

Financial Statements of

**COMMUNITY LIVING
CHATHAM-KENT**

Year ended March 31, 2023

COMMUNITY LIVING CHATHAM-KENT

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Year ended March 31, 2023

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KPMG LLP
618 Greenwood Centre
3200 Deziel Drive
Windsor ON N8W 5K8
Canada
Tel 519-251-3500
Fax 519-251-3530

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF COMMUNITY LIVING CHATHAM-KENT

Opinion

We have audited the financial statements of Community Living Chatham-Kent (the Entity), which comprise:

- the statement of financial position as at March 31, 2023
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements, present fairly, in all material respects, the financial position of the Entity as at March 31, 2023, and its results of operations and changes in fund balances 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 "**Auditor's Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 auditors' 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 the 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.



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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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Entity 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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP' in a cursive, stylized font. A horizontal line is drawn underneath the signature.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Canada
June 14, 2023

COMMUNITY LIVING CHATHAM-KENT

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	General Fund		Capital Asset Fund		Endowment Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Assets								
Current assets:								
Cash	\$ 2,087,871	\$ 1,679,878	\$ (11,574)	\$ 11,809	\$ 159,945	\$ 157,015	\$ 2,236,242	\$ 1,848,702
Short-term investments	3,213,280	3,008,977	-	-	-	-	3,213,280	3,008,977
Accounts receivable	492,443	391,545	-	-	-	-	492,443	391,545
Prepaid expenses	230,893	30,699	-	-	-	-	230,893	30,699
	<u>6,024,487</u>	<u>5,111,099</u>	<u>(11,574)</u>	<u>11,809</u>	<u>159,945</u>	<u>157,015</u>	<u>6,172,858</u>	<u>5,279,923</u>
Capital assets (note 2):								
Cost	-	-	11,847,240	10,366,854	-	-	11,847,240	10,366,854
Less accumulated amortization	-	-	4,001,051	3,738,187	-	-	4,001,051	3,738,187
	<u>-</u>	<u>-</u>	<u>7,846,189</u>	<u>6,628,667</u>	<u>-</u>	<u>-</u>	<u>7,846,189</u>	<u>6,628,667</u>
	<u>\$ 6,024,487</u>	<u>\$ 5,111,099</u>	<u>\$ 7,834,615</u>	<u>\$ 6,640,476</u>	<u>\$ 159,945</u>	<u>\$ 157,015</u>	<u>\$ 14,019,047</u>	<u>\$ 11,908,590</u>

Liabilities and Fund Balances

Current liabilities:

Accounts payable and accrued liabilities (note 3)	\$ 2,367,737	\$ 1,412,342	\$ -	\$ -	\$ -	\$ -	\$ 2,367,737	\$ 1,412,342
Repayable to Ministry - COVID funds	-	283,667	-	-	-	-	-	283,667
Repayable to Ministry - operational surplus (note 4)	126,232	370,571	-	-	-	-	126,232	370,571
Current portion of long-term debt	-	-	545,248	570,429	-	-	545,248	570,429
	<u>2,493,969</u>	<u>2,066,580</u>	<u>545,248</u>	<u>570,429</u>	<u>-</u>	<u>-</u>	<u>3,039,217</u>	<u>2,637,009</u>
Long-term debt (note 5)	-	-	57,630	102,945	-	-	57,630	102,945
Deferred contributions (note 6)	42,882	22,454	432,000	-	-	-	474,882	22,454
Fund balances:								
Invested in capital assets	-	-	6,799,737	5,967,102	-	-	6,799,737	5,967,102
Externally restricted (note 7)	-	-	-	-	159,945	157,015	159,945	157,015
Unrestricted	3,487,636	3,022,065	-	-	-	-	3,487,636	3,022,065
	<u>3,487,636</u>	<u>3,022,065</u>	<u>6,799,737</u>	<u>5,967,102</u>	<u>159,945</u>	<u>157,015</u>	<u>10,447,318</u>	<u>9,146,182</u>
	<u>\$ 6,024,487</u>	<u>\$ 5,111,099</u>	<u>\$ 7,834,615</u>	<u>\$ 6,640,476</u>	<u>\$ 159,945</u>	<u>\$ 157,015</u>	<u>\$ 14,019,047</u>	<u>\$ 11,908,590</u>

See accompanying notes to financial statements.

