

Semiahmoo House Society
Financial Statements
For the year ended March 31, 2022

Semiahmoo House Society Contents

For the year ended March 31, 2022

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Independent Auditor's Report

To the Members of Semiahmoo House Society:

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of Semiahmoo House Society (the "Society"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenses, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society 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 Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records and we were not able to determine whether adjustments might be necessary to donation revenues and excess (deficiency) of revenues over expenses for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at March 31, 2022 and March 31, 2021. Our audit opinion on the financial statements for the year ended March 31, 2021 was also modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Supplementary Information

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. Supplementary information including Schedules 1 to 10, has been presented for purposes of additional analysis. We do not express an opinion on the Schedules because our examination did not extend to the detailed information therein.

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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

MNP LLP

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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 Society'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 Society'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 Society 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.

Report on Other Legal and Regulatory Requirements

As required by the Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Nanaimo, British Columbia

October 12, 2022

MNP LLP

Chartered Professional Accountants

Semiahmoo House Society

Statement of Financial Position

As at March 31, 2022

	2022	2021
Assets		
Current		
Cash	21,407	842,196
Accounts receivable	500,972	872,090
Prepaid expenses	211,455	51,764
	733,834	1,766,050
Capital assets (Note 3)	1,066,992	1,245,352
Investments	5,505	5,505
Advances to related parties (Note 4)	1,949,387	1,540,503
Restricted cash and investments - capital reserves (Note 5)	2,478,981	1,284,651
Restricted cash and investments - contingency reserves (Note 6)	3,803,041	3,032,504
	10,037,740	8,874,565
Liabilities		
Current		
Bank indebtedness	304,047	-
Accounts payable and accruals (Note 7)	2,056,725	1,753,693
Deferred contributions (Note 8)	272,084	253,820
	2,632,856	2,007,513
Deferred capital contributions (Note 9)	23,085	25,650
	2,655,941	2,033,163
Commitments (Note 10)		
Guarantees (Note 11)		
Net Assets	7,381,799	6,841,402
	10,037,740	8,874,565

Approved on behalf of the Board of Directors

S. Beatrice Hadikin

Director

Marie Sabino

Director

The accompanying notes are an integral part of these financial statements

Semiahmoo House Society
Statement of Revenues and Expenses
For the year ended March 31, 2022

	2022	2021
Revenue		
Community Living of B.C.	14,395,440	14,365,765
Program and microboard fees	803,365	767,259
Government of Canada	580,861	530,652
Fraser Health Authority	262,813	257,343
Sales and service	213,361	267,603
BC Housing	22,500	22,500
Total revenues	16,278,340	16,211,122
Expenses		
Amortization	112,515	114,829
Bank charges and interest	14,436	10,679
Community awareness	19,170	11,970
Computer consulting and equipment	300,341	134,228
Contracted services	3,718,160	3,936,007
Groceries and supplies	120,559	121,261
Health and First Aid	38,914	41,563
Inclusion BC Membership	10,000	2,000
Insurance	71,493	79,239
Occupancy costs (Note 15)	1,138,137	1,040,356
Office	39,568	49,200
Professional fees	23,793	25,471
Program recreation, education and supplies	78,831	37,535
Salaries, wages and benefits	11,592,723	10,892,782
Training and education	106,066	17,385
Transportation	167,993	147,845
Total expenses	17,552,699	16,662,350
Deficiency of revenues over expenses from operations	(1,274,359)	(451,228)
Other income		
Gain (loss) on disposal of capital assets (Note 3)	1,202,264	(104,783)
Donations and miscellaneous contributions (Note 15)	288,939	169,889
Canada Emergency Wage Subsidy (Note 18)	98,237	2,809,625
Interest	66,457	37,547
Other gaming	57,625	146,880
Rental revenue	48,000	72,900
Gaming Commission Access grants	43,000	33,000
Unrealized gain on marketable securities	10,234	271,748
Total other income	1,814,756	3,436,806
Excess of revenues over expenses	540,397	2,985,578

The accompanying notes are an integral part of these financial statements

Semiahmoo House Society
Statement of Changes in Net Assets
For the year ended March 31, 2022

