

**Bereavement Authority of Ontario
Annual General Meeting
September 22, 2021**



Bereavement Authority of Ontario
Annual General Meeting Agenda
September 22, 2021
9:00 am – 9:30 am

1. Call to Order
2. Approval of June 24, 2020 AGM Minutes
3. Acceptance of Audited Financial Statements
4. Appointment of Auditor
5. Appointment/Election of Directors
6. Adjournment

**Bereavement Authority of Ontario
Annual General Meeting Minutes
Held Via WebEx
June 24, 2020**

Attendees: Aubrey LeBlanc (Chair), Glen Timney (Vice-Chair), Glenda Brindle, Jane van Alphen, Jay O'Neill, John O'Brien (Secretary), Brian Parent, Normand Allaire, Laurie Macdonald, staff members Carey Smith, Nick Siliverdis, Lisa Padgett and guests Trevor Charbonneau, Darren Denomme, Rene Hepburn, Elena Pasko and Samantha Sieber.

Regrets: Tom Wright

1. Call to Order

The meeting was called to order at 10:00 a.m.

2. Approval of September 18, 2019 AGM Minutes

On a motion properly made and seconded, the minutes of the September 18, 2019 AGM were accepted as presented.

3. Acceptance of Audited Financial Statements

On a motion properly made and seconded, the Audited Financial Statements of the Corporation for the financial year ending March 31, 2020, together with the reports of the Corporation's auditor thereon, were accepted as presented.

4. Appointment of Auditor

On a motion properly made and seconded, Sloan Partners LLP, Chartered Professional Accountants, was appointed as the auditor of the Corporation to hold office until the next annual meeting of members at such remuneration as may be fixed by the directors and the directors are authorized to fix such remuneration.

5. Election/Acceptance of Directors

On a motion properly made and seconded the following individuals are elected as Directors of the Corporation, for terms defined below, effective August 18, 2020:

<i>Glenda Brindle</i>	<i>3-year term</i>
<i>Jay O'Neill</i>	<i>3-year term</i>
<i>Laurie Macdonald</i>	<i>3-year term</i>

6. Other Business

No other business was brought forward.

7. Adjournment

The meeting was adjourned at 10:09 a.m.



BEREAVEMENT AUTHORITY OF ONTARIO
FINANCIAL STATEMENTS
March 31, 2021

BEREAVEMENT AUTHORITY OF ONTARIO
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March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Bereavement Authority of Ontario

Opinion

We have audited the financial statements of Bereavement Authority of Ontario (the "Organization"), which comprise the statement of financial position as at March 31, 2021, 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 and explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and its financial performance and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNPO).

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 report. We are independent of the Organization in accordance with 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 ASNPO, 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.

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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.

Toronto, Ontario
June 23, 2021

Sloan Partners LLP

Chartered Professional Accountants
Licensed Public Accountants

BEREAVEMENT AUTHORITY OF ONTARIO
STATEMENT OF FINANCIAL POSITION
As at March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 598,049	\$ 117,320
Short-term investments (Note 4)	6,835,779	6,212,724
Accounts receivable (Note 5)	16,634	95,050
Prepaid expenses	67,199	64,989
	<u>7,517,661</u>	<u>6,490,083</u>
CAPITAL ASSETS (Note 6)	230,567	290,597
INTANGIBLE ASSETS (Note 7)	123,437	141,037
	<u>\$ 7,871,665</u>	<u>\$ 6,921,717</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 206,015	\$ 272,269
Deferred revenue (Note 8)	478,612	452,020
	<u>684,627</u>	<u>724,289</u>
RENT INDUCEMENT	40,583	47,372
DEFERRED CONTRIBUTIONS - CAPITAL ASSETS (Note 9)	140,197	176,636
	<u>865,407</u>	<u>948,297</u>
NET ASSETS		
Restricted net assets (Note 10)	2,085,779	2,062,724
Unrestricted net assets	4,706,672	3,655,698
Invested in capital assets (Note 11)	213,807	254,998
	<u>7,006,258</u>	<u>5,973,420</u>
	<u>\$ 7,871,665</u>	<u>\$ 6,921,717</u>

