Hospice Simcoe - Seasons Centre
Financial Statements
For the year ended March 31, 2026

Contents

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Independent Auditor's Report

To the Board of Directors of Hospice Simcoe - Seasons Centre

Qualified Opinion

We have audited the accompanying financial statements of Hospice Simcoe - Seasons Centre (the organization), which comprise the statement of financial position as at March 31, 2026, 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, 2026, 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, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 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.

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario
June 22, 2026

Hospice Simcoe - Seasons Centre
Statement of Financial Position

March 31	2026	2025
Assets		
Current		
Cash (note 2)	$ 569,680	$ 849,087
Accounts receivable (note 3)	257,598	164,181
Inventory	1,519	1,519
Prepaid expenses	112,238	92,838
Investments (note 4)	6,290,525	3,530,576
	7,231,560	4,638,201
Capital Assets, at cost less accumulated amortization (note 5)	4,743,132	4,439,330
	$ 11,974,692	$ 9,077,531
Liabilities and Net Assets		
Current Liabilities		
Accounts payable and accrued liabilities	$ 231,229	$ 318,680
Government remittances payable	6,918	40,808
Deferred contributions (note 6)	172,570	71,575
	410,717	431,063
Deferred Contributions Related to Capital Assets (note 7)	5,140,277	4,212,859
Deferred Contributions Related to Repayment of Mortgage (note 8)	72,476	74,562
Commitments (note 9)		
Contingency (note 10)		
Net Assets		
Internally restricted reserve funds (note 11)	4,400,000	725,000
Unrestricted	1,951,222	3,634,047
	6,351,222	4,359,047
	$ 11,974,692	$ 9,077,531

On behalf of the Board:

R. Savage Director   Sharon D. Hannigan Director

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

Hospice Simcoe - Seasons Centre
Statement of Operations

For the year ended March 31	2026	2025
Revenues		
Donations and fundraising	$ 4,786,018	$ 3,012,039
Ministry of Health - base	2,000,470	1,998,667
- one-time	183,366	134,267
Amortization of deferred contributions related to capital assets (note 7)	232,312	236,409
Interest and dividend income	166,584	156,465
Other revenues and recoveries	35,481	10,409
County of Simcoe grant	28,797	-
Ontario Trillium Foundation grant	10,600	10,600
Other grants	3,200	21,123
Amortization of deferred contributions related to repayment of mortgage (note 8)	2,086	2,086
Community Services Recovery Fund grant	-	31,558
Unrealized gain on investments (note 4)	-	25,454
United Way	-	20,780
	7,448,914	5,659,857
Expenses		
Advertising	51,942	34,827
Amortization of capital assets	232,312	254,142
Bank charges	27,256	36,420
Data processing	94,984	78,099
Employee benefits	788,411	684,710
Fundraising	127,497	110,783
Insurance	38,358	43,585
Meetings	35,371	31,960
Membership and dues	15,664	15,879
Office	19,545	16,573
Other	46,141	48,135
Professional fees	115,808	139,680
Rent	49,937	50,890
Repairs and maintenance	169,606	176,650
Salaries and wages	3,392,393	3,155,658
Supplies	74,279	58,190
Telephone	17,575	17,564
Training and development	55,791	64,480
Travel	23,927	47,896
Utilities	69,783	72,043
Volunteer recognition	10,159	6,330
Total expenses	5,456,739	5,144,494
Excess of revenues over expenses for the year	$ 1,992,175	$ 515,363

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

Hospice Simcoe - Seasons Centre
Statement of Changes in Net Assets

March 31			2026	2025
	Internally Restricted	Unrestricted	Total	Total
	(note 11)			
Balance, beginning of the year	$ 725,000	$ 3,634,047	$ 4,359,047	$ 3,843,684
Excess of revenues over expenses for the year	-	1,992,175	1,992,175	515,363
Interfund transfer (note 11)	3,675,000	(3,675,000)	-	-
Balance, end of the year	$ 4,400,000	$ 1,951,222	$ 6,351,222	$ 4,359,047

