Hospice Huronia
Financial Statements
For the year ended March 31, 2022

Contents

Independent Auditor's Report	**2 - 3**
Financial Statements	
Statement of Financial Position	**4**
Statement of Operations	**5**
Statement of Changes in Net Assets	**6**
Statement of Cash Flows	**7**
Notes to the Financial Statements	**8 - 19**

Tel: 705 726 6331
Fax: 705 722 6588
www.bdo.ca

BDO Canada LLP
300 Lakeshore Drive
Suite 300
Barrie, ON L4N 0B4
Canada

Independent Auditor's Report

To the Board of Directors of Hospice Huronia

Qualified Opinion

We have audited the accompanying financial statements of Hospice Huronia (the organization), which comprise the statement of financial position as at March 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, 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 of the organization as at March 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 Qualified Opinion

In common with many charitable organizations, the organization derives revenues from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, 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 donations and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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 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 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 these 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 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization'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 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 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 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 23, 2022

Hospice Huronia
Statement of Financial Position

March 31	2022	2021
Assets		
Current		
Cash (note 2)	$ 507,403	$ 703,528
Accounts receivable (note 3)	86,399	29,219
Prepaid expenses	30,008	16,946
	623,810	749,693
Investments (note 4)	306,516	110,826
Capital Assets, at cost less accumulated amortization (note 5)	4,868,864	4,971,144
	$ 5,799,190	$ 5,831,663
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 145,236	$ 101,933
Government remittances payable	4,329	22,540
Due to Ministry of Health (note 6)	10,135	7,360
Deferred contributions (note 10)	29,368	109,137
Demand loan (note 7)	-	498,000
Current portion of long-term debt (note 8)	16,829	10,787
	205,897	749,757
Canada Emergency Business Account (CEBA) Loan (note 9)	40,000	40,000
Long-Term Debt (note 8)	475,559	237,251
Deferred Contributions Related to Capital Assets (note 11)	4,119,250	4,244,028
Net Assets		
Internally restricted (note 16)	300,000	150,000
Unrestricted	658,484	410,627
	958,484	560,627
	$ 5,799,190	$ 5,831,663

On behalf of the Board:

________________ Director ________________ Director

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

Hospice Huronia
Statement of Operations

For the year ended March 31	2022	2021
Revenues		
Ministry of Health - base	$ 624,864	$ 622,840
- one-time	260,944	66,795
Donations and fundraising	653,231	425,194
Amortization of deferred contributions related to capital assets (note 11)	131,378	129,384
Ontario Trillium Foundation grants	256,956	109,763
Other grants	15,295	3,604
Forgivable loan (note 9)	-	20,000
Investment income	2,235	10,183
	1,944,903	1,387,763
Expenses		
Residential Hospice		
Compensation	807,289	796,282
Supplies	12,079	34,918
Sundry	11,695	10,080
Building and grounds	704	-
	831,767	841,280
Visiting Hospice		
Compensation	63,507	44,676
Supplies	268	-
Sundry	3,465	5,561
	67,240	50,237
Support Services Training		
Compensation	101,834	41,806
Supplies	3,100	-
Sundry	5,900	3,007
	110,834	44,813
Administration		
Amortization	147,814	144,261
Compensation	35,031	64,684
Supplies	34,093	9,958
Sundry (note 14)	104,784	76,435
Equipment	11,968	-
Interest on debt	31,877	26,820
Buildings and grounds	28,027	20,987
Utilities	42,256	46,635
	435,850	389,780
Fundraising		
Compensation	74,791	38,938
Supplies	2,871	2,401
Sundry	23,693	20,219
	101,355	61,558
Total expenses	1,547,046	1,387,668
Excess of revenues over expenses for the year	$ 397,857	$ 95

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

Hospice Huronia
Statement of Changes in Net Assets

For the year ended March 31			2022	2021
	Internally Restricted (note 16)	Unrestricted	Total	Total
Balance, beginning of year	$ 150,000	$ 410,627	$ 560,627	$ 560,532
Excess of revenues over expenses for the year	-	397,857	397,857	95
Interfund transfer (note 16)	150,000	(150,000)	-	-
Balance, end of year	$ 300,000	$ 658,484	$ 958,484	$ 560,627

