

MANITOBA POSSIBLE INC.

CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Members of Manitoba Possible Inc.:

Opinion

We have audited the consolidated financial statements of Manitoba Possible Inc. (the "Entity"), which comprise the consolidated statement of financial position as at March 31, 2022, and the consolidated statement of operations, consolidated statement of changes in net assets and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Entity as at March 31, 2022, and the result of its consolidated operations and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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 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 auditor's report to the related disclosures in the consolidated 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 Entity to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the consolidated financial information of the entities or business activities within the Entity to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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.

Scarrow & Donald LLP



Chartered Professional Accountants
June 7, 2022
Winnipeg, Canada

MANITOBA POSSIBLE INC.

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	<u>March 31</u>	
	<u>2022</u>	<u>2021</u>
ASSETS		
Current assets:		
Cash (Note 3)	\$ 1,299,350	\$ 1,452,497
Accounts receivable	521,101	864,019
GST receivable	25,693	39,861
Inventory	388,249	386,912
Prepaid expenses	<u>80,275</u>	<u>79,856</u>
	2,314,668	2,823,145
Investments (Note 4)	11,634,464	11,348,570
Equity interest in Mobile Vision Care Clinic Inc. (Note 5)	147,444	182,552
Fixed assets (Note 6)	<u>974,393</u>	<u>1,021,702</u>
	<u>\$ 15,070,969</u>	<u>\$ 15,375,969</u>
LIABILITIES AND NET ASSETS		
Current liabilities:		
Accounts payable	\$ 1,414,267	\$ 1,485,957
Accrued benefit liability (Note 7)	19,441	-
Loan payable (Note 8)	419,050	493,000
Deferred contribution - core funding (Note 9)	638,774	510,124
Current portion of obligation under capital lease (Note 10)	<u>36,922</u>	<u>46,729</u>
	2,528,454	2,535,810
Obligation under capital lease (Note 10)	67,185	69,469
Deferred contributions (Note 11)	524,265	542,619
Specified commitments (Note 12)	<u>802,094</u>	<u>1,123,093</u>
	3,921,998	4,270,991
Net assets:		
Net assets invested in fixed assets	297,144	232,348
Net assets restricted for endowment purposes (Note 13)	3,688,733	3,688,733
Employee future benefits	(19,441)	-
Unrestricted net assets	<u>7,182,535</u>	<u>7,183,897</u>
	<u>11,148,971</u>	<u>11,104,978</u>
	<u>\$ 15,070,969</u>	<u>\$ 15,375,969</u>

APPROVED BY THE BOARD:


 _____ **Director**

 _____ **Director**

MANITOBA POSSIBLE INC.
CONSOLIDATED STATEMENT OF OPERATIONS

	Year ended March 31	
	<u>2022</u>	<u>2021</u>
Revenue:		
Core funding-		
Province of Manitoba - Families	\$ 3,967,600	\$ 3,879,484
Province of Manitoba - Education and Training	2,363,661	2,369,938
Winnipeg Regional Health Authority	1,536,624	1,536,624
United Way of Winnipeg	<u>1,065,811</u>	<u>1,065,811</u>
	8,933,696	8,851,857
Other funding-		
Campaigns and fundraising	697,243	515,049
Investment income (Note 4 and 14)	448,156	1,087,937
Deferred contributions related to fixed assets (Note 11)	58,846	41,999
Deferred contributions related to specified commitments (Note 12)	523,782	764,401
Other revenue	<u>3,786,536</u>	<u>3,154,138</u>
	14,448,259	14,415,381
Expenditures:		
Services and other	13,272,867	11,960,578
Depreciation	300,243	162,182
Interest and bank charges	25,481	24,288
Interest on capital lease	10,314	9,570
Expenditure for specified commitments (Note 12)	<u>523,782</u>	<u>764,401</u>
	14,132,687	12,921,019
Difference between revenue and expenditures	<u>\$ 315,572</u>	<u>\$ 1,494,362</u>

MANITOBA POSSIBLE INC.

CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

	Year ended March 31					
	2022				2021	
	Net assets invested in fixed assets	Net assets restricted for endowment purposes	Employee future benefits	Unrestricted net assets	Total	Total
Balance, beginning of year	\$ 232,348	\$ 3,688,733	\$ -	\$ 7,183,897	\$ 11,104,978	\$ 9,870,427
Difference between revenue and expenditures	(241,397)	-	(285,267)	842,236	315,572	1,494,362
Employee future benefits contributions	-	-	537,405	(537,405)	-	-
Employee future benefits remeasurements	-	-	(271,579)	-	(271,579)	(259,811)
Fixed assets:						
- Deferred contributions	(32,782)	-	-	32,782	-	-
- Purchase of fixed assets	224,535	-	-	(224,535)	-	-
- Capital lease payments	40,490	-	-	(40,490)	-	-
- Loan payments	73,950	-	-	(73,950)	-	-
Balance, end of year	<u>\$ 297,144</u>	<u>\$ 3,688,733</u>	<u>\$ (19,441)</u>	<u>\$ 7,182,535</u>	<u>\$ 11,148,971</u>	<u>\$ 11,104,978</u>

MANITOBA POSSIBLE INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

	Year ended March 31	
	2022	2021
Cash from operating activities:		
Cash receipts from operating activities	\$ 15,951,018	\$ 15,380,127
Cash paid to suppliers and employees	(14,439,378)	(12,694,176)
Interest paid	(25,481)	(24,288)
	1,486,159	2,661,663
Cash from investing and financing activities:		
Net change in investments	(1,300,331)	(2,407,483)
Payments received on equipment loan	-	15,930
Purchase of fixed assets	(224,535)	(755,583)
Proceeds on loan	-	493,000
Payments on loan	(73,950)	-
Payments on capital lease	(40,490)	(35,691)
	(1,639,306)	(2,689,827)
Change in cash	(153,147)	(28,164)
Cash, beginning of year	1,452,497	1,480,661
Cash, end of year	\$ 1,299,350	\$ 1,452,497

MANITOBA POSSIBLE INC.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

1. Purpose of the Entity:

Manitoba Possible Inc. is an organization that supports and fosters a diverse and cohesive community for persons with disabilities. The Entity is incorporated under the Canada Corporations Act as a not-for-profit organization.

2. Significant accounting policies:

The consolidated financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. An assumption underlying the preparation of consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations is that the entity will continue for the foreseeable future and will be able to realize its assets and discharge liabilities in the normal course of operations.

The consolidated financial statements include the following significant accounting policies:

a) Basis of presentation-

The entities consolidated into these financial statements include those entities which the Entity has the right to appoint the board of directors. These entities are Manitoba Possible Services Inc., Manitoba Possible Foundation Inc. and Manitoba Possible Ventures Inc. The financial statements follow the equity method for the Entity's 28.04% (2021 – 28.04%) interest in Mobile Vision Care Clinic Inc.

b) Critical accounting estimates and judgments-

The preparation of consolidated financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and judgments that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period.

Accounting estimates are included in financial statements to approximate the effect of past business transactions or events, or to approximate the present status of an asset or liability. It is possible that changes in future economic conditions could require changes in the recognized amounts for accounting estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they became known.

Significant areas of estimation by management include the impairment of non-financial assets, the useful lives of capital assets and the fair value of financial instruments.

Management bases their judgments, estimates and assumptions on factors they believe to be reasonable in the circumstances, but which may be inherently uncertain and unpredictable.

c) Financial instruments-

Except for certain related party transactions, financial instruments are measured at fair value on initial recognition adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption. Transaction costs related to financial instruments that will be measured subsequently at fair value are recognized in net income for the period incurred.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Accounting policies (continued):

b) Financial instruments (continued)-

In subsequent periods, investments in equity instruments that are quoted in an active market and certain derivative contracts are measured at fair value without any adjustment for transaction costs that may incur on sale or other disposal. The Entity may elect to measure any financial instrument at fair value when the asset or liability is first recognized or for equity instruments that previously measured at fair value when the equity instrument ceases to be quoted in an active market. Other investments in equity instruments are measured at cost less any reduction for impairments. All other financial instruments are measured at amortized cost. Amortized cost is the amount at which the financial instrument is measured at initial recognition less principal repayments, plus or minus the cumulative of any difference between that initial amount and the maturity amount, and minus any reduction for impairment.

The Entity measures cash, accounts receivable, accounts payable and loan payable at amortized cost. The Entity measures investments at fair value.

The Entity assesses impairment of all its financial assets, except those measured at fair value. Management considers whether there has been a breach in contract, such as a default or delinquency in interest of principal payments in determining whether objective evidence of impairment exists. Impairment is included in current earnings.

d) Fixed assets-

Fixed assets are recorded at cost and depreciated over their estimated useful lives, except for contributed assets which are recorded at fair market value at the time of the contribution plus all costs directly attributable to the acquisition. This requires estimation of the useful life of the asset and its salvage and residual value. When a fixed asset is impaired, the excess of its net carrying amount over the asset's fair value or replacement cost is recognized as an expense. As is true for all accounting estimates, it is possible that changes in future conditions could require changes in the recognized amounts for accounting estimates. Fixed assets are depreciated on a straight-line basis over the estimated useful life of the asset as follows:

Equipment and furnishings - 4 to 5 years

e) Revenue recognition-

The Entity 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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

f) Inventory-

Inventory of finished goods is valued at the lower of average cost, on a first-in, first-out basis, and replacement cost. The cost of inventory includes only the purchase price.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

2. Accounting policies (continued):

g) Employee future benefits-

The Entity has defined benefit pension plans for its employees. The Entity recognizes the amount of the accrued obligation, net of the fair value of plan assets in the statement of financial position. Current service and finance costs are expensed during the year. Remeasurements and other items which represent the total of the difference between actual and expected return on plan assets, actuarial gains and losses, and past service costs, are recognized directly in the statement of changes in net assets as a separately identified line item.

The cost of pensions earned by employees is determined using the most recently completed funding going concern valuation. The assumptions used concern a number of future conditions, including investment returns, salary changes, withdrawals and mortality rates. The fair market value of assets is used for disclosure and calculation of pension cost, effective on the measurement date which is March 31 of each year.

Contributions to defined benefit plans are expensed when due.

3. Lines of credit:

The Entity has available to it lines of credit for up to \$1,000,000 (2021 - \$750,000) of which \$348,944 (2021 - \$143,283) had been drawn at year end. The line of credit bears interest at prime and are secured by a general security agreement. The lines are renewed annually.

4. Investments:

At March 31, 2022 investments, carried at fair value, based on quoted market prices include \$11,634,464 (2021 - \$11,348,570) invested in funds managed by Manulife. As at March 31, 2022 and 2021, the investments held with Manulife are comprised of the following funds:

	March 31	
	2022	2021
Canadian Equities	22.5%	20.0%
Canadian Bonds	22.5%	30.0%
Mortgages	15.0%	15.0%
Real Estate	10.0%	8.0%
U.S. Equities	0.0%	2.0%
International Equities	30.0%	25.0%
	<u>100.0%</u>	<u>100.0%</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

5. Equity interest in Mobile Vision Care Clinic Inc.:

	March 31	
	2022	2021
Balance, beginning of year	\$ 182,552	\$ 231,427
Share of loss	(35,108)	(46,866)
Entity's share of interest on equipment loan	-	93
Loss on investment due to change in ownership	-	(2,102)
Balance, end of year	<u>\$ 147,444</u>	<u>\$ 182,552</u>

6. Fixed assets:

	March 31			
	2022		2021	
	Cost	Accumulated Depreciation	Cost	Accumulated Depreciation
Equipment and furnishings	\$ <u>2,986,296</u>	\$ <u>2,011,903</u>	\$ <u>2,809,082</u>	\$ <u>1,787,380</u>
Net book value	\$ <u>974,393</u>		\$ <u>1,021,702</u>	

Equipment and furnishings includes equipment under capital lease with a cost of \$213,740 (2021 - \$185,341) and accumulated depreciation of \$109,633 (2021 - \$69,143).

7. Employee future benefits:

The most recent actuarial valuations were completed as at December 31, 2021.

The estimated present value of the accumulated plan benefit obligations and the estimated market value of the net assets available to provide for those benefits are as follows:

	March 31	
	2022	2021
Plan assets, market value	\$ 23,622,339	\$ 22,752,451
Accrued benefit obligations	(19,859,555)	(19,434,777)
Excess of plan assets over accrued benefit obligations	3,762,784	3,317,674
Valuation allowance	<u>(3,782,225)</u>	<u>(3,317,674)</u>
Accrued benefit asset (liability)	<u>\$ (19,441)</u>	<u>\$ -</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

7. Employee future benefits (continued):

Pension fund assets-

	March 31	
	2022	2021
Plan assets, beginning of year	\$ 22,752,451	\$ 19,837,142
Actual gain on plan assets	1,372,794	3,170,418
Contributions by employers	537,405	500,497
Contributions by employees	394,783	394,381
Benefits paid	<u>(1,435,094)</u>	<u>(1,149,987)</u>
Plan assets, end of year	<u>\$ 23,622,339</u>	<u>\$ 22,752,451</u>

Pension fund assets consist primarily of fixed income and equity securities, valued at market value.