On behalf of the Board:



Director



Director

COMMUNITY LIVING CHATHAM-KENT

Statements of Operations and Changes in Fund Balances

Year ended March 31, 2023, with comparative information for 2022

	General Fund		Capital Asset Fund		Endowment Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Revenue:								
Employment Supports	\$ 291,957	\$ 271,007	\$ -	\$ -	\$ -	\$ -	\$ 291,957	\$ 271,007
Adult Community Accommodations	12,484,946	11,058,320	-	-	-	-	12,484,946	11,058,320
Adult Community Support Services	3,254,257	2,035,579	-	-	-	-	3,254,257	2,035,579
Children's respite services	822,417	550,471	-	-	-	-	822,417	550,471
Other grant funding	536,457	334,110	-	-	-	-	536,457	334,110
ODSP - Employment Support	400,000	375,000	-	-	-	-	400,000	375,000
Agency	661,539	606,202	-	-	8,288	6,727	669,827	612,929
	18,451,573	15,230,689	-	-	8,288	6,727	18,459,861	15,237,416
Expenditures:								
Over-allocated administrative charges	-	-	-	-	-	-	-	-
Employment Supports	303,956	195,451	-	-	-	-	303,956	195,451
Adult Community Accommodations	12,347,498	11,507,387	-	-	-	-	12,347,498	11,507,387
Adult Community Support Services	2,109,975	739,117	-	-	-	-	2,109,975	739,117
Children's respite services	617,788	411,197	-	-	-	-	617,788	411,197
Other grant funding	365,106	264,367	-	-	-	-	365,106	264,367
ODSP - employment supports	178,564	194,618	-	-	-	-	178,564	194,618
Agency	612,138	499,123	-	-	5,358	5,877	617,496	505,000
Amortization of capital assets	-	-	476,396	394,575	-	-	476,396	394,575
Gain on disposal of capital assets	-	-	(1,736)	(60,005)	-	-	(1,736)	(60,005)
Interest on long-term debt	-	-	17,450	9,432	-	-	17,450	9,432
	16,535,025	13,811,260	492,110	344,002	5,358	5,877	17,032,493	14,161,139
Excess of revenue over expenditures (expenditures over revenue)	1,916,548	1,419,429	(492,110)	(344,002)	2,930	850	1,427,368	1,076,277
Fund balance, beginning of year	3,022,065	3,014,926	5,967,102	5,269,385	157,015	156,165	9,146,182	8,440,476
Transfer to capital fund (note 8)	(1,324,745)	(1,041,719)	1,324,745	1,041,719	-	-	-	-
Repayable to Ministry - operational surplus (note 4)	(126,232)	(370,571)	-	-	-	-	(126,232)	(370,571)
Fund balance, end of year	\$ 3,487,636	\$ 3,022,065	\$ 6,799,737	\$ 5,967,102	\$ 159,945	\$ 157,015	\$ 10,447,318	\$ 9,146,182

See accompanying notes to financial statements.

COMMUNITY LIVING CHATHAM-KENT

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	General Fund		Capital Asset Fund		Endowment Fund		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
Cash from operating activities:								
Excess of revenue over expenditures (expenditures over revenue)	\$ 1,916,548	\$ 1,419,429	\$ (492,110)	\$ (344,002)	\$ 2,930	\$ 850	\$ 1,427,368	\$ 1,076,277
Amortization of capital assets	-	-	476,396	394,575	-	-	476,396	394,575
Gain on disposal of capital assets	-	-	(1,736)	(60,005)	-	-	(1,736)	(60,005)
Net change in non-cash working capital	126,297	347,951	-	-	-	-	126,297	347,951
Increase in deferred contributions	20,428	2,016	432,000	-	-	-	452,428	2,016
	<u>2,063,273</u>	<u>1,769,396</u>	<u>414,550</u>	<u>(9,432)</u>	<u>2,930</u>	<u>850</u>	<u>2,480,753</u>	<u>1,760,814</u>
Financing and investing activities:								
Purchase of capital assets	-	-	(1,808,480)	(1,046,125)	-	-	(1,808,480)	(1,046,125)
Proceeds on disposal of capital assets	-	-	116,298	86,406	-	-	116,298	86,406
Increase in short-term investments	(204,303)	(122,435)	-	-	-	-	(204,303)	(122,435)
Proceeds on issuance of long-term debt	-	-	-	-	-	-	-	-
Principal payments on long-term debt	-	-	(70,496)	(71,153)	-	-	(70,496)	(71,153)
	<u>(204,303)</u>	<u>(122,435)</u>	<u>(1,762,678)</u>	<u>(1,030,872)</u>	<u>-</u>	<u>-</u>	<u>(1,966,981)</u>	<u>(1,153,307)</u>
Increase (decrease) in cash	1,858,970	1,646,961	(1,348,128)	(1,040,304)	2,930	850	513,772	607,507
Cash, beginning of year	1,679,878	1,445,207	11,809	10,394	157,015	156,165	1,848,702	1,611,766
Interfund transfers (note 8)	(1,324,745)	(1,041,719)	1,324,745	1,041,719	-	-	-	-
Repayable to Ministry - operational surplus (note 4)	(126,232)	(370,571)	-	-	-	-	(126,232)	(370,571)
Cash, end of year	<u>\$ 2,087,871</u>	<u>\$ 1,679,878</u>	<u>\$ (11,574)</u>	<u>\$ 11,809</u>	<u>\$ 159,945</u>	<u>\$ 157,015</u>	<u>\$ 2,236,242</u>	<u>\$ 1,848,702</u>