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

Hospice Huronia
Statement of Cash Flows

For the year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenues over expenses for the year	$ 397,857	$ 95
Charges (credits) to operations not involving cash		
Amortization of deferred contributions related to capital assets	(131,378)	(129,384)
Amortization of capital assets	147,814	144,261
Forgivable loan	-	(20,000)
	414,293	(5,028)
Change in non-cash working capital balances related to operations		
Accounts receivable	(57,180)	384,946
Prepaid expenses	(13,062)	(14,457)
Accounts payable and accrued liabilities	43,303	(647,438)
Government remittances payable	(18,211)	10,086
Due to the Ministry of Health	2,775	-
Deferred contributions	(79,769)	109,137
	292,149	(162,754)
Cash flows from investing activities		
Purchase of capital assets	(43,934)	(173,591)
Increase (decrease) in investments	(195,690)	16,621
	(239,624)	(156,970)
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	5,000	125,000
Repayment of long-term debt	(253,650)	(1,962)
Proceeds of demand loan	-	498,000
Proceeds of CEBA loan	-	60,000
	(248,650)	681,038
Net increase (decrease) in cash during the year	(196,125)	361,314
Cash, beginning of the year	703,528	342,214
Cash, end of the year	$ 507,403	$ 703,528

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

1. Significant Accounting Policies

Nature of Organization

Hospice Huronia (the "organization") is an incorporated not-for-profit organization without share capital under the Corporations Act (Ontario). The organization serves individuals and their families who are facing a life threatening illness or grieving the loss of a loved one. The organization operates a residential hospice providing accommodation and end of life care for individuals with terminal illnesses.

Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The significant estimates made in the preparation of these financial statements include the fair value of financial instrument and the estimated useful life of capital assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition

The organization follows the deferral method of accounting for contributions which includes donations and government subsidies. Operating revenue, including grants and subsidies are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period, it is deferred and recognized in that future period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures are recognized.

Contributions restricted for the purpose of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Interest revenues are recorded when earned.

For the year ended March 31, 2022

1. **Significant Accounting Policies** (continued)

Income Taxes

The organization is not subject to federal or provincial income taxes pursuant to exemptions accorded to registered charities in the income tax legislation.

Capital Assets

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair market value at the date of contribution. Where fair market value cannot be reasonably determined, contributed assets are recorded at nominal amounts.

Amortization is provided on capital assets based on a straight-line basis over their estimated useful lives as follows:

Furniture and equipment	10 years
Building	40 years
Computer hardware and software	5 years

Pledges

Pledges, which represent promises to donate cash, are not recorded as revenue until collected, unless the ultimate collection is reasonably assured.

In-Kind Contributions

Contributions of assets are recognized in the period they are donated at their fair market value when a fair value can be reasonably estimated and when the assets are used in the normal course of the organization's operations and would otherwise have been purchased.

Contributed services are not recognized in the financial statements due to the inherent difficulty in valuing the time of volunteers.

Allocation of Expenses

The organization operates three separate programs: Residential Hospice, Visiting Hospice and Support Services Training. Additionally, the organization pursues fundraising activities to supplement its income. The costs of each program includes expenses as detailed on the statement of operations. The organization also incurs general and administrative expenses that are common to the administration of the organization and each of its programs. The organization allocates certain general and administrative expenses to the programs on a pro rata basis based on budgeted amounts.

For the year ended March 31, 2022

1. Significant Accounting Policies (continued)

Pension Plan

The organization applies defined contribution plan accounting to its multi-employer defined benefit plan for which the organization has insufficient information to apply defined benefit plan accounting (see note 15).

Financial Instruments

Investment reported at fair value consist of equity instruments that are quoted in an active market as well as investments in pooled funds and any investments in fixed income securities and guaranteed investment certificates that the organization designates upon purchase to be measured at fair value. Investments in fixed income securities not designated to be measured at fair value and equity instruments not quoted in an active market are initially recorded at fair value plus transaction costs and are subsequently measured at amortized cost less any provision for impairment.

