HUMANA COMMUNITY SERVICES

Financial Statements

March 31, 2022

HUMANA COMMUNITY SERVICES

Financial Statements

For The Year Ended March 31, 2022

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GRAHAM SCOTT ENNS LLP
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INDEPENDENT AUDITORS' REPORT

To the Members of **Humana Community Services**:

Opinion
We have audited the financial statements of **Humana Community Services**, 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, the organization's 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 Opinion
We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

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

Auditors' Responsibilities for the Audit of the 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.

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INDEPENDENT AUDITORS' REPORT (CONTINUED)

Auditors' Responsibilities for the Audit of the Financial Statements (Continued)
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.

St. Thomas, Ontario

June 28, 2022

Graham Scott Enns LLP
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

HUMANA COMMUNITY SERVICES

Statement of Financial Position
As at March 31, 2022

	2022 $	2021 $
ASSETS		
CURRENT ASSETS		
Cash (Note 2)	**1,034,727**	1,673,257
Investments (Note 3)	**4,251,417**	4,697,380
Accounts receivable (net of allowance of $28,442, 2021 - $Nil)	**1,045,364**	642,486
Government remittances recoverable	**373,267**	170,998
Prepaid expenses	**42,506**	70,435
Due from Humana Community Services Foundation (Note 15)	**30,493**	7,850
	6,777,774	7,262,406
TANGIBLE CAPITAL ASSETS (NOTE 4)	**2,322,881**	2,350,695
TOTAL ASSETS	**9,100,655**	9,613,101
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	**812,701**	975,823
Repayable to the Ministries (Note 9)	**790,287**	681,347
Government remittances payable	**51,078**	153,414
Vacation pay accrual	**101,326**	84,655
Deferred revenues (Note 6)	**298,314**	378,668
Current portion of long-term debt (Note 8)	**16,237**	15,807
	2,069,943	2,289,714
LONG-TERM DEBT (NOTE 8)	**151,130**	167,306
DEFERRED CAPITAL CONTRIBUTIONS (NOTE 7)	**228,541**	117,642
LEASE COMMITMENTS (NOTE 10)		
CONTINGENT LIABILITIES (NOTE 11)		
TOTAL LIABILITIES	**2,449,614**	2,574,662
NET ASSETS	**6,651,041**	7,038,439
TOTAL LIABILITIES AND NET ASSETS	**9,100,655**	9,613,101

On behalf of the Board:

Director

Lisa Madter
Director

See accompanying notes to the financial statements.

HUMANA COMMUNITY SERVICES

Statement of Changes in Net Assets
For The Year Ended March 31, 2022

	2022 $	*Combined Figures (Note 17)* 2021 $
BALANCE, BEGINNING OF YEAR	**7,038,439**	6,033,982
(Deficiency) excess of revenues over expenditures for the year	**(387,398)**	1,004,457
BALANCE, END OF YEAR	**6,651,041**	7,038,439

See accompanying notes to the financial statements.

HUMANA COMMUNITY SERVICES

Statement of Operations
For The Year Ended March 31, 2022

	2022 $	*Combined Figures (Note 17)* 2021 $
REVENUES		
Ministry subsidies - annual base funding	**7,227,196**	7,988,450
Fee for service	**2,852,205**	3,098,284
Ministry subsidies - one-time funding	**763,396**	848,056
Client and guardian support	**439,503**	424,601
Other income (Note 3)	**395,920**	540,644
Donations and grants	**132,071**	84,824
	11,810,291	12,984,859
EXPENDITURES		
Wages and benefits	**9,452,388**	10,783,629
Professional and contracted services	**519,544**	313,946
Professional contract and information technology services	**315,207**	291,112
Food services and supplies	**298,573**	207,737
Purchased client services	**235,590**	310,777
Travel and communications	**181,847**	160,847
Rent and mortgage payments (Note 8)	**173,570**	263,970
Utilities	**138,379**	125,131
Repairs and maintenance services	**121,151**	255,725
Repairs and maintenance supplies	**127,421**	179,508
Insurance	**116,458**	124,248
Supplies and equipment - information technology	**88,390**	113,031
Other services	**81,887**	90,500
Other supplies and equipment	**70,302**	146,751
Staff training	**70,067**	69,476
Other expenses	**28,442**	109,672
Advertising and promotion	**2,039**	134,800
	12,021,255	13,680,860
DEFICIENCY OF REVENUES OVER EXPENDITURES	**(210,964)**	(696,001)
EXCESS REPAYABLE TO THE MINISTRIES	**(18,047)**	(200,866)
DEFICIENCY OF REVENUES OVER EXPENDITURES BEFORE OTHER ITEMS	**(229,011)**	(896,867)
OTHER ITEMS		
Government assistance (Note 12)	**-**	1,656,958
Unrealized investment (loss) gain	**(19,673)**	446,747
Amortization of tangible capital assets	**(154,975)**	(210,535)
Amortization of deferred capital contributions	**16,261**	8,154
	(158,387)	1,901,324
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR	**(387,398)**	1,004,457

