Hospice Huronia
Financial Statements
For the year ended March 31, 2019

Contents

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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, 2019, 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, 2019, 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, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 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 27, 2019

Hospice Huronia
Statement of Financial Position

March 31	2019	2018
Assets		
Current		
Cash (note 2)	$ 671,661	$ 217,118
Accounts receivable (note 3)	8,521	49,093
Prepaid expenses	48,327	6,650
	728,509	272,861
Investments (note 5)	1,830,422	386,703
Land Held for Sale	50,000	-
Capital Assets, at cost less accumulated amortization (note 6)	503,772	73,986
	$ 3,112,703	$ 733,550
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 23,453	$ 41,946
Government remittances payable	4,113	2,955
Due to Ministry of Health and Long-Term Care/LHIN (note 4)	7,360	7,360
Due to related party (note 8)	-	150,000
Deferred contributions (note 10)	2,259,680	256,740
	2,294,606	459,001
Deferred Contributions Related to Capital Assets (note 11)	365,798	48,653
Commitments (note 13)		
Net Assets		
Internally restricted (note 17)	150,000	200,000
Unrestricted	302,299	25,896
	452,299	225,896
	$ 3,112,703	$ 733,550

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	2019	2018
Revenues		
Ministry of Health and Long-Term Care/LHIN - base	$ 93,640	$ 83,569
- one-time	16,000	9,704
Donations and fundraising	289,857	52,825
Amortization of deferred contributions related to capital assets (note 11)	4,518	4,092
County of Simcoe	-	14,950
Other	-	271
Investment income	17,016	16,360
	421,031	181,771
Expenses		
Visiting Hospice		
Compensation	55,364	50,422
Supplies	1,115	1,467
Sundry	9,768	9,047
Equipment	309	976
	66,556	61,912
Support Services Training		
Compensation	46,282	57,853
Supplies	1,977	1,291
Sundry	8,412	6,701
Equipment	309	-
	56,980	65,845
Administration		
Amortization	7,480	7,054
Compensation	21,298	64,948
Supplies	7,265	4,443
Sundry (note 15)	71,834	50,919
Buildings and grounds	8,681	9,040
	116,558	136,404
Fundraising		
Compensation	117,331	26,642
Supplies	1,609	7,320
Sundry	7,458	2,241
Equipment	-	1,040
	126,398	37,243
Total expenses	366,492	301,404
Excess of revenues over expenses (expenses over revenues) for the year	$ 54,539	$ (119,633)

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			2019	2018
	Internally Restricted (note 17)	Unrestricted	Total	Total
Balance, beginning of year	$ 200,000	$ 25,896	$ 225,896	$ 332,043
Excess of revenues over expenses (expenses over revenues) for the year	-	54,539	54,539	(119,633)
Interfund transfer (note 17)	(50,000)	50,000	-	-
Deferred contributions used to purchase non-depreciable capital assets (note 10)	-	30,114	30,114	13,486
Donations of non-depreciable assets	-	141,750	141,750	-
Balance, end of year	$ 150,000	$ 302,299	$ 452,299	$ 225,896

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

Hospice Huronia
Statement of Cash Flows

For the year ended March 31		2019		2018
Cash flows from operating activities				
Excess of revenues over expenses (expenses over revenues) for the year	$	54,539	$	(119,633)
Charges (credits) to operations not involving cash				
Amortization of deferred contributions related to capital assets		(4,518)		(4,092)
Amortization of capital assets		7,480		7,054
Unrealized loss on disposal of capital assets		-		14,950
		57,501		(101,721)
Change in non-cash working capital balances related to operations				
Accounts receivable		40,572		(46,001)
Prepaid expenses		(41,677)		(4,800)
Accounts payable and accrued liabilities		(18,493)		31,134
Government remittances payable		1,158		2,450
Deferred contributions		2,033,054		269,421
		2,072,115		150,483
Cash flows from investing activities				
Purchase of capital assets		(345,516)		(86,374)
Increase in investments		(1,443,719)		(106,001)
		(1,789,235)		(192,375)
Cash flows from financing activities				
Increase in deferred contributions related to capital assets		321,663		52,745
Advance from related party		-		150,000
Repayment of related party balance		(150,000)		-
		171,663		202,745
Net increase in cash during the year		454,543		160,853
Cash, beginning of the year		217,118		56,265
Cash, end of the year	$	671,661	$	217,118

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.