All other 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 statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the organization's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value or discounted cash flow is required. The organization considers that no circumstances exist that would require such evaluation.

For the year ended March 31, 2022

2. Cash

The organization's bank accounts are held at a credit union. The bank accounts earn interest at a variable rate dependent on the monthly minimum balances.

3. Accounts Receivable

		2022		2021
HST recoverable	$	28,025	$	12,806
Grants receivable		20,787		-
Government remittances recoverable		14,143		1,703
Due from Ministry of Health		23,444		14,710
	$	86,399	$	29,219

4. Investments

		2022		2021
Cash held with investment company	$	130	$	14,847
Guaranteed Investment Certificate, interest at 1.05%, maturity date of August 20, 2022		6,386		-
Guaranteed Investment Certificate, interest at 2.15%, maturity date of March 30, 2023		150,000		-
Guaranteed Investment Certificate, interest at 1.55%, maturity date of September 26, 2022		150,000		-
Guaranteed Investment Certificate, interest at 1.20%, maturity date of August 20, 2021		-		6,386
Huronia Community Foundation managed funds		-		89,593
	$	306,516	$	110,826

The investments have been recorded on the statement of financial position at their fair market value of $306,516 as at March 31, 2022 (2021 - $110,826).

For the year ended March 31, 2022

5. Capital Assets

	2022		2021	
	Cost	**Accumulated Amortization**	Cost	Accumulated Amortization
Land and development costs	**$ 135,350**	**$ -**	$ 135,350	$ -
Computer hardware and software	**43,693**	**36,242**	43,693	30,465
Furniture and fixtures	**219,561**	**47,016**	199,732	26,053
Building	**4,855,827**	**302,309**	4,830,122	181,235
	$ 5,254,431	**$ 385,567**	$ 5,208,897	$ 237,753
Net book value		**$ 4,868,864**		$ 4,971,144

6. Contingency

The organization receives funding from the Ministry of Health. The amount of funding provided to the organization is subject to final review and approval by the Ministry. As at the date of these financial statements, funding for the period April 1, 2021 to March 31, 2022 had not been subject to this review process. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

7. **Credit Facilities**

The organization has available credit facilities with the Meridian Credit Union ("Meridian"). The credit facilities include a non revolving loan to a maximum limit of $700,000 (2021 - construction loan to a maximum limit of $700,000), standby letters of credit to a maximum of $36,883 (2021 - $209,448), and available credit cards to a maximum of $5,000. Meridian can terminate the credit facilities at any time.

The construction loan was available on a demand basis at a floating rate of prime plus 1.75%. The organization was required to pay interest only on a monthly basis with the full amount repaid within twelve months of the initial advance. The amounts drawn against this facility by the organization as at March 31, 2022 is $NIL (2021 - $498,000). During 2022, the construction loan was converted into a non revolving term loan (see below).

The non revolving loan has a term of 5 years with payments to be calculated based on a maximum amortization period of 20 years from the initial date of drawdown. The fixed rate of interest is 4% with equal monthly blended payments of principal and interest of $3,018. The amount drawn against this credit facility at March 31, 2022 is $492,388 (2021 - $NIL) (see note 8).

Any drawdowns under the letters of credit will be converted to direct borrowings under the demand loan (construction). Fees are paid on an annual basis and automatically renewed annually subject to notice to the beneficiary within 30 days of the expiry date. The amounts drawn against this facility by the organization as of March 31, 2022 is $NIL (2021 - $NIL).

The above credit facilities are secured by a general security agreement over all of the organization's present and after acquired personal property; collateral mortgage for $1,250,000 on the property and buildings located at 948 Fuller Avenue, Penetanguishine, Ontario; assignment of rents and leases on the property and buildings located at 948 Fuller Avenue; assignment of fire insurance, indicating Meridian as the first loss payee or first mortgagee on the subject property and buildings located at 948 Fuller Avenue; assignment of builders all risk and wrap up liability insurance with Meridian listed as 1st loss payee/1st mortgagee; evidence of comprehensive general liability insurance of $5,000,000 to be carried by the organization with Meridian shown as additional insured; assignment of funds on deposit in the amount of $6,000.

