Community Living
Dryden-Sioux Lookout
Non-Consolidated Financial Statements
For the year ended March 31, 2024

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Independent Auditor's Report

To the Board of Directors of
Community Living Dryden-Sioux Lookout

Qualified Opinion

We have audited the accompanying non-consolidated financial statements of Community Living Dryden-Sioux Lookout (the Organization), which comprise the non-consolidated statement of financial position as at March 31, 2024, and the non-consolidated statements of operations, changes in net assets and cash flows for the year then ended, and notes to the non-consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying non-consolidated financial statements present fairly, in all material respects, the financial position of Community Living Dryden-Sioux Lookout as at March 31, 2024, and its results of operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

Accumulated vacation pay is not accrued as a liability in the non-consolidated financial statements of the Organization as it is not an eligible expense for purposes of the Ministry of Children, Community and Social Services. Under Canadian accounting standards for not-for-profit organizations, the liability with respect to vacation pay should be accrued and recorded as it is earned. If the accumulated vacation pay had been recorded, it would have resulted in an decrease to the excess of revenue over expenses for the year ended March 31, 2024 of $25,928, a decrease to the excess of revenue over expenses for the year ended March 31, 2023 of $29,764, an increase to liabilities as at March 31, 2024 of $337,823, an increase to liabilities as at March 31, 2023 of $363,751, a decrease to net assets as at March 31, 2024 of $337,823 and a decrease to net assets as at March 31, 2023 of $363,751. Our audit opinion on the non-consolidated financial statements for the year ended March 31, 2023 was modified accordingly because of the effects of this departure from Canadian accounting standards for not-for-profit organizations.

In common with many charitable organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenues, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the non-consolidated financial statements for the year ended March 31, 2023, was modified accordingly because of the possible effects of this limitation in scope.

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 Non-Consolidated Financial Statements* section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the non-consolidated 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.

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Independent Auditor's Report (cont'd)

Responsibilities of Management and Those Charged with Governance for the Non-Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these non-consolidated 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 non-consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the non-consolidated financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the Non-Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the non-consolidated 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 non-consolidated 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 non-consolidated 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 Organization's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (cont'd)

- 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 Organization'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 non-consolidated 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 Organization to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the non-consolidated financial statements, including the disclosures, and whether the non-consolidated 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Thunder Bay, Ontario
July 29, 2024

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Financial Position

March 31	Operating Fund	Board Fund	2024	2023
Assets				
Current				
Cash (Note 2)	$ 116,930	$ 56,951	$ 173,881	$ 648,133
Accounts receivable (Note 3)	529,096	18,275	547,371	486,745
Prepaid expenses	45,485	-	45,485	57,768
	691,511	75,226	766,737	1,192,646
Investment in subsidiary (Note 4)	-	3,761,400	3,761,400	-
Due (to) from fund	1,301,016	(1,301,016)	-	-
Tangible capital assets (Note 5)	1,694,450	-	1,694,450	2,528,759
	$ 3,686,977	$ 2,535,610	$ 6,222,587	$ 3,721,405
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities (Note 6)	$ 989,857	$ 120,053	$ 1,109,910	$ 1,061,801
Deferred revenue (Note 7)	6,191	-	6,191	105,621
Funds in trust	-	-	-	301
	996,048	120,053	1,116,101	1,167,723
Due to subsidiary (Note 8)	131,338	-	131,338	-
Deferred capital contributions (Note 9)	163,247	-	163,247	308,266
	1,290,633	120,053	1,410,686	1,475,989
Net Assets				
Unrestricted	865,141	383,374	1,248,515	24,923
Investment in tangible capital assets	1,531,203	-	1,531,203	2,220,493
Contributed surplus (Note 5)	-	2,032,183	2,032,183	-
	2,396,344	2,415,557	4,811,901	2,245,416
	$ 3,686,977	$ 2,535,610	$ 6,222,587	$ 3,721,405

On behalf of the Board:

Director

Director

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Operations

For the year ended March 31	Operating	Board	2024	2023
Revenue				
Ministry of Children, Community and Social Services				
Operating	**$12,813,654**	**$ -**	**$12,813,654**	$ 10,168,708
One-time funding	**218,569**	**-**	**218,569**	2,082,779
Canadian Red Cross Society	**84,965**	**-**	**84,965**	-
Ontario Disability Supports Program	**500**	**-**	**500**	8,393
Rental revenue	**217,897**	**115,680**	**333,577**	315,889
Family Services Toronto	**605,747**	**-**	**605,747**	640,912
Public Health Agency of Canada	**30,000**	**-**	**30,000**	112,996
Surrey Place Centre	**213,596**	**-**	**213,596**	213,596
Algonquin Child & Family Services	**-**	**-**	**-**	50,000
Health Nexus Santé	**-**	**-**	**-**	4,500
Donations	**-**	**3,746**	**3,746**	3,262
Miscellaneous	**24,541**	**-**	**24,541**	137,270
Amortization of deferred capital contributions	**40,466**	**2,649**	**43,115**	49,140
	14,249,935	**122,075**	**14,372,010**	13,787,445
Expenses				
Staff salaries, wages and benefits	**11,000,872**	**-**	**11,000,872**	10,201,748
Staff training	**186,043**	**-**	**186,043**	161,803
Supplies and equipment	**173,453**	**4,946**	**178,399**	105,792
Building occupancy	**744,315**	**64,070**	**808,385**	1,181,960
Travel and communication	**582,773**	**1,303**	**584,076**	525,199
Other program service expenditure	**930,230**	**48,914**	**979,144**	1,112,132
Amortization	**294,284**	**8,409**	**302,693**	320,289
	13,911,970	**127,642**	**14,039,612**	13,608,923
Excess of revenue over expenses before other items	**337,965**	**(5,567)**	**332,398**	178,522
Other items				
Loss on disposal of tangible capital assets	**-**	**-**	**-**	(95,767)
Amortization of deferred capital grants for properties transferred	**169,455**	**32,449**	**201,904**	-
	169,455	**32,449**	**201,904**	(95,767)
Excess of revenue over expenses for the year	**$ 507,420**	**$ 26,882**	**$ 534,302**	$ 82,755

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Changes in Net Assets (Deficiency)

For the year ended March 31, 2024

	Operating Investment in Tangible Capital Assets	Operating Unrestricted	Operating Total	Board Investment in Tangible Capital Assets	Board Contributed Surplus	Board Unrestricted	Board Total	Total 2024	Total 2023
Balance, beginning of year	$ 1,963,530	$ (24,598)	$ 1,938,932	$ 256,963	$ -	$ 49,521	$ 306,484	$ 2,245,416	$ 2,162,661
Excess of revenue over expenses for the year	-	507,420	507,420	-	-	26,882	26,882	534,302	82,755
Amortization	(294,284)	294,284	-	(8,409)	-	8,409	-	-	-
Amortization of deferred capital contributions	209,921	(209,921)	-	35,098	-	(35,098)	-	-	-
Purchase of tangible capital assets	673,180	(673,180)	-	1,124,320	-	(1,124,320)	-	-	-
Deferred capital contributions received	(100,000)	100,000	-	-	-	-	-	-	-
Transfer of properties	(871,136)	871,136	-	(1,457,980)	2,032,183	1,457,980	2,032,183	2,032,183	-
Adjustment	(50,008)	-	(50,008)	50,008	-	-	50,008	-	-
Balance, end of year	$ 1,531,203	$ 865,141	$ 2,396,344	$ -	$ 2,032,183	$ 383,374	$ 2,415,557	$ 4,811,901	$ 2,245,416

The accompanying notes are an integral part of these financial statements.