See accompanying notes to the financial statements.

HUMANA COMMUNITY SERVICES

Statement of Cash Flows
For The Year Ended March 31, 2022

	2022 $	*Combined Figures (Note 17)* 2021 $
CASH FLOWS (USED IN) FROM OPERATING ACTIVITIES		
(Deficiency) excess of revenues over expenditures	**(387,398)**	1,004,457
Adjustments for:		
Amortization of tangible capital assets	**154,975**	210,535
Amortization of deferred capital contributions	**(16,261)**	(8,154)
Unrealized loss (gain) on investments	**19,673**	(446,747)
	(229,011)	760,091
Changes in non-cash working capital:		
Accounts receivable	**(402,878)**	(224,159)
Prepaid expenses	**27,929**	(12,514)
Repayable to the Ministries	**108,940**	200,866
Accounts payable and accrued liabilities	**(163,123)**	210,588
Government remittances (net) payable	**(304,605)**	(5,706)
Deferred revenues	**(80,354)**	221,533
Vacation pay accrual	**16,671**	24,042
	(797,420)	414,650
Cash flows (used in) from operating activities	**(1,026,431)**	1,174,741
CASH FLOWS FROM (USED IN) INVESTING ACTIVITIES		
Purchases of tangible capital assets	**(127,160)**	(26,463)
Net disposals (additions) to investments	**426,290**	(1,060,449)
Cash flows from (used in) investing activities	**299,130**	(1,086,912)
CASH FLOWS FROM FINANCING ACTIVITIES		
Advances to Humana Community Services Foundation	**(22,643)**	(8,211)
Repayments of long-term debt	**(15,746)**	(12,059)
Deferred capital contributions received	**127,160**	26,463
Cash flows from financing activities	**88,771**	6,193
NET CHANGE IN CASH	**(638,530)**	94,022
CASH, BEGINNING OF YEAR	**1,673,257**	1,579,235
CASH, END OF YEAR	**1,034,727**	1,673,257

See accompanying notes to the financial statements.

NATURE OF THE ORGANIZATION

Humana Community Services ("the organization") is a social services agency which delivers residential programs and community services for children, youth and adults with complex needs throughout Southwestern Ontario. The organization was incorporated in Ontario without share capital as a not-for-profit organization and is a registered charity which is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act of Canada. On February 14, 2021, Anago (Non) Residential Resources Inc. and WAYS Mental Health Support unified to form Humana Community Services.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Use of Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in (deficiency) excess of revenues over expenditures in the period in which they become known.

In particular, the organization uses estimates when accounting for certain items, including:

Allowance for doubtful accounts
Useful lives of tangible capital assets
Legal contingencies

Contributed Materials and Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements. During the year, donation receipts of $132 (2021 - $Nil) were issued for donations in-kind.

Government Assistance

Government assistance is recognized as revenue in the period in which the assistance relates to.

Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions for tangible capital assets are deferred and recognized as revenue on the same basis as amortization is recorded.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition (continued)

Specifically, the organization recognizes:

- Ministry subsidies relating to annual base funding, capital funding and one-time funding in the period for which the funding relates to;
- Fee for service revenues at the end of the month for which the services are performed;
- Other income revenues, consisting of other funding, government rebates and investment income as follows:
  - Investment income, including interest and dividends, when earned in the case of interest and when received in the case of dividends;
  - Funding and government rebates in the period in which the funding and government rebates relate to.