See accompanying notes to financial statements.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements

Year ended March 31, 2023

Community Living Chatham-Kent (the “Agency”) is a charitable organization incorporated without share capital under the laws of Ontario. The Agency’s activities include the provision of services and supports for persons who have diverse intellectual abilities in the Municipality of Chatham-Kent. The Agency is a registered charity under the Income Tax Act and accordingly is exempt from income taxes provided certain requirements of the Income Tax act are met.

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Standards in Part III of the CPA Handbook.

1. Significant accounting policies:

(a) Fund accounting:

The Agency follows the restricted fund method of accounting for contributions.

The General Fund accounts for the Agency’s program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Asset Fund reports the assets, revenues and expenses related to the Agency’s capital assets.

The Endowment Fund reports resources contributed to the D. Barichello Memorial Fund, the R. McLandress Make a Dream Come True Fund, and the Jonathan Daniel Stone Memorial Fund. Investment income earned is reported in the general fund in accordance with the restrictions imposed by the originators of the fund.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(b) Revenue recognition:

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted funds.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue of the Endowment Fund.

Investment income earned on short-term investments is recognized as interest income of the General Fund.

(c) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the financial statements.

(d) Short-term investments:

Short-term investments consist of fixed income investments, common equities and mutual funds.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(e) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When capital assets no longer contribute to the Agency's ability to provide services, its carrying amount is written down to its residual value. Amortization expense is recorded in the Capital Asset Fund.

Capital assets are amortized using the following methods and annual rates:

Assets	Basis	Rate
Buildings	Straight-line	2.5%
Furniture and equipment	Declining balance	20%
Automobiles	Declining balance	30%

No amortization is taken on construction in progress capital assets until they are placed in use. Proceeds from the disposal of capital assets which were funded by capital grants are allocated to the Ministry of Children, Community and Social Services (the "Ministry") and the Agency in proportion to the funding provided. The Ministry's allocation is limited to the net proceeds on disposition.

(f) Allocated expenses:

The Agency incurs expenditures related to administration that are not directly attributable to one aspect of the Agency's operations. These expenditures are allocated to each program based on the program's total funding and other related expenditures.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

1. Significant accounting policies (continued):

(g) Use of estimates:

The preparation of the financial statements in conformity 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 and disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowances for accounts receivable and inventories. Actual results could differ from those estimates.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Agency has elected to carry financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Agency determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Agency expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

2. Capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land	\$ 899,130	\$ –	\$ 899,130	\$ 899,130
Buildings	7,819,434	2,950,580	4,868,854	5,057,100
Furniture and equipment	407,354	177,113	230,241	111,874
Automobiles	1,661,889	873,358	788,531	560,563
Construction in progress	1,059,433	–	1,059,433	–
	<u>\$11,847,240</u>	<u>\$ 4,001,051</u>	<u>\$ 7,846,189</u>	<u>\$ 6,628,667</u>

3. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$590,796 (2022 - \$336,299), which includes amounts payable for payroll related taxes.

4. Amounts repayable to funding provider:

As at March 31, 2023, the Agency has recorded an amount repayable to the Ministry for unspent funding of \$126,232 (2022 - \$370,571).