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

Hospice Simcoe - Seasons Centre
Statement of Cash Flows

For the year ended March 31	2026	2025
Cash flows from operating activities		
Excess of revenues over expenses for the year	$ 1,992,175	$ 515,363
Charges (credits) to operations not involving cash		
Amortization of capital assets	232,312	254,142
Amortization of deferred contributions related to capital assets	(232,312)	(236,409)
Amortization of deferred contributions related to repayment of mortgage	(2,086)	(2,086)
Unrealized gain on investments	-	(25,454)
	1,990,089	505,556
Change in non-cash working capital balances related to operations		
Accounts receivable	(93,417)	(25,450)
Prepaid expenses	(19,400)	(13,718)
Accounts payable and accrued liabilities	(87,451)	84,808
Government remittances payable	(33,890)	(31,018)
Deferred contributions	100,995	(61,480)
	1,856,926	458,698
Cash flows from investing activities		
Additions to capital assets	(536,114)	(182,188)
Increase in investments	(2,759,949)	(152,398)
	(3,296,063)	(334,586)
Cash flows from financing activities		
Increase in deferred contributions related to capital assets	1,159,730	150,019
Net increase (decrease) in cash during the year	(279,407)	274,131
Cash, beginning of the year	849,087	574,956
Cash, end of the year	$ 569,680	$ 849,087

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

1. Significant Accounting Policies

Nature of Organization

Hospice Simcoe - Seasons Centre is an incorporated not-for-profit organization without share capital under the Corporations Act (Ontario). The organization operates a residential hospice to provide accommodation and end of life care for individuals with terminal illnesses, and offers support to individuals and their families who are facing a life-threatening illness or grieving the loss of a loved one. It also provides peer to peer support programs for children, teens and their families grieving the death or life-threatening illness 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 estimated useful life of capital assets and the fair value of financial instruments. 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 revenues, 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 expenses are recognized.

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

Investment income is recognized as revenue in the statement of operations when earned.

1. Significant Accounting Policies (continued)

Pledges

Pledges, which represent promises to donate cash, are not recorded as revenue until collected.

In-Kind Contributions

Contributions of materials and assets which are used in the normal course of operations and would otherwise have been purchased are recognized in the period they are donated at their fair market value if the fair value can be reasonably estimated.

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

Capital Assets

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

Amortization based on the estimated useful life of the asset is calculated as follows:

	Method	Rate
Building	Straight-line	20 - 50 years
Computers and software	Straight-line	3 - 4 years
Furniture and equipment	Straight-line	5 - 15 years
Landscaping	Straight-line	15 years
Leasehold improvements	Straight-line	Lease term
Parking lot	Straight-line	10 - 15 years
Website	Straight-line	4 years

When a capital asset no longer contributes to an organization's ability to provide goods and services, or the future economic benefits or service potential of the capital asset is less than its carrying value, the excess of its net carrying amount over its fair value or replacement cost is recognized as an expense in the statement of operations. Any unamortized deferred contribution amount related to the capital asset is recognized in revenue in the statement of operations, provided that all restrictions have been complied with.

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

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.
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 13).
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.
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 an evaluation.
Inventory	Inventory is stated at the lower of cost and net realizable value. Net realizable value is determined based on current selling prices.

2. Cash

The organization's bank account is held at a chartered bank. The bank account earns interest at a variable rate dependent on the monthly minimum balances.

In addition, the organization has an operating line of credit facility available in the amount of $400,000. Any outstanding amount bears interest at the bank's prime rate plus 1% and is secured by a general security agreement, a collateral mortgage representing a first charge on the property at 336 Penetanguishene Road, Barrie, Ontario, and assignment of fire insurance. There is no balance outstanding as at March 31, 2026 (2025 - $NIL).