Community Living Dryden-Sioux Lookout
Non-Consolidated Statement of Cash Flows

For the year ended March 31	2024	2023
Operating activities		
Excess of revenue over expenses for the year	**$ 534,302**	$ 82,755
Items not involving cash		
Amortization of deferred capital contributions	**(245,019)**	(49,140)
Amortization of tangible capital assets	**302,693**	320,289
Loss on disposal of tangible capital assets	**-**	95,767
	591,976	449,671
Changes in non-cash working capital balances		
Accounts receivable	**(60,626)**	(219,704)
Prepaid expenses	**12,283**	(15,392)
Accounts payable and accrued liabilities	**48,109**	112,560
Deferred revenue	**(99,430)**	5,621
Funds in trust	**(301)**	(226)
	492,011	332,530
Investing activities		
Purchase of tangible capital assets	**(1,797,501)**	(585,393)
Purchase of common shares of subsidiary	**(100)**	**-**
Advances from subsidiary	**131,338**	**-**
Proceeds from transfer of properties	**600,000**	-
	(1,066,263)	(585,393)
Financing activities		
Repayment of long-term debt	**-**	(309)
Increase in deferred capital contributions	**100,000**	-
	100,000	(309)
Decrease in cash during the year	**(474,252)**	(253,172)
Cash, beginning of year	**648,133**	901,305
Cash, end of year	**$ 173,881**	$ 648,133

Community Living Dryden-Sioux Lookout
Notes to Non-Consolidated Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature and Purpose of Organization

Community Living Dryden-Sioux Lookout is a registered charity, incorporated under the Province of Ontario Corporations Act without share capital and a registered charity under the Income Tax Act. The Organization is governed by a voluntary elected Board of Directors whose mission is to serve the needs of adults who have a developmental disability in Dryden, Sioux Lookout and the surrounding area.

Charitable Institution

The Organization is a registered Canadian Charitable Institution (#106720436RR0001) and, as such, is not required to file federal or provincial income tax returns.

Basis of Accounting

These non-consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Description of Funds

Operating Fund

The Operating Fund consists of the ongoing operations and one-time funding programs funded by various agencies for specific projects required to be completed within a designated time frame.

Board Fund

The Board Fund consists of money available for use at the specific direction of the Board of Directors and is not available to fund the general operations of Community Living Dryden-Sioux Lookout without specific board approval.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions. Restricted contributions 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.

Revenue from general donations is recorded on a cash basis as received. All other revenue, including rental income, is recorded on an accrual basis as earned.

Restricted contributions for the purchase of tangible capital assets that will be amortized are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired tangible capital asset.

Community Living Dryden-Sioux Lookout
Notes to Non-Consolidated Financial Statements

March 31, 2024

1. Significant Accounting Policies (cont'd)

Investment in subsidiary

The Organization accounts for its wholly-owned investment in its private subsidiary, 1000661215 Ontario Inc., using the equity method.

This profit-oriented enterprise is not consolidated in the Organization's financial statements.

Tangible Capital Assets

Tangible capital assets are recorded at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Expenses for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of tangible capital assets are capitalized.

Amortization is calculated on a straight-line basis over the estimated useful life of the asset. Estimated useful lives are as follows:

Computer software	-	1	year
Computers	-	3	years
Furniture and equipment	-	5	years
Office equipment	-	5	years
Leasehold improvements	-	15	years
Automotive equipment	-	7	years
Paving and sheds	-	10	years
Buildings	-	20	years

When tangible capital assets no longer has any long-term service potential to the Organization, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

When a tangible capital asset is disposed of, the difference between the net proceeds on disposition and the net carrying amount is recognized in the non-consolidated statement of operations. Any unamortized deferred contribution amount related to the tangible capital asset disposed of is recognized in revenue in the non-consolidated statement of operations, provided that all restrictions have been complied with.

Community Living Dryden-Sioux Lookout
Notes to Non-Consolidated Financial Statements

March 31, 2024

1. Significant Accounting Policies (cont'd)

Deferred Revenue

The Organization is the recipient of certain approved program grants which specify project purpose, maximum allowable contributions and are for specific time periods. Unexpended funds are included on the statement of financial position as cash and deferred revenue until the programs are completed. At the completion of the program, unexpended funds are returned to the funding agency. Funds expended in excess of allowable grants must be provided from general funds.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. All financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each non-consolidated statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Use of Estimates

The preparation of non-consolidated 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 non-consolidated financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future. Significant estimates in these non-consolidated financial statements include the estimated useful lives of tangible capital assets and accruals.

