 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. The Organization is exposed to interest rate risk in respect of its long-term financial obligations. Interest rate risk is minimized as the interest rate is fixed.

**14. COMPARATIVE FINANCIAL STATEMENTS**

Certain comparative financial information has been reclassified to conform to the financial statement presentation of the current period.