Accrued benefit obligations-

	March 31	
	2022	2021
Accrued benefit obligations, beginning of year	\$ 19,434,777	\$ 18,319,621
Current service cost	285,267	240,686
Interest cost	923,152	915,981
Benefits paid	(1,435,094)	(1,149,987)
Employee contributions	394,783	394,381
Actuarial loss	<u>256,970</u>	<u>714,095</u>
Accrued benefit obligations, end of year	<u>\$ 19,859,855</u>	<u>\$ 19,434,777</u>

Components of defined benefit costs - recognized in the statement of operations-

	March 31	
	2022	2021
Current service cost	<u>\$ 285,267</u>	<u>\$ 240,686</u>
Recognized in services and other in the statement of operations	<u>\$ 285,267</u>	<u>\$ 240,686</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

7. Employee future benefits (continued):

Re-measurement and other items - recognized in the statement of changes in net assets-

	March 31	
	2022	2021
Actuarial loss on obligation	\$ 256,670	\$ 714,095
Actuarial gain on assets	(449,642)	(2,254,437)
Change in valuation allowance	<u>464,551</u>	<u>1,800,153</u>
Recognized in the statement of changes in net assets	<u>\$ 271,579</u>	<u>\$ 259,811</u>

Defined benefit cost-

	March 31	
	2022	2021
Recognized in the statement of operations	\$ 285,267	\$ 240,686
Recognized in the statement of changes in net assets	<u>271,579</u>	<u>259,811</u>
Net plan expense	<u>\$ 556,846</u>	<u>\$ 500,497</u>

8. Loan payable:

Demand loan payable with an interest rate of prime plus 1% secured by a general security agreement.

9. Deferred contribution - core funding

	March 31	
	2022	2021
Balance, beginning of year	\$ 510,124	\$ 558,057
Add: Contributions received	9,211,485	8,958,576
Less: Amounts recognized as revenue - Core funding	(9,005,029)	(8,918,125)
Less: Amounts recognized as revenue - Other funding	<u>(77,806)</u>	<u>(88,384)</u>
Balance, end of year	<u>\$ 638,774</u>	<u>\$ 510,124</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

10. Obligation under capital lease:

The Entity has entered into capital leases for office equipment. The effective interest rates are 9% (2021 - 12%). These leases expire in 2026, as follows:

	March 31	
	2022	2021
2022	\$ -	\$ 47,082
2023	36,922	31,080
2024	36,922	31,080
2025	34,480	28,638
2026	7,618	1,776
2027	<u>2,655</u>	<u>-</u>
Total minimum lease payments	118,597	139,656
Amount representing interest	<u>(14,490)</u>	<u>(23,458)</u>
	104,107	116,198
Less: Current portion	<u>36,922</u>	<u>46,729</u>
Obligation under capital lease	<u>\$ 67,185</u>	<u>\$ 69,469</u>

11. Deferred contributions:

	Inventory	Fixed assets	March 31	
			2022	2021
Balance, beginning of year	\$ 362,463	\$ 180,156	\$ 542,619	\$ 513,073
Add: Contributions received	532,171	32,782	564,953	565,697
Less: Amounts recognized as revenue	<u>(524,461)</u>	<u>(58,846)</u>	<u>(583,307)</u>	<u>(536,151)</u>
Balance, end of year	<u>\$ 370,173</u>	<u>\$ 154,092</u>	<u>\$ 524,265</u>	<u>\$ 542,619</u>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022**

12. Specified commitments:

Specified commitments are deferred contributions which represent unspent resources externally restricted for specified purposes.

	<u>March 31</u>	
	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,123,093	\$ 1,003,304
Add: Contributions received	367,950	939,898
Less: Transferred out	(165,167)	(55,708)
Less: Amounts recognized as revenue	<u>(523,782)</u>	<u>(764,401)</u>
Balance, end of year	<u>\$ 802,094</u>	<u>\$ 1,123,093</u>

13. Restrictions on net assets:

Of the net assets restricted for endowment purposes, \$2,995,904 (2021 - \$2,995,904) is subject to externally imposed restrictions stipulating that the resources be maintained permanently, with \$692,829 (2021 - \$692,829) being subject to internally imposed restrictions. Investment income on \$1,712,106 (2021 - \$1,712,106) is externally restricted for the provision of services to children with disabilities. Investment income on \$557,059 (2021 - \$557,059) is externally restricted for the provision of services to adults with disabilities. Investment income on \$626,739 (2021 - \$626,739) is externally restricted for Assistive Technology. Investment income on the \$100,000 (2021 - \$100,000) is externally restricted for fund children’s programs in the City of Brandon and Town of Minnedosa. Income on the Lakeside Fund is internally restricted for recreation and lifeskills.