The agreement governing the loan facility contains certain covenants regarding debt service coverage. Meridian requires the organization to maintain a debt service ratio greater than or equal to 1.15 measured on an annual basis and to commence with the first full fiscal period subsequent to the drawdown of the non-revolving loan.

For the year ended March 31, 2022

8. Long-Term Debt

		2022		2021
Second mortgage, North Simcoe Community Futures Development Corporation, see details below	$	-	$	248,038
Non revolving loan, Meridian Credit Union, interest at 4.00%, repayable in blended monthly installments of principal and interest of $3,018, due October 22, 2026, see note 7 for security		**492,388**		-
Less amount due within one year included in current liabilities		**(16,829)**		(10,787)
	$	**475,559**	$	237,251

North Simcoe Community Futures, Second Mortgage

On December 11, 2019, financing was obtained from North Simcoe Community Futures Development Corporation (NSCFDC) for working capital purposes in the amount of $250,000. Effective April 1, 2020 as a result of the economic impact of the COVID-19 pandemic, NSCFDC approved the deferral of principal and interest payments for 6 months. As a result, the loan incurred interest at the rate of 0% per annum from April 1, 2020 to September 30, 2020, and 6% per annum calculated monthly, interest only payments commencing from October 1, 2020 for 12 months, followed by 48 monthly blended payments of principal and interest of $3,000. The loan was due October 1, 2025 and open to repayment at any time.

The loan was secured by a general security agreement on all the assets of the organization, assignment of business insurance on the aforementioned assets based on NSCFDC's interest, a second mortgage in the amount of $250,000 on the property at 948 Fuller Avenue, Penetanguishine, Ontario and assignment of fire insurance on the aforementioned property based on NSCFDC's interest.

On December 1, 2021, the organization made a lump sum payment of $150,000 to pay down the balance of this mortgage. Another lump sum payment of $88,005 was made on March 1, 2022 to pay off the remaining balance of the NSCFDC mortgage.

Principal repayments of the non revolving loan with Meridian Credit Union for the next five fiscal years are as follows:

2023	$	16,829
2024		17,515
2025		18,228
2026		18,971
2027		420,845
	$	492,388

9. Government Assistance

The organization received the Canada Emergency Business Account (CEBA) loan for $60,000 in 2021. This Federal program is designed to help cover operating costs for organizations experiencing temporary revenue reductions as a result of COVID-19. The program provides an interest free loan to eligible entities with the possibility for a portion to be forgiven if a third of the loan is repaid by December 31, 2023. As a result, $20,000 of this loan was recognized in income during the prior fiscal year. In the event the loan is not repaid by December 31, 2023, the loan is converted to a 2 year loan with 5% interest rate, monthly interest payments commencing January 31, 2024, and has a maturity date of December 31, 2025.

10. Deferred Contributions

This amount represents grant funding received from the Ontario Trillium Foundation and Second Harvest which was unspent as at March 31, 2022. The funds are to be used to offset future expenses incurred by the organization for specific programs.

11. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized amount of grants and restricted donations received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

	2022	2021
Balance, beginning of year	**$ 4,244,028**	$ 4,233,662
Donations received for the purchase of capital assets	**5,000**	125,000
Donation of furniture and equipment	**1,600**	14,750
Amounts amortized to revenue	**(131,378)**	(129,384)
Balance, end of year	**$ 4,119,250**	$ 4,244,028

For the year ended March 31, 2022

12. Pledges

The balance of outstanding donation pledges related to the capital campaign are as follows:

	2022	2021
Balance of outstanding pledges, beginning of year	$ 4,941	$ 109,941
Pledges collected during the year	(4,941)	(105,000)
Balance of outstanding pledges, end of year	$ -	$ 4,941

13. Economic Dependence

The organization received 46% (2021 - 50%) of its revenue from the Ministry of Health.