	Restricted for capital reserves	Restricted for contingency reserves	Capital fund	Operations fund	2022	2021
Net assets, beginning of year	1,284,651	3,032,504	1,222,038	1,302,209	6,841,402	3,855,824
Excess (deficiency) of revenue over expenses	(7,932)	43,287	1,092,315	(587,272)	540,397	2,985,578
Disposals of capital assets net of purchases	-	-	(65,845)	65,845	-	-
Transfers	1,202,262	727,250	(1,202,262)	(727,250)	-	-
Net assets, end of year	2,478,981	3,803,041	1,046,246	53,532	7,381,799	6,841,402

The accompanying notes are an integral part of these financial statements

Semiahmoo House Society

Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	540,397	2,985,578
Amortization	112,515	114,829
(Gain) loss on disposal of capital assets	(1,202,264)	104,783
Unrealized gain on marketable securities	(10,234)	(271,748)
Deferred capital contribution amortization	(2,565)	(76,838)
	(562,151)	2,856,604
Changes in working capital accounts		
Accounts receivable	371,118	(803,588)
Prepaid expenses	(159,693)	91,628
Accounts payable and accruals	303,032	316,257
Deferred contributions	18,264	170,479
	(29,430)	2,631,380
Investing		
Advances to related parties	(408,884)	(18,057)
Purchase of capital assets	(47,876)	(103,175)
Proceeds on disposal of capital assets	1,315,984	11,150
Net advances to restricted cash and investments	(1,954,630)	(1,895,542)
Advances of bank indebtedness	304,047	-
	(791,359)	(2,005,624)
(Decrease) increase in cash resources	(820,789)	625,756
Cash resources, beginning of year	842,196	216,440
Cash resources, end of year	21,407	842,196

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Semiahmoo House Society (the "Society") is incorporated under the Societies Act as a not-for-profit organization and is a registered charity exempt from income tax under the Income Tax Act (the "Act"). In order to maintain its status as a registered charity under the Act, the Society must meet certain requirements within the Act. In the opinion of management, these requirements have been met.

The objective of the Society is to provide quality services, advocacy and support to people with disabilities and their families within the community. The Society operates five group homes and also supports individuals in other residential settings such as a Family Care Home, five vocational/day services and a variety of individualized programs such as a Family Support program for persons with disabilities.

Impact on operations of COVID-19 (coronavirus)

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. There were delays in program and services as a result of the pandemic which has impacted the Society's operating results.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Fund accounting

The Society records accounting transactions using the fund accounting method generally in use for not-for-profit organizations. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations which presents the results of operations for the fund. The statement of financial position of the Society includes the assets, liabilities and equity of all funds presented in the financial statements.

The various funds are: the operations fund, which includes all of the programs of the Society; the capital fund, which includes the capital assets of the Society; the reserve funds noted below. The funds have been amalgamated for the purpose of presentation in the financial statements. Details of the operations of each program are set out in the supplementary schedules.

Net assets restricted for capital reserves are internally restricted by the Society's Board of Directors for the purposes of funding capital acquisitions and the repair and replacement of Society owned assets, including buildings, vehicles, furniture, and equipment. These funds may only be used with the approval of the Board of Directors. Interest earned on the reserves is also internally restricted.

Net assets restricted for contingency reserves are internally restricted by the Society's Board of Directors for the purposes of funding unexpected or contingent liabilities resulting from operations of the Society. These funds may only be used with the approval of the Board of Directors.

All inter-program balances have been eliminated on consolidation, but in order to present the results of operations for each specific program, transactions amongst programs have not necessarily been eliminated on the individual schedules.

Revenue recognition

The Society 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. The Society receives contributions under contract from Community Living B.C, the Government of Canada, the Fraser Health Authority, and BC Housing.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Interest earned on the reserves is also internally restricted. Unrestricted investment income is recognized as revenue when earned.

2. Significant accounting policies *(Continued from previous page)*

Rental income is recorded in the year it is earned. At the end of each year management evaluates whether rent revenue is collectible and records a bad debt expense and allowance for doubtful accounts for those amounts designated as unlikely to be collected.

Daycare fees revenue is recognized when earned.

The Gaming Commission Access grants and other gaming revenue is recognized as it becomes receivable under the terms of the applicable funding agreements.