Tangible Capital Assets

Tangible capital assets are recorded at cost. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts, and any gain or loss is recognized in (deficiency) excess of revenues over expenditures. Amortization is calculated using the straight-line method at rates estimated to be sufficient to amortize the cost of the tangible capital assets over their useful lives as follows:

Building	Straight-line over 40 years
Furniture and equipment	Straight-line over 5 - 10 years
Vehicle	Straight-line over 7 years
Computer	Straight-line over 3 years

Allocated Expenses

Central administration costs are allocated to operations on a pre-determined and consistent basis to a maximum of 10% of the subsidy for Ministry programs and 10% for Fee for service programs.

Financial Instruments

Measurement of financial instruments

The organization initially measures its financial assets and financial liabilities at fair value, except for certain non-arm’s length transactions. The organization recognizes its transaction costs in (deficiency) excess of revenues over expenditures in the period incurred. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments and exchange traded funds that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of Operations.

Financial assets measured at amortized cost include accounts receivable and guaranteed investment certificates. Financial assets measured at fair value include cash and investments, specifically equities and exchange traded funds, as they are quoted in an active market.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Instruments (continued)

Measurement of financial instruments (continued)

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, repayable to the Ministries and current and long-term debt.

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in (deficiency) excess of revenues over expenditures. The previously recognized impairment loss may be reversed to the extent of the impairment, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in (deficiency) excess of revenues over expenditures.

Reporting of Controlled Organizations

The organization controls two related not-for-profit organizations, Parkhill Residential Services Inc. and Humana Community Services Foundation. The organization does not consolidate the operations of these controlled organizations in its financial statements.

2. CREDIT FACILITIES

The Organization has available for its use a $500,000 revolving line of credit facility with Royal Bank of Canada bearing interest at bank prime plus 1.50% and a $200,000 credit card facility. The balance drawn on these credit facilities at year end was $Nil (2021 - $Nil).

The Royal Bank of Canada credit facilities are secured by a general security agreement over all the organization's assets and a collateral mortgage in the amount of $437,000 on the lands and improvements located at 371 Princess Avenue in London, Ontario.

3. INVESTMENTS

	2022		2021	
	Cost	**Fair Value**	Cost	Fair Value
	$	**$**	$	$
Cash and cash equivalents	**110,765**	**110,765**	526,045	526,051
Guaranteed investment certificates	**239,420**	**239,420**	233,799	233,799
Fixed income	**2,645,071**	**2,385,608**	2,667,255	2,569,784
Equities	**904,871**	**1,400,471**	886,690	1,243,747
Exchange traded funds	**119,418**	**115,153**	119,535	123,999
	4,019,545	**4,251,417**	4,433,324	4,697,380

3. INVESTMENTS (CONTINUED)

Guaranteed investment certificates earn interest from 1.25% to 1.5% and mature between November 29, 2022 and February 5, 2023.

Fixed income investments represent corporate bonds that earn interest from 1.1% to 8.9% with maturity dates ranging between September 2023 and September 2025.

During the fiscal year, the organization earned investment income of $132,217 (2021 - $128,188) which is included in other income on the Statement of Operations.

4. TANGIBLE CAPITAL ASSETS

	Cost $	Accumulated Amortization $	**2022** **$**	2021 $
Land and buildings	4,119,095	2,027,777	**2,091,318**	2,123,703
Vehicles	744,125	606,684	**137,441**	182,336
Computers	169,895	169,895	**-**	-
Furniture and equipment	854,964	760,842	**94,122**	44,656
	5,888,079	3,565,198	**2,322,881**	2,350,695

5. REGISTERED PENSION PLAN

The organization contributes to a defined contribution pension plan which provides pension benefits. Total contributions to the plans during the year were $35,292 (2021 - $44,943). There were no significant changes to contribution levels during the year which would affect comparability.

6. DEFERRED REVENUES

The organization had the following deferred revenues activity in the year:

	2022 **$**	2021 $
Balance, beginning of year	**378,668**	157,135
Add: Amount received related to future years	**67,300**	540,779
Less: Amount recognized as revenue in the year	**(147,654)**	(319,246)
Balance, end of year	**298,314**	378,668

The deferred revenues balance represents externally restricted contributions that are to be used to fund multi-year programs and initiatives of the organization.