Approved by:

_____ Director

_____ Director

See accompanying notes to financial statements

BEREAVEMENT AUTHORITY OF ONTARIO
STATEMENT OF CHANGES IN NET ASSETS
Year Ended March 31, 2021

	Unrestricted Net assets	Restricted Net assets	Invested in Capital assets	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ 3,655,698	\$ 2,062,724	\$ 254,998	\$ 5,973,420	\$ 5,861,399
EXCESS OF REVENUES OVER EXPENSES	1,065,609	23,055	(55,826)	1,032,838	112,021
PURCHASE OF CAPITAL ASSETS	(14,635)	-	14,635	-	-
NET ASSETS - END OF YEAR	\$ 4,706,672	\$ 2,085,779	\$ 213,807	\$ 7,006,258	\$ 5,973,420

See accompanying notes to financial statements

BEREAVEMENT AUTHORITY OF ONTARIO
STATEMENT OF OPERATIONS
Year Ended March 31, 2021

	2021	2020
REVENUES		
Grant revenue (<i>Note 12</i>)	\$ 3,883,183	\$ -
Cemetery - operator licence fees	780,909	1,230,667
Cemetery - individual licence fees	67,288	121,428
Funeral - exam fees	49,925	71,546
Funeral - personal licence fees	46,704	645,306
Amortization of deferred capital contribution	36,439	39,529
Interest income	32,288	107,005
Funeral - operator licence fees	15,060	1,856,170
Other revenue	4,225	12,707
	<u>4,916,021</u>	<u>4,084,358</u>
EXPENSES		
Salaries and wages	2,591,707	2,437,648
Occupancy costs	307,216	315,696
Information technology	252,194	238,604
Operations	231,753	255,967
Legal fees	220,024	237,423
Directors remuneration	76,290	86,364
Insurance	39,833	36,722
Office and general	33,172	63,808
Professional fees	21,084	17,459
Consulting fees	11,489	52,968
Interest and bank charges	6,156	40,523
Ministry oversight fee	-	100,000
Amortization of intangible assets	17,600	17,600
Amortization of capital assets	74,665	71,555
	<u>3,883,183</u>	<u>3,972,337</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 1,032,838</u>	<u>\$ 112,021</u>

See accompanying notes to financial statements

BEREAVEMENT AUTHORITY OF ONTARIO
STATEMENT OF CASH FLOWS
Year Ended March 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,032,838	\$ 112,021
Items not affecting cash:		
Amortization of capital assets	74,665	71,555
Amortization of intangible assets	17,600	17,600
Amortization of deferred capital contribution	(36,439)	(39,529)
	<u>1,088,664</u>	<u>161,647</u>
Changes in non-cash working capital:		
Accounts receivable	78,416	45,774
Prepaid expenses	(2,210)	8,660
Accounts payable and accrued liabilities	(66,254)	(46,342)
Deferred revenue	26,592	7,116
Rent inducement	(6,789)	(6,789)
	<u>29,755</u>	<u>8,419</u>
Cash flow from operating activities	<u>1,118,419</u>	<u>170,066</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(14,635)	(52,942)
Purchase of short term investments	(623,055)	(440,710)
Cash flow used by investing activities	<u>(637,690)</u>	<u>(493,652)</u>
INCREASE (DECREASE) IN CASH	480,729	(323,586)
Cash - beginning of year	<u>117,320</u>	<u>440,906</u>
CASH - END OF YEAR	<u>\$ 598,049</u>	<u>\$ 117,320</u>

See accompanying notes to financial statements

BEREAVEMENT AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

1. PURPOSE OF THE ORGANIZATION

The Bereavement Authority of Ontario (the "Organization") was established to administer the Funeral, Burial and Cremation Services Act, 2002 and regulations made pursuant to it and any other legislation and regulations as may be designated and delegated to the Organization under the Safety and Consumer Statutes Administration Act, 1996 as amended from time to time and any other legislation or regulations under which responsibilities are designated to the Organization in the future. The Organization is the single regulator for the bereavement sector, in charge of licensing and enforcement functions of the industry.