14. Administrative Sundry Expenses

	2022	2021
Advertising	$ 3,905	$ 5,240
Bank charges	3,872	4,101
Data and software licences	21,067	12,571
Insurance	9,242	7,619
Memberships and subscriptions	5,706	3,619
Office expenses	13,664	6,444
Other sundry	19,476	4,615
Professional fees	27,456	32,226
Travel	396	-
	$ 104,784	$ 76,435

For the year ended March 31, 2022

15. Pension Plan

All permanent employees of the organization are members of the Healthcare of Ontario Pension Plan which is a multi-employer defined benefit pension plan available to all eligible employees of the participating members of the Ontario Hospital Association. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, that provide the highest earnings.

Pension assets consist of investment grade securities. Market and credit risk on these securities are managed by the Healthcare of Ontario Pension Plan by placing plan assets in trust and through the Plan investment policy.

Pension expense is based on Plan management's best estimates, in consultation with its actuaries, of the amount, together with the percentage of salary contributed by employees, required to provide a high level of assurance that benefits will be fully represented by fund assets at retirement, as provided by the Plan. The funding objective is for employer contributions to the Plan to remain a constant percentage of employees' contributions.

The Plan provides pension services to more than 419,000 active and retired members and approximately 624 employers. The Plan is a multi-employer plan and therefore the organization's contributions are accounted for as if the Plan were a defined contribution plan with the organization's contributions being expensed in the period they come due. Each year, an independent actuary determines the funding status of the Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The results of the most recent valuation as at December 31, 2021 disclosed a surplus of $28,512 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of $188,641 million in respect of benefits accrued for service with actuarial assets at that date of $217,153 million. Because the Plan is a multi-employer plan, any pension plan surpluses or deficits are a joint responsibility of Ontario member organizations and their employees. As a result, the organization does not recognize any share of the Plan surplus or deficit.

Employer contributions made to the Plan during the year by the organization amount to $79,643 (2021 - $83,280) and is included in compensation expense.

16. Contingency Fund

The board of directors has established a contingency fund to be used to offset unforeseen future expenses. The use of the funds are subject to the approval of the board of directors.

The board of directors approved a transfer of an additional $150,000 to the contingency fund at the March 24, 2022 board meeting.

17. Financial Instruments

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 exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The organization is exposed to credit risk arising from its bank accounts being held in one financial institution in excess of the amount insured by agencies of the federal government in the amount of $250,000. The organization is also exposed to credit risk arising from its accounts receivable. 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 the funding.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the 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, government remittances payable, amounts due to Ministry of Health, long-term debt and CEBA loan.

The organization is no longer exposed to market risk. There have been no other changes to the organization's financial instrument risk exposure from the prior year.

For the year ended March 31, 2022

18. Allocation of Expenses

The organization classifies their expenses by function and allocates corporate administrative expenses from one function to another as described in note 1 - Significant Accounting Policies. Expenses have been allocated to various programs as follows:

	Residential Hospice	Visiting Hospice	Support Services Training	Fundraising	2022 Total
Compensation	$ 30,666	$ 15,540	$ 15,540	$ 31,081	$ 92,827

	Residential Hospice	Visiting Hospice	Support Services Training	Fundraising	2021 Total
Compensation	$ 30,351	$ 15,175	$ 15,175	$ 30,351	$ 91,052

19. Related Party Transactions

During the year, the organization received donations of $14,057 (2021 - $13,200) from the board of directors. These transactions were carried out in the normal course of operations and are recorded at their exchange amount.

20. COVID-19

Due to the ongoing effects of the COVID-19 pandemic, the province of Ontario imposed closures and restrictions on many establishments in 2021. As an essential business the organization continued operations and incurred additional costs to comply with government and internal policies to curb the spread of the virus.

During the current and prior fiscal year, the organization applied for government related programs, specifically the Canada Emergency Business Account (CEBA) loan (note 9), Ontario Trillium Foundation grants and several one time Ministry funding to combat the impacts of the pandemic on the organization's operations.

On March 1, 2022, the province of Ontario lifted nearly all of its COVID-19 restrictions. If the effects of COVID-19 worsen, there could be further impacts on the organization, its suppliers, employees, funders and creditors. The board and management are actively monitoring the impacts on its financial condition, liquidity, operations, suppliers, industry and workforce. At this time, the full potential impact of COVID-19 on the organization is not known.