3. Accounts Receivable

	2026	2025
County of Simcoe capital grant receivable	$ 145,244	$ -
HST rebate receivable	106,856	162,490
Other receivable	5,498	1,691
	$ 257,598	$ 164,181

4. Investments

	2026	2025
Cash (interest rate of 0.1% (2025 - 0.1%))	$ 382,369	$ 1,514
High interest savings accounts (interest rate of 1.95% (2025 - 2.45%))	1,287,720	581,280
Guaranteed investment certificates	4,555,541	2,509,642
Canada Life mutual funds - 0 units (2025 - 26,005 units)	-	355,633
Accrued interest receivable	64,895	82,507
	$ 6,290,525	$ 3,530,576

The guaranteed investment certificates have interest rates of 2.25% to 5.76% (2025 - 2.00% to 5.76%) and maturity dates ranging from May 20, 2026 to May 30, 2029 (2025 - April 10, 2025 to May 30, 2029).

Investments in securities with an active market have been recorded at market value based on quoted market prices at March 31, 2026. Guaranteed investment certificates are recorded at carrying value plus accrued interest, which approximates market value at March 31, 2026. The organization has recognized an unrealized gain in the amount of $NIL (2025 - $25,454) related to the change in the fair value of investments during the year. This gain has been recorded in the statement of operations.

March 31, 2026

5. Capital Assets

	2026		2025	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	$ 771,654	$ -	$ 771,654	$ -
Buildings	4,728,370	1,864,105	4,649,701	1,745,566
Computers and software	107,229	102,993	107,229	98,364
Furniture and equipment	1,213,642	893,687	1,168,739	819,176
Landscaping	257,453	176,605	257,453	163,893
Leasehold improvements	38,364	26,855	38,364	23,025
Parking lot	356,148	241,276	356,148	220,665
Website	31,154	9,884	31,154	12,404
Construction in progress	554,523	-	141,981	-
	$ 8,058,537	$ 3,315,405	$ 7,522,423	$ 3,083,093
Net book value		$ 4,743,132		$ 4,439,330

During the year, the organization acquired capital assets with a total cost of $536,114 (2025 - $207,188). Of this total $536,114 (2025 - $182,188) was paid in cash and $NIL (2025 - $25,000) was an in-kind donation.

Construction in progress are expenses related to the upcoming construction of a new building. Amortization of these costs will commence upon completion of construction.

6. Deferred Contributions

This amount represents various contributions received by the organization. Included in the balance at March 31, 2026 is $37,172 (2025 - $44,216) received in advance for the Tender Hearts Gala, $7,675 (2025 - $27,359) received in advance for the Hike for Hospice event, and $127,723 (2025 - $NIL) received from Ontario Health for residential funding related to the next fiscal year. The funds are to be used to offset future expenses incurred by the organization.

7. 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. In addition, of the donations received that are restricted for capital purchases, $1,640,497 (2025 - $1,016,880) has not been spent as at March 31, 2026.

	2026	2025
Balance, beginning of year	**$ 4,212,859**	$ 4,274,249
Donations received during the year for the purchase of capital assets	**869,520**	52,200
Contribution received from the County of Simcoe for the purchase of capital assets	**215,210**	97,819
Contribution received from Ministry of Health for the purchase of capital assets	**75,000**	-
Donation in-kind received for website	**-**	25,000
Amounts amortized to revenue	**(232,312)**	(236,409)
Balance, end of year	**$ 5,140,277**	$ 4,212,859

8. Deferred Contributions Related to Repayment of Mortgage

Deferred contributions represent the unamortized amount of restricted donations received to be used in the settlement of the mortgage. The amortization of these contributions is recorded as revenue in the statement of operations.

	2026	2025
Balance, beginning of year	**$ 74,562**	$ 76,648
Amounts amortized to revenue	**(2,086)**	(2,086)
Balance, end of year	**$ 72,476**	$ 74,562

9. Commitments

The organization has entered into an agreement with Blackbaud for the use of Raiser's Edge NXT which extends to May 30, 2028 and a lease for its premises at 130 Bell Farm Road, expiring on January 31, 2027.