The Organization was incorporated under the laws of the Province of Ontario on July 24, 2014. It is a corporation without share capital and is carried on without the purpose of gain for its licensees, and any profits or other accretions to the corporation shall be used in promoting its objects, and as such, is exempt from income tax.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Outlined below are those policies considered particularly significant by the Organization.

Use of estimates

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the recognition, measurement, and disclosure of amounts reported in the financial statements and accompanying notes. The reported amount and disclosures are determined using management's best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Actual results could differ from these estimates. Significant estimates are comprised of determining the useful life and impairment of capital and intangible assets, accruals and deferral of revenues.

These financial statements have, in management's opinion, been properly prepared within reasonable limited of materiality and within the framework of the accounting policies summarized below.

Capital assets

Capital assets are stated at cost less accumulated amortization. Amortization is provided at rates intended to write-off assets over their estimated productive lives as follows:

	<u>Rate</u>	<u>Method</u>
Leasehold improvements	Term of lease	straight-line over term of lease
Furniture and fixtures	20%	declining balance
Computer equipment	45%	declining balance

The Organization regularly reviews its capital assets to eliminate obsolete items and fully amortize items no longer in service.

Intangible assets

The intangible asset is stated at cost less accumulated amortization. Amortization is provided on a straight-line basis over 10 years which represents the estimated productive life of the intangible asset. The amortization method and the estimate of the useful life of the asset is reviewed annually.

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BEREAVEMENT AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

i) Grant revenue

The Entity follows the deferral method of accounting for grant revenue. Restricted contributions, if any, are recognized in revenue in the year in which the related expenditures are incurred. Unrestricted grant revenue is recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Grant revenue is allocated to the purpose to which they relate. If the contributor makes no designation, they are allocated to general purposes. Grants are recognized in the period to which the related project expenses are incurred. Grants are recorded in revenue when the corresponding conditions for receipt of the funds received are met, or the period for which the funds are designated has passed. Fundraising revenue, donations, and other income are recorded when received.

Grants received in excess of the amount to be recognized in revenue for the year are recorded as deferred revenue.

ii) Cemetery and funeral operator licence fees

Cemetery, crematorium, and funeral operators pay an annual operator licence fee, which consist of self-reported activities of the prior year plus a licence renewal fee. The licence fees are charged each fiscal year and are recognized as revenue when the operator submits their renewal application each year and the licence fees to be charges are known. As there is no recourse for the operator to receive a refund of these fees, the revenue is recognized when the renewal application is received, and the amounts are known. As the receipt of these applications is often delayed, there still remains unreceived and unprocessed renewal applications related to the period when the fee holiday was in place by the MGCS (see Note 12). Those operators will receive their fee holiday as the applications for renewal are received and processed.

iii) Cemetery sales representative and funeral personal licence fees

Sales representatives of cemeteries or crematorium operators and funeral directors, transfer service sales representatives, and funeral preplanners pay annual licence fees. These fees are recognized proportionately over the fiscal year to which they pertain. Unearned fees are recorded as deferred revenue.

iv) Funeral - exam fees

Examination fees are recognized at the time of registration

v) Interest income is recognized on an accrual basis.

Financial instruments

The Company initially measures its financial assets and financial liabilities at fair value except for certain non-arm's length transactions. The Company subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost represents cash, short-term investments and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. When events occurring after the impairment confirm that a reversal is necessary, the reversal is recognized in net income up to the amount of the previously recognized impairment.

(continues)

BEREAVEMENT AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Rent inducement

Rent inducement includes rent free periods provided by landlord. The rent inducement is deferred and amortized on a straight-line basis over the term of the lease.