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 instruments, the estimated useful life of capital assets and amounts due to Ministry of Health and Long-Term Care/LHIN. 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, 2019

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:

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 two separate programs: 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, 2019

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

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. 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.

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

	2019	2018
HST recoverable	$ 8,521	$ 8,903
Pledges receivable	-	5,000
Due from County of Simcoe	-	34,800
Due from Ministry of Health and Long-Term Care/LHIN	-	390
	$ 8,521	$ 49,093

4. Contingency

The organization receives funding from the Ministry of Health and Long-Term Care/Local Health Integration Network (LHIN). The amount of funding provided to the organization is subject to final review and approval by the LHIN. As at the date of these financial statements, funding for the period April 1, 2018 to March 31, 2019 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.

5. Investments

	2019 Market	2019 Cost	2018 Market	2018 Cost
Cash held with investment company	8,233	$ 8,233	$ 1,400	$ 1,400
Guaranteed Investment Certificates	26,891	26,718	258,332	256,837
Money market mutual fund	1,701,888	1,701,888	13,587	13,587
Fixed income bonds	-	-	33,074	30,000
Huronia Community Foundation managed funds	93,410	78,236	80,310	78,236
	$ 1,830,422	$ 1,815,075	$ 386,703	$ 380,060

The guaranteed investment certificates have a total face value of $26,718 (2018 - $256,837) with an interest rates between 2.35% to 3.05% (2018 - 1.00% to 3.05%) and maturity dates between May 20, 2019 to November 18, 2020 (2018 - December 19, 2018 to February 4, 2021).

The investments have been recorded on the statement of financial position at their fair market value of $1,830,422 as at March 31, 2019 (2018 - $386,703).

6. Capital Assets

	2019 Cost	2019 Accumulated Amortization	2018 Cost	2018 Accumulated Amortization
Land	$ 91,750	$ -	$ -	$ -
Construction in progress	343,426		32,282	-
Land development	43,600	-	13,486	-
Computer hardware and software	39,531	14,535	35,272	7,054
	$ 518,307	$ 14,535	$ 81,040	$ 7,054
Net book value		$ 503,772		$ 73,986

The costs incurred to date for the construction of the residential hospice building (see note 9) are included in construction in progress during the year. No amortization will be recorded until the residence is complete and in use.

7. Credit Facilities

The organization has available credit facilities with the Meridian Credit Union ("Meridian"). The credit facilities include a demand loan (construction) to a maximum limit of $725,000, standby letters of credit to a maximum of $268,829, and available credit cards to a maximum of $5,000. Meridian can terminate the credit facilities at any time.

The construction loan is available on a demand basis at a floating rate of prime plus 1.75%. The organization is required to pay interest only on a monthly basis with the full amount to be repaid within twelve months of the initial advance. The amounts drawn against this facility by the organization as at March 31, 2019 is $NIL.

As part of the above credit facility, the organization has available a non revolving loan upon completion of construction to a maximum limit of $725,000. The term of the loan is 5 years with payments to be calculated based on a maximum amortization period of 20 years from the initial date of drawdown. The loan has a variable rate or fixed rate options. The variable rate is the prime rate plus 1.25%, equal monthly blended payments of principal and interest of $4,866. The fixed rate is based on cost of funds plus 2.25%, equal monthly blended payments of principal and interest.

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, 2019 is $NIL.

The organization also has available credit cards with an aggregate limit of $5,000 of which $NIL was utilized at March 31, 2019. Interest and fees payable as set forth in the VISA credit agreement.

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.

8. Due to Related Party

During fiscal 2018, a board member loaned $150,000 to the organization for the purpose of obtaining financing for the capital project. The loan was non-interest bearing, unsecured and had no specific terms of repayment. The amount was repaid in full during the year.

9. Capital Project

In a planning agreement for the Hospice Capital Program dated March 22, 2018 between the organization and the Ministry of Health and Long-Term Care, the Ministry approved up to $150,000 maximum in planning funds for the planning of the construction of a five bed residential hospice building. The organization received $150,000 during the current fiscal year (note 11). In addition, subsequent to March 31, 2019, the organization has requested the release of an additional $850,000 in approved capital program funding from the Ministry.

In addition, during the year the organization purchased land for the construction of the residential hospice from The Corporation of the Town of Penetanguishene for a purchase price of $2. The ownership transfer of this land closed on April 13, 2018 and the land has been recorded in capital assets at its fair market value of $91,750 (see note 6). In addition, on March 20, 2018, the two parties to this real estate transaction signed an amending agreement whereby on the closing of the land sale, Hospice Huronia grants the seller the option to repurchase the property for $1 in the event Hospice Huronia does not commence construction of the proposed residential hospice building within three years of the closing date of the sale of the property.