	<u>March 31</u>	
	<u>2022</u>	<u>2021</u>
Restricted for Children's Programs - Easter Seals' Fund	\$ 1,706,444	\$ 1,706,444
- Other	5,662	5,662
Restricted for Adult Programs	557,059	557,059
Restricted for Assistive Technology	626,739	626,739
Restricted for children's programs in Brandon and Minnedosa - Oakley Fund	100,000	100,000
Lakeside Fund for recreation and lifeskills	200,000	200,000
Internally restricted	<u>492,829</u>	<u>492,829</u>
	<u>\$ 3,688,733</u>	<u>\$ 3,688,733</u>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

FOR THE YEAR ENDED MARCH 31, 2022

14. Investment income:

	<u>March 31</u>	
	<u>2022</u>	<u>2021</u>
Income earned on unrestricted resources	\$ 437,892	\$ 1,059,069
Income earned on resources held for endowment- Restricted for:		
- Children's Programs	110,673	288,054
- Adult Programs	32,422	84,626
- Assistive Technology	51,171	136,903
- Research activities - Miller Fund	10,522	29,592
- Children's programs in Brandon and Minnedosa - Oakley Fund	5,132	14,434
Internally restricted:		
- Lakeside Fund	<u>10,264</u>	<u>28,868</u>
Total investment income	658,076	1,641,546
Less amounts deferred- Restricted for:		
- Children's Programs	(110,673)	(288,054)
- Adult Programs	(32,422)	(84,626)
- Assistive Technology	(51,171)	(136,903)
- Research activities - Miller Fund	(10,522)	(29,592)
- Children's programs in Brandon and Minnedosa - Oakley Fund	<u>(5,132)</u>	<u>(14,434)</u>
Total investment income recognized as revenue	<u>\$ 448,156</u>	<u>\$ 1,087,937</u>

Included in total investment income and deferred contributions is a decrease in market value of \$1,014,437 (2021 - increase of \$1,373,718).

15. Lease commitments:

The Entity has entered into lease agreements for equipment and premises with estimated base lease payments as follows:

2023	\$ 638,580
2024	641,101
2025	146,851
2026	79,410
2027	11,340

16. Government assistance:

The Entity has applied for the government assistance relating to salaries paid during the years ended March 31, 2022 and 2021. Government assistance of \$9,225 (2021 - \$62,627) has been recorded in the financial statements in other revenue.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**FOR THE YEAR ENDED MARCH 31, 2022****17. Risk management:**

Management's risk management policies are typically performed as a part of the overall management of the Entity's operations. Management is aware of risks related to these objectives through direct personal involvement with employees and outside parties. In the normal course of its business, the Entity is exposed to a number of risks that can affect its operating performance. Management's close involvement in operations helps identify risks and variations from expectations. The Entity has not designated transactions as hedging transactions to manage risk. As a part of the overall operation of the Entity, management considers the avoidance of undue concentrations of risk. These risks include, and the actions taken to manage them are as follows:

Liquidity risk-

Liquidity risk is the risk that the Entity cannot meet its financial obligations associated with financial liabilities in full. The Entity's main sources of liquidity are its operations and external borrowings. The funds are primarily used to finance working capital and capital expenditure requirements and are adequate to meet the Entity's financial obligations associated with financial liabilities.

Interest rate risk-

Interest rate risk is the risk that changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as interest rate cash flow risk, or on the fair value of other financial assets or liabilities, known as interest rate price risk.

Credit risk-

Credit risk arises from the possibility that debtors may be unable to fulfill their commitments. For a financial asset, this is typically the gross carrying amount, net of any amounts offset and any impairment losses. The Entity has credit policies to address credit risk on accounts receivable, which may include the analysis of the financial position of the debtor and review of credit limits. The Entity also may review credit history before establishing credit and reviews credit performance. An allowance for doubtful accounts or other impairment provisions are established based upon factors surrounding credit risk, historical trends and other information. No allowance for doubtful accounts has been recorded. Bad debt expense recorded in the year is \$676 (2021 - bad debt recovery of \$279).

Currency risk-

Currency risk is the risk that the changes in foreign exchange rates may have an effect on future cash flows associated with financial instruments. The Entity is exposed to currency risk as it relates to investments denominated in foreign currency. Changes in the applicable exchange may result in a decrease or increase in investment income or expense.

Other price risk-

Other price risk is the risk that changes in market prices, including commodity or equity prices, will have an effect on future cash flows associated with financial instruments. The cash flows associated with the Entity's investments are affected by market prices.

18. COVID-19:

The outbreak of COVID-19, has resulted in governments enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, quarantine periods and social distancing, have caused an economic slowdown and material disruption to business. Subsequent to March 31, 2022 government has continued to react with interventions intended to stabilize economic conditions. The duration and impact of the COVID-19 outbreak is unknown at the time. It is not possible to reliably estimate the length and severity of these developments and the impact on the financial performance and financial position of the Entity in future periods.