During the year, the organization entered into an agreement with Royal Victoria Regional Health Centre for MEDITECH system administration and support, and professional privacy advisory and operational support services. The agreement commences April 1, 2026 and is effective for 10 years with an additional 5 year extension term at the organization's discretion. The annual commitment is $46,767, which is subject to an annual increase based on the Consumer Price Index (CPI) capped at no more than 3% per year.

Total obligations for the next five years, exclusive of realty taxes and other occupancy charges, are as follows:

Year		Amount
2027	$	102,590
2028		80,523
2029		52,462
2030		46,767
2031		46,767
Thereafter		233,836
	$	562,945

During the year, the organization entered into a contract with Forty-Five Scapes Inc. for patio improvements. The total contract value is $105,436 plus HST, of which $21,087 remained outstanding at March 31, 2026 and is expected to be completed and paid in the next fiscal year.

During the year, the organization continued its engagement with Salter-Pilon Architecture for architectural services related to the new building construction project and in the current year entered into an additional agreement related to the additional bed project. The total contract value is $1,424,009 plus HST for the main project and $178,500 plus HST for the additional bed project. As at March 31, 2026, $451,301 (2025 - $75,000) of costs under these contracts had been incurred and capitalized to construction in progress, including $67,731 (2025 - $7,500) of amounts recorded in accounts payable and accrued liabilities on the statement of financial position. The remaining commitments under these contracts are expected to be incurred as the projects progress in fiscal 2027.

10. 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, 2025 to March 31, 2026 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.

11. Internally Restricted Reserve Funds

Operating Reserve Fund

The Board of Directors has established an operating reserve fund for the purpose of covering annual operating deficits or ensuring a steady supply of income in the event of cash flow disruption. The organization will strive to maintain the reserve fund at a balance equal to approximately six months of non-Ministry funded operating costs.

	2026	2025
Balance, beginning of year	$ 625,000	$ 625,000
Transfer from unrestricted net assets	775,000	-
Balance, end of the year	$ 1,400,000	$ 625,000

Capital Reserve Fund

The Board of Directors has established the Capital Reserve Fund for the purpose of future capital projects, renovations and improvements.

	2026	2025
Balance, beginning of year	$ 100,000	$ 100,000
Transfer from unrestricted net assets	2,900,000	-
Balance, end of the year	$ 3,000,000	$ 100,000
Total Internally Restricted Reserve Funds	$ 4,400,000	$ 725,000

12. Economic Dependence

The organization received 29% (2025 - 38%) of its revenue from the Ministry of Health.

13. Pension Plan

Healthcare of Ontario Pension Plan (the "Plan") 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 the best estimates of management of the Plan, 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 504,237 active and retired members and approximately 871 employers. Substantially all of the full-time employees and some of the part-time employees are members of the Plan. 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, 2025 disclosed a surplus of $11,103 million. The results of this valuation disclosed total actuarial liabilities and pension obligations of $261,782 million in respect of benefits accrued for service with actuarial assets at that date of $272,885 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 $281,349 (2025 - $251,654) and is included in employee benefits expense.

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 has an operating line of credit facility available that bears interest at the bank's prime rate plus 1% however there is no balance outstanding on this credit facility. The organization invests in a diversified portfolio including fixed income guaranteed investment certificates and therefore their exposure to interest rate risk is considered to be minimal. The organization mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

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 and HST receivable. Credit risk is the risk that the counterparty to the transaction will not pay. 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. The organization is also exposed to credit risk arising from its bank and investment accounts being held at financial institutions in excess of the amount insured by agencies of the federal government of $100,000.

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 and government remittances payable.

The organization is no longer subject to market risk as it sold the equity investments during the year. There have been no other changes to the organization's financial instrument exposure from the prior year.