2. Credit Facility

The Organization has an authorized line of credit in the amount of $300,000, which increased during the year from $100,000, that bears interest at prime plus 2.6% (9.8% at year-end). As at March 31, 2024, the unused portion of the line was $300,000 (2023 - $100,000).

3. Accounts Receivable

	2024	2023
Operating Fund		
Government remittances receivable		
Public service bodies' rebate	**$ 275,590**	$ 187,146
Family Services Toronto	**154,327**	185,576
Canadian Red Cross Society	**15,116**	-
Miscellaneous	**29,631**	32,369
Sioux Hudson Literacy Council	**-**	56,413
Surrey Place Centre	**54,432**	-
	529,096	461,504
Board Fund		
Government remittances receivable		
Public service bodies' rebate	**18,275**	25,241
	$ 547,371	$ 486,745

4. Investment in Subsidiary

	2024	2023
100% of common shares in 1000661215 Ontario Inc.	**$ 100**	$ -
100% of class 'E' shares in 1000661215 Ontario Inc.	**3,761,300**	-
	$ 3,761,400	$ -

On October 3, 2023, the Organization acquired 100% of the issued and outstanding Class 'A' shares of 1000661215 Ontario Inc. for $100 cash.

On January 18 and 19, 2024, the Organization acquired 100% of the issued and outstanding Class 'E' shares of 1000661215 Ontario Inc. and $600,000 cash for the transfer of the following properties from Community Living Dryden-Sioux Lookout to 1000661215 Ontario Inc.:

- 280 Arthur Street, Dryden
- 288 Arthur Street, Dryden
- 2 Meadwell Avenue, Sioux Lookout
- 83 Memorial Avenue, Dryden
- 99 Albert Street, Dryden

The Class 'E' shares have a redemption value of $3,761,300.

4. Investment in Subsidiary (cont'd)

Non-coterminous Fiscal Periods

The Organization's investment in 1000661215 Ontario Inc. is accounted for on an equity basis. As this Company was incorporated during the year and its initial fiscal year ends subsequent to Community Living Dryden-Sioux Lookout's March 31, 2024 year-end, no financial information was available for an equity pick up.

There were no significant events or financial transactions that occurred during the intervening period that were deemed to be material; therefore, nothing related to 1000661215 Ontario Inc.'s operations were recorded in these financial statements.

5. Tangible Capital Assets

	2024		2023	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Operating Fund				
Land	**$ -**	**$ -**	$ 75,000	$ -
Computer software	**35,399**	**35,399**	35,399	35,399
Computers	**177,133**	**157,911**	177,133	144,190
Furniture and equipment	**315,984**	**265,441**	299,225	235,181
Office equipment	**422,070**	**303,724**	422,070	247,191
Leasehold improvements	**776,682**	**107,766**	120,261	103,404
Automotive equipment	**528,909**	**332,335**	528,909	278,328
Paving and sheds	**18,953**	**16,028**	59,238	49,741
Buildings	**1,371,078**	**733,154**	3,352,430	1,789,542
	$ 3,646,208	**$ 1,951,758**	$ 5,069,665	$ 2,882,976
Operating Fund net book value		**$ 1,694,450**		$ 2,186,689

5. Tangible Capital Assets (cont'd)

	2024		2023	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Board Fund				
Land	**$ -**	**$ -**	$ 59,918	$ -
Buildings	**-**	**-**	518,153	236,001
Furniture and equipment	**27,506**	**27,506**	27,506	27,506
Automotive equipment	**57,028**	**57,028**	57,028	57,028
Paving	**4,102**	**4,102**	4,102	4,102
	$ 88,636	**$ 88,636**	$ 666,707	$ 324,637
Board Fund net book value		**$ -**		$ 342,070
Combined total	**$ 3,734,844**	**$ 2,040,394**	$ 5,736,372	$ 3,207,613
Combined net book value		**$ 1,694,450**		$ 2,528,759

In January 2024, the Organization transferred buildings with a net book value of $2,329,117 to their subsidiary, 1000661215 Ontario Inc. These properties are now leased by Community Living Dryden-Sioux Lookout.