10. Deferred Contributions

Deferred contributions represents unspent externally restricted contributions received for the capital campaign for the construction of the 5 bed residential hospice.

Changes in the deferred contributions balances are as follows:

	2019	2018
Capital Campaign		
Balance, beginning of year	$ 255,140	$ -
Deferred contributions received	2,189,006	281,058
Investment income	11,050	-
Contributions used towards capital asset purchases and transferred to deferred contributions related to capital assets (note 11)	(165,402)	(12,432)
Contributions used to purchase non-depreciable assets and recorded as a direct increase to unrestricted net assets	(30,114)	(13,486)
Balance, end of year	2,259,680	255,140
Other Contributions		
Balance, beginning of year	1,600	805
Contributions received for future fundraising events	-	1,600
Amounts recognized as revenue in the year	(1,600)	(805)
	-	1,600
	$ 2,259,680	$ 256,740

For the year ended March 31, 2019

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.

	2019	2018
Balance, beginning of year	$ 48,653	$ -
Contributions received from the Ministry of Health and Long-Term Care/LHIN for the capital project (note 9)	150,000	20,463
Contribution received from the Ministry of Health and Long-Term Care/LHIN for a chair lift	6,261	-
Contributions received from the County of Simcoe	-	19,850
Amounts transferred from deferred contributions relating to capital campaign (note 10)	165,402	12,432
Amounts amortized to revenue	(4,518)	(4,092)
Balance, end of year	$ 365,798	$ 48,653

12. Pledges

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

	2019	2018
Balance of outstanding pledges, beginning of year	$ 219,781	$ -
Pledges received during the year	755,864	266,274
Pledges collected during the year	(321,288)	(46,493)
Balance of outstanding pledges, end of year	$ 654,357	$ 219,781

For the year ended March 31, 2019

13. Commitments

The organization had an operating lease for its premises at an annual fee of $7,200 plus HST, which expired April 30, 2016. This lease has been extended on a month by month basis under the terms of the existing lease agreement and includes a six month notice of cancellation by either party.

Effective April 1, 2018, the organization entered into an agreement with Business Services Unlimited, Limited to provide financial accounting and payroll services for an annual fee of $6,000 plus HST. This agreement extends until either party terminates the agreement.

The organization has entered into a contract for architect services relating to their capital project (see note 9) at a fee equal to $197,500 plus HST. For the year ended March 31, 2019, $172,470 (2018 - $22,162) was paid related to this agreement.

Subsequent to year end, the organization signed an agreement for the construction of its new residential hospice building (see note 9). The total contract price is $4,294,200 plus HST. Work under this contract commenced June 3, 2019, with an expected completion date of March 31, 2020.

14. Economic Dependence

The organization received 26% (2018 - 54%) of its revenue from the Ministry of Health and Long-Term Care/LHIN.

15. Administrative Sundry Expenses

	2019	2018
Advertising	$ 5,014	$ 8,571
Bank charges	1,929	874
Data and software licences	3,854	1,945
Insurance	3,408	2,106
Memberships and subscriptions	2,548	1,944
Office expenses	3,811	2,014
Other sundry	6,221	2,063
Professional fees	43,762	30,581
Travel	1,287	821
	$ 71,834	$ 50,919

For the year ended March 31, 2019

16. 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 357,000 active and retired members and approximately 570 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, 2018 disclosed a surplus of $13,891 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of $158,965 million in respect of benefits accrued for service with actuarial assets at that date of $172,856 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 $13,432 (2018 - $4,261) and is included in compensation expense.

17. 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. During the year, the Board approved the transfer of $50,000 to unrestricted net assets from this fund to be used towards the capital campaign.

18. 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 also exposed to credit risk arising from its accounts receivable. Credit risk is the risk that the counterparty to the transaction will not pay. 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 and amounts due to Ministry of Health and Long-Term Care/LHIN.

Market Risk

The organization is exposed to fluctuations in equity markets on its investments.

There have been no changes to the organization's financial instrument risk exposure from the prior year.

19. Allocation of Expenses

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

	Visiting Hospice	Support Services Training	Fundraising	2019 Total
Compensation	$ 9,540	$ 9,540	$ 55,021	$ 74,101