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent resources received in the current and prior years that are externally restricted for the purchase of tangible capital assets. Changes in the deferred capital contributions balance are as follows:

	2022	2021
	$	$
Balance, beginning of year	**117,642**	99,333
Add: Amount received related to future years	**127,160**	26,463
Less: Amount recognized as revenue in the year	**(16,261)**	(8,154)
Balance, end of year	**228,541**	117,642

8. LONG-TERM DEBT

	2022	2021
	$	$
Term loan payable, 2.72%, repayable in blended monthly instalments of $1,711, due December 1, 2025, secured by 371 Princess Avenue building with a net book value of $382,951 (2021 - $398,665)	**167,367**	183,113
Less: Current portion	**16,237**	15,807
	151,130	167,306

The aggregate amount of principal payments required to meet retirement provisions are as follows:

	$
2023	16,237
2024	16,679
2025	17,132
2026	117,319
	167,367

The organization expensed long-term interest of $5,050 (2021 - $6,270) during the fiscal year, which is included in rent and mortgage payments on the Statement of Operations.

9. REPAYABLE TO THE MINISTRIES

The organization is required to repay any unspent annual base funding, capital funding and one-time funding it receives from its main funders, the Ministry of Children, Community and Social Services ("MCCSS") and the Ministry of Health ("MOH"), ("the Ministries"). The unspent surpluses repayable to the Ministries are as follows:

	2022	2021
	$	$
2017-2018 surplus repayable to the MCCSS	**69,506**	69,506
2018-2019 surplus repayable to the MCCSS	**169,363**	169,363
2019-2020 surplus repayable to the MCCSS and the MOH	**241,612**	241,612
2020-2021 surplus repayable to the MCCSS and the MOH	**181,180**	200,866
2021-2022 surplus repayable to the MCCSS and the MOH	**128,626**	-
	790,287	681,347

The surpluses repayable to the Ministries are repaid once the Ministries have completed their review of the organization's Transfer Payment Annual Reconciliation submission. During the year, the organization received duplicate funding of $104,889 and had $5,690 of capital funding that was unspent at year end. These funds were recorded directly on the Statement of Financial Position as a Repayable to the Ministries and as such, did not flow through Ministry subsidies on the Statement of Operations.

10. LEASE COMMITMENTS

The organization has operating lease commitments for certain buildings, vehicles, furniture and equipment. Minimum future lease payments are as follows:

	$
2023	94,518
2024	33,764
2025	33,764
2026	33,764
2027	8,441
	204,251

11. CONTINGENT LIABILITIES

The organization entered into a capital Grant Agreement (the “Agreement”) with the City of London (the “City”) in a prior year to facilitate the renovation of programming space at one of its facilities. The total grant amount is $22,000. The renovation was completed in December 2017 and the full grant amount has been applied against the costs of construction. Under the terms of the Agreement, the City, in its sole discretion, may require the organization to repay to the City some or all of the grant under certain circumstances. The grant is forgivable by the City over a ten (10) year period at the rate of 10% of the grant value per year upon the October 19th anniversary date of the Agreement. In the event that the organization breaches the terms of the Agreement, the City has the right to terminate the Agreement and require the organization to repay any unforgiven grant balance.

11. CONTINGENT LIABILITIES (CONTINUED)

As at March 31, 2022, the organization was subject to potential contingent liabilities for legal claims relating to employment matters. An estimate of the amounts of the contingent liabilities cannot be made as of the date of the financial statements.

12. GOVERNMENT ASSISTANCE

During the prior year, the organization experienced a reduction in revenue that qualified the organization to recover a portion of its wages under the Canada Emergency Wage Subsidy ("CEWS") and the 10% Temporary Wage Subsidy ("TWS"). The organization received $Nil (2021 - $1,656,958) under the CEWS and TWS assistance programs during the year.

13. PARKHILL RESIDENTIAL SERVICES INC.

Parkhill Residential Services Inc. ("PRSI") is controlled by the organization by way of PRSI and the organization sharing a common Board of Directors. PRSI was incorporated October 20, 1983 under the laws of the Province of Ontario as a not-for-profit corporation, without share capital. The operations of PRSI are carried on without the purpose of gain for its members and any surpluses shall be used in promoting its objectives. PRSI is not subject to income tax under paragraph 149(1)(l) of the Income Tax Act (Canada). The March 31, 2022 financial information issued by PRSI were not audited or reviewed and therefore the revenue recognition policies followed PRSI may not conform to those required under Canadian accounting standards for not-for-profit organizations. The unaudited financial results of PRSI have not been consolidated into these financial statements.