5. Long-term debt:

	2023	2022
(i) Sass Road non-revolving term facility	\$ 75,201	\$ 100,637
(ii) Baxter Street fixed rate term loan	27,677	45,889
(iii) Llydican non-revolving term facility	500,000	526,848
	<u>602,878</u>	<u>673,374</u>
Less principal due within one year	545,248	570,429
	<u>\$ 57,630</u>	<u>\$ 102,945</u>

(i) The Sass Road non-revolving term facility was established to provide funding to cover the cost of construction of the Sass Road property. The four-year term loan is payable \$2,450 per month including interest at 4.61%, and is payable in full April 6, 2026.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

5. Long-term debt (continued):

- (ii) The Baxter Street fixed rate term loan was established to provide funding to cover the cost of construction of the Baxter Street property. The three-year term loan is payable \$1,610 per month including interest at 2.93%, and is payable in full January 25, 2025.
- (iii) The Llydican Avenue non-revolving term facility was established to provide funding to cover the cost of the building on the Llydican Avenue property. The facility is payable \$3,100 per month including interest at 1.74%, and was paid in full March 8, 2023. The mortgage was renewed for one year at 5.8% with another financial institution.

The minimum principal payments required over the next three years is as follows:

2024	\$	545,248
2025		36,653
2026		20,977

6. Deferred contributions:

The deferred contributions in the General Fund represent restricted operating funding received in the current period that is related to the subsequent period. Deferred contributions in the Capital Asset Fund represent contributions from funders to support the cost of a residential home currently showing as construction in progress. Changes in the deferred contributions balance is as follows:

	2023	2022
Balance, beginning of year	\$ 22,454	\$ 20,438
Less: amount recognized as revenue in the year	–	(20)
Add: amount received related to future periods	452,428	2,036
Balance, end of year	\$ 474,882	\$ 22,454

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

7. Externally restricted fund balances:

	2023	2022
(i) D. Barichello Memorial Fund	\$ 30,792	\$ 30,792
(ii) R. McLandress Make a Dream Come True Fund	65,194	64,054
(iii) J. Daniel Stone Memorial Fund	63,959	62,169
	\$ 159,945	\$ 157,015

(i) D. Barichello Memorial Fund:

During 2023, the Agency received contributions in the amount of \$nil (2022 - \$nil) to the Dina Barichello Memorial Fund. Investment income on the fund is included as a deferred contribution in the General Fund until such time as it is used in accordance with the Memorial Fund agreement. The use of the investment income is restricted by the Agreement to the fulfilling of a service or support need for a client of the Agency.

(ii) R. McLandress Make a Dream Come True Fund:

During 2023, the Agency received contributions in the amount of \$3,139 (2022 - \$2,153) to the Rob McLandress Make a Dream Come True Fund, and distributed grants in the amount of \$2,000. Investment income on the fund is included as revenue in the Endowment Fund. The use of the investment income is restricted by the Agreement to help candidates, who reside in Chatham-Kent and have diverse intellectual abilities, achieve their dreams.

(iii) J. Daniel Stone Memorial Fund:

During 2023, the Agency received contributions in the amount of \$5,149 (2022 - \$4,574) to the Jonathan Daniel Stone Memorial Fund, and distributed grants in the amount of \$3,357. Investment income on the fund is included as revenue in the Endowment Fund. The use of the investment income is restricted by the Agreement to fund initiatives to benefit individuals who have, and/or assist families who have children, as being diagnosed with autism or a developmental disability.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

8. Inter-fund transfers and balances:

In 2023, \$1,324,745 (2022 - \$1,041,719) was transferred from the General Fund to the Capital Asset Fund in order to fund the cash outlays for capital asset acquisitions and the mortgage principal payments.

9. Long-term leases:

The Agency rents office space under a two-year lease which will expire on March 31, 2024, as well as six housing units under ten-year leases which will expire on July 31, 2024, May 1, 2025, October 19, 2025, February 28, 2028 and October 31, 2029. The Agency also has a five-year lease for office equipment which will expire in October 2027. The total future minimum annual lease payments for the next five years are as follows:

2024	\$	236,569
2025		123,360
2026		90,380
2027		80,280
2028		76,690

10. Financial risks and concentration of credit risk:

(a) Liquidity risk:

Liquidity risk is the risk that the Agency will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Agency manages its liquidity risk by monitoring its operating requirements. The Agency prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposures from 2022.

COMMUNITY LIVING CHATHAM-KENT

Notes to Financial Statements (continued)

Year ended March 31, 2023

10. Financial risks and concentration of credit risk (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Agency is exposed to credit risk with respect to the accounts receivable. The Agency assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Interest rate risk:

The Agency is exposed to interest rate risk on its fixed interest rate financial instruments. Further details about the long-term debt are included in note 5.