The fair value of the properties was $4,361,300 with the difference being recorded as *Contributed Surplus* on the *Non-Consolidated Statement of Financial Position* as this was a related party transaction.

6. Accounts Payable and Accrued Liabilities

	2024	2023
Operating Fund		
Trade accounts payable	**$ 543,698**	$ 597,445
Accrued salaries, wages and benefits	**446,159**	365,955
Ontario Disability Supports Program	**-**	60,304
	989,857	1,023,704
Board Fund		
Trade accounts payable	**120,053**	38,097
	$ 1,109,910	$ 1,061,801

7. Deferred Revenue

	2024	2023
Operating Fund		
Employment and Social Development Canada	$ -	$ 100,000
Family Services Toronto	**3,203**	4,066
Rent	**2,988**	1,555
	$ 6,191	$ 105,621

The net change during the year in deferred revenue balances is detailed as follows:

Balance, beginning of year	**$ 105,621**	$ 100,000
Transfers from revenue in the current year		
Operating Fund	**6,191**	5,621
	111,812	105,621
Transfers to revenue in the current year		
Operating Fund	**(105,621)**	-
Balance, end of year	**$ 6,191**	$ 105,621

8. Due to Subsidiary

At year end, the Organization owed $131,338 (2023 - $nil) to 1000661215 Ontario Inc. The balance is unsecured, non-interest bearing and not due within the next year with no specific terms of repayment.

9. Deferred Capital Contributions

	2024	2023
Operating Fund		
Balance, beginning of year	**$ 273,168**	$ 318,966
Deferred contributions during the year	**100,000**	-
Less amounts amortized to revenue in the year	**(209,921)**	(45,798)
Balance, end of year	**163,247**	273,168
Board Fund		
Balance, beginning of year	**35,098**	38,440
Less amounts amortized to revenue in the year	**(35,098)**	(3,342)
Balance, end of year	**-**	35,098
	$ 163,247	$ 308,266

10. Commitment

The Organization has operating leases for five of its premises totaling approximately $41,530 plus HST per month and $16,206 per month, under leases expiring in January 31 or September 30, 2034.

The minimum annual lease payments for the next five years are as follows:

2025	514,700
2026	692,840
2027	692,840
2028	692,840
2029	692,840

11. Related Party Transactions

During the year, the Organization paid $57,025 for property leases to its wholly owned subsidiary.

All of these transactions are in the normal course of operations and are measured at the exchange amount which is the amount of consideration established and agreed to by the related parties.

12. Guarantee

The Organization has guaranteed a bridge loan of its subsidiary, 1000661215 Ontario Inc., in the event of default, in the amount of $2,500,000. The amount drawn at March 31, 2024 was $1,750,000. The Organization's property at 41 King Street in Sioux Lookout serves as collateral for this guarantee, as well as a general security agreement.

13. Economic Dependence

The Organization derives a significant portion of its operating revenue from the Ministry of Children, Community and Social Services. The continued operation of the major programs of the Organization is dependent upon this funding.

14. Financial Instrument Risk

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 Organization is subject to interest rate risk on its line of credit as the interest rate is variable. It is management's opinion that the Organization is not exposed to significant interest rate risk on the line of credit as it was not used during the year.

Credit Risk

Credit risk is the risk of financial loss to the Organization if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Organization's receivables. The majority of the Organization's receivables are from government sources and the Organization works to ensure they meet all eligibility criteria in order to qualify to receive funding, therefore the Organization does not believe it is subject to any significant concentrations of credit risk related to accounts receivable. The Organization is subject to credit risk on excess deposits over the amount not covered by the Canada Deposit Insurance Corporation (CDIC).

Liquidity Risk

Liquidity risk is the risk that the Organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes risk that, as a result of operational liquidity requirements, the Organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and long-term debt. Management is of the opinion that they are not exposed to significant liquidity risk.