The unaudited financial results for PRSI for the year ended March 31, 2022 are as follows:

	2022	2021
	$	$
Statement of Financial Position		
Total Assets	**324,972**	292,578
Total Liabilities	**3,695**	2,000
Total Net Assets	**321,277**	290,578
Statement of Operations		
Total Revenues	**32,394**	32,557
Total Expenditures	**1,695**	2,000
Excess of Revenues over Expenditures	**30,699**	30,557

14. HUMANA COMMUNITY SERVICES FOUNDATION

Humana Community Services Foundation (the "Foundation") is controlled by the organization by way of the Foundation and the organization sharing a common Board of Directors. The Foundation is incorporated, without share capital, by a Supplementary Letters of Patent that was issued under the Ontario Corporations Act. The Foundation raises funds from the community to support other registered charities which provide counselling and support services to disadvantaged, troubled or homeless children, young persons and their families and is a registered charity under the paragraph 149(1)(f) of the Income Tax Act (Canada). The Foundation follows the deferral method of accounting for contributions. The financial results of the Foundation have not been consolidated into these financial statements.

The financial results for the Foundation for the year ended March 31, 2022 are as follows:

	2022	2021
	$	$
Statement of Financial Position		
Total Assets	**592,069**	564,683
Total Liabilities	**36,143**	7,850
Total Net Assets	**555,926**	556,833
Statement of Operations		
Total Revenues	**34,469**	220,486
Total Expenditures	**35,376**	127,189
(Deficiency) excess of revenues over expenditures	**(907)**	93,297
Statement of Cash Flows		
Cash flows used in operating activities	**(3,418)**	(47,571)
Cash flows used in investing activities	**(4,455)**	(66,115)
Cash flows provided by financing activities	**22,643**	8,211
Net change in cash	**14,770**	(105,475)

15. RELATED PARTY TRANSACTIONS AND BALANCES

Parkhill Residential Services Inc.

During the year, the organization paid rent of $31,069 (2021 - $31,069) to PRSI for the use of buildings related to its operations. These transactions occurred in the normal course of operations and have been recorded at the exchange amount.

Humana Community Services Foundation

During the year, the organization received donation revenues of $19,343 (2021 - $26,272) from the Foundation and the organization paid service fees of $Nil (2021 - $33,684) for reimbursement of shared operating expenditures incurred by the Foundation. These transactions occurred in the normal course of operations and have been recorded at the exchange amount.

15. RELATED PARTY TRANSACTIONS AND BALANCES (CONTINUED)

As at March 31, 2022, there is a balance due from the Foundation of $30,493 (2021 - $7,850). The balance due from the Foundation is non-interest bearing and has no set terms of repayment.

16. FINANCIAL INSTRUMENTS AND RISKS

Risks and Concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the Statement of Financial Position date.

Credit Risk

The organization is exposed to credit risk with respect to guaranteed investment certificates and accounts receivable. The organization assesses, on a continuous basis, accounts receivable on the basis of amounts it is certain to receive. The credit risk with respect to guaranteed investment certificates is insignificant since they are held in a large financial institution.

Interest Rate Risk

The organization is exposed to interest rate risk on its fixed rate financial instruments which includes current and long-term debt. This may subject the organization to a fair value risk.

Liquidity Risk

Similar to all organizations, the organization would be exposed to liquidity risk if it were unable to meet its payment obligations.

Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The organization is exposed to other price risk through its investments in equities.

It is management's opinion that the organization is not exposed to any significant foreign currency risk.

During the fiscal year, the organization was not in default or in breach of any of the terms in respect to its financial liabilities.

The organization's risk exposure is unchanged from the prior year.

17. COMBINATION OF ANAGO (NON) RESIDENTIAL RESOURCES INC. ("ANAGO") AND WAYS MENTAL HEALTH SUPPORT ("WAYS")

On February 14, 2021 ("the merger date"), Anago combined with WAYS to form Humana Community Services. The operations of Anago and WAYS prior to the combination of the entities consisted of providing support services to children, youth and vulnerable adults and their families. The primary reason for the merger was to collectively improve operational efficiencies and to enhance support services. The combination was accounted for as a merger in accordance with section 4449, *Combinations by Not-For-Profit Organizations* in Part III of the CPA Canada Handbook.

Combined Figures - March 31, 2021

The results for the year ended March 31, 2021 are the aggregated results for the period April 1, 2020 to February 13, 2021 for the two organizations when they were operating independently and the results of the combined entity for the period February 14, 2021 to March 31, 2021.