3. CAPITAL MANAGEMENT

When managing capital, the Organization's objectives are to ensure that the Organization continues as a going concern as well as to maintain optimal benefits to its stakeholders. Management adjusts the capital structure as necessary, in order to support the operational requirements of the Organization. The Board of Directors does not establish quantitative return on capital criteria for management but rather relies on the expertise of management to sustain future development of the Organization. The Organization defines capital to include its working capital position and the net assets of the Organization.

Management reviews its capital management approach on an ongoing basis and believes that this approach, given the relative size of the Organization, is appropriate.

4. SHORT-TERM INVESTMENTS

Short-term investments comprise of three Guaranteed Investment Certificates ("GICs") earning interest at rates varying from 0.35% to 0.40% per annum, and with maturity dates ranging from June 28, 2021 to July 22, 2021.

5. ACCOUNTS RECEIVABLE

	2021	2020
Funeral Services Compensation Fund		
Administrative Revenue	\$ 11,819	\$ 20,411
Interest receivable on short-term investments	1,066	27,064
Cemetery - operator and licence fees	3,749	47,575
	<u>\$ 16,634</u>	<u>\$ 95,050</u>

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Leasehold improvements	\$ 351,451	\$ 198,520	\$ 152,931	\$ 191,166
Furniture and fixtures	110,807	73,680	37,127	46,407
Computer equipment	161,899	121,390	40,509	53,024
	<u>\$ 624,157</u>	<u>\$ 393,590</u>	<u>\$ 230,567</u>	<u>\$ 290,597</u>

BEREAVEMENT AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

7. INTANGIBLE ASSETS

	2021	2020
Intangibles assets - costs	\$ 176,237	\$ 176,237
Accumulated amortization	(52,800)	(35,200)
	<u>\$ 123,437</u>	<u>\$ 141,037</u>

8. DEFERRED REVENUE

	2021	2020
Continuity of deferred revenue:		
Deferred revenue, beginning	\$ 452,020	\$ 444,904
Funeral fees received	113,336	2,527,399
Cemetery revenue received	807,007	1,404,834
Grant revenue received	3,949,318	-
	<u>5,321,681</u>	<u>4,377,137</u>
Less revenue recognized		
Funeral revenue	(111,689)	(2,573,022)
Cemetery revenue	(848,197)	(1,352,095)
Grant revenue	(3,883,183)	-
	<u>\$ 478,612</u>	<u>\$ 452,020</u>
Deferred revenue consists of:		
Deferred licence revenue - funeral	\$ 400,928	\$ 399,281
Deferred licence revenue - cemetery	11,550	52,739
Deferred revenue - grant revenue	66,134	-
	<u>\$ 478,612</u>	<u>\$ 452,020</u>

9. DEFERRED CONTRIBUTIONS - CAPITAL ASSETS

	2021	2020
Balance, beginning of the year	\$ 176,636	\$ 216,165
Amortization of deferred contributions	(36,439)	(39,529)
Balance, end of the year	<u>\$ 140,197</u>	<u>\$ 176,636</u>

10. RESTRICTED NET ASSETS

During the 2019 fiscal year, the Organization created an operating reserve for maintaining and accumulating funds that are available when needed due to unforeseen operating shortfalls.

An initial reserve of \$2,000,000 was established. On April 11, 2018, the Board approved the reserve effective immediately upon transfer funds. Interest earned on the initial reserve is identified as in-reserve status and therefore not available for unrestricted purposes.

BEREAVEMENT AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

11. INVESTED IN CAPITAL ASSETS

a) Net assets invested in capital assets, which represents internally financed capital assets, are calculated as follows:

	2021	2020
Capital assets, net (<i>Note 6</i>)	\$ 230,567	\$ 290,597
Intangible assets, net (<i>Note 7</i>)	123,437	141,037
Less unamortized deferred contributions - capital assets (<i>Note 8</i>)	(140,197)	(176,636)
Balance, end of the year	<u>\$ 213,807</u>	<u>\$ 254,998</u>

b) The net change in net assets invested in capital assets is calculated as follows:

	2021	2020
Amortization of deferred contributions	\$ 36,439	\$ 39,529
Less amortization of intangible assets	(17,600)	(17,600)
Less amortization of capital assets	(74,665)	(71,555)
	<u>\$ (55,826)</u>	<u>\$ (49,626)</u>

12. GRANT REVENUE

During the year, the Organization received \$3,949,318 from the Minister of Government and Consumer Services ("MGCS") for the purpose of providing temporary financial relief to licensees under the Funeral, Burial, and Cremation Services Act (2002) who were facing significant shortfalls in revenues due to COVID-19. The Organization provided a "fee holiday" to licensees by waiving their annual renewal fees from April 1, 2020 and March 31, 2021. The grant revenue was used to cover the operating expenses of the Organization as a result of offering "fee holiday" to the licensees.

13. RELATED PARTY TRANSACTIONS

The Compensation Fund was established November 1, 1990 under the Funeral Directors and Establishments Act (Ontario) (FDEA) to compensate consumers whose prepayment funds have been misappropriated. The Fund continued under Regulation 468 of the Revised Regulations of Ontario, 1990 ("Compensation Fund") made under the Funeral Directors and Establishments Act, as that regulation read immediately before its revocation, and known as the Prepaid Funeral Services Compensation Fund is continued as the compensation fund for purposes of subsection 61(1) of the Funeral, Burial and Cremation Services Act, 2002 (FBCSA) under the name of the Funeral Services Compensation Fund (the "Fund"). The purpose of the Fund is to compensate a person who suffers a financial loss due to a failure on the part of a licensee to comply with the FBCSA or the regulations or with the terms of an agreement made under the FBCSA.

Pursuant to section c. 33, s. 61(1), made under the Funeral, Burial and Cremation Services Act, 2002, except for the duties and responsibilities of the Trustee and the Organization, the affairs of the Fund are managed by the Compensation Fund committee whose members are appointed by the Board of the Organization.

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BEREAVEMENT AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

13. RELATED PARTY TRANSACTIONS *(continued)*

The Fund employs the Organization to provide administrative services on a cost recovery basis. These services include paying the Compensation Committee's members' per diems, bookkeeping services, administrative costs related to staff attending committee meetings, and legal costs paid on its behalf. Total costs reimbursable to the Board for the current fiscal year is \$11,819 (2020 - \$20,411). These amounts are recorded as salaries and wages recoveries in the statement of operations and is netted against that number.

14. COMMITMENTS

The Organization is committed to lease its premises at 100 Sheppard Avenue East, Suite 500 and 505, Toronto, Ontario M2N 6N5 until May 31, 2026. The future minimum commitments are as follows:

<u>Fiscal year</u>	<u>Amount</u>
2022	\$ 315,327
2023	315,327
2024	315,327
2025	315,327
2026 and thereafter	367,881
	<u>\$ 1,629,189</u>

15. FINANCIAL INSTRUMENTS

The Organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Organization's risk exposure and concentration as of March 31, 2021.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Organization is exposed to credit risk with respect to cash, short-term investments and accounts receivable. The credit risk for cash and short-term investments is insignificant since they are held by a large financial institution. For accounts receivable, the organization monitors on a continuous basis its accounts receivable and provides provision for bad debts as necessary.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk primarily from its accounts payable and accrued liabilities.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The Organization is mainly exposed to interest rate risk.

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BEREAVEMENT AUTHORITY OF ONTARIO
NOTES TO FINANCIAL STATEMENTS
Year Ended March 31, 2021

15. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Organization is exposed to interest rate risk primarily through its fixed interest rate investments which subject the Organization to changes in fair value.

Unless otherwise noted, it is management's opinion that the Organization is not exposed to significant other price risks arising from these financial instruments.