Sales and services revenues are recognized as services are rendered or goods are sold, once amounts can be reasonably measured, and collectibility is reasonably assured, on an accrual basis.

Program and microboard fees, donations and miscellaneous revenue are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Contributed materials

The Society accounts for contributed materials at their fair value if the fair value can be reasonably estimated and they are used in the normal course of operations and would otherwise have been purchased. The value of volunteer labour is not capable of reasonable estimation and is not included in these statements.

Financial instruments

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 13).

At initial recognition, the Society may irrevocably elect to subsequently measure any financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by quoted market prices. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. All other financial assets and liabilities are subsequently measured at amortized cost, with transaction costs and financing fees are added to the carrying amount of the Society's financial instruments.

Financial asset impairment

The Society assesses impairment of all of its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess (deficiency) in the year the reversal occurs.

Semiahmoo House Society
Notes to the Financial Statements
For the year ended March 31, 2022

2. Significant accounting policies *(Continued from previous page)*

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the declining balance method at the rates below, intended to amortize the cost of assets over their estimated useful lives.

	Rate
Buildings	5 %
Computer equipment	20 %
Computer software	20 %
Furniture and fixtures	20 %
Leasehold improvements	30 %
Motor vehicles	10 %

Employee future benefits

The Society is a participating employer in the Municipal Pension Plan of B.C. (the "Plan"). The Plan is a multi-employer plan and as a result, required contributions to the Plan are expensed as incurred.

Measurement uncertainty

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 reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable, and amounts due from related parties are stated after evaluation as to their collectibility and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in (deficiency) excess of revenues over expenses in the periods in which they become known. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies.

3. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	461,502	-	461,502	461,502
Buildings	292,620	192,276	100,344	105,625
Computer equipment	323,583	222,138	101,445	126,809
Computer software	303,130	238,352	64,778	80,973
Furniture and fixtures	860,380	833,638	26,742	28,676
Leasehold improvements	382,416	189,834	192,582	213,044
Motor vehicles	818,947	699,348	119,599	116,706
Asset held for sale	-	-	-	112,017
	3,442,578	2,375,586	1,066,992	1,245,352

During the year the Society sold the asset held for sale, a decommissioned group home on 20th Avenue, for net proceeds of \$1,303,984 resulting in a gain on disposal of capital assets of \$1,191,968. The net proceeds were transferred to the Restricted Fund for Capital Reserves for future capital improvements and acquisitions.

Semiahmoo House Society
Notes to the Financial Statements
For the year ended March 31, 2022

4. Advances to related parties

The advances to related parties, both related by common board membership, bear no interest, unsecured, and have no fixed terms of repayment.

	2022	2021
The Semiahmoo Foundation	883,316	903,173
Peninsula Estates Housing Society	1,066,071	637,330
	1,949,387	1,540,503

5. Capital reserves

	2022	2021
Cash	1,545,928	372,721
Investment in Investors Group	933,053	911,930
	2,478,981	1,284,651

6. Contingency reserves

	2022	2021
Cash	2,722,670	2,074,327
Investment in Investors Group	980,371	958,177
Investment in RBC	100,000	-
	3,803,041	3,032,504

7. Accounts payable and accruals

	2022	2021
Accounts payable and accruals	199,827	131,610
Wages payable	1,685,756	1,458,549
Source deductions payable	112,108	111,011
Employee benefits and other deductions payable	59,034	52,523
	2,056,725	1,753,693

8. Deferred contributions

Deferred contributions consist of unspent contributions received from contributors who have restricted their use to specific purposes. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made.

Changes in the deferred contributions balance are as follows:

	2022	2021
Balance, beginning of year	253,820	83,341
Amounts received during the year	384,629	253,820
Less: Amounts recognized as revenue during the year	(366,365)	(83,341)
	272,084	253,820

Semiahmoo House Society
Notes to the Financial Statements
For the year ended March 31, 2022

9. Deferred capital contributions

Deferred capital contributions represent contributions restricted for the purpose of renovating the daycare facilities and renovating the Treehouse basement. During the prior year the daycare was wound up and all of the related assets were sold or written off, as a result the related deferred contributions were also recognized in the year.

The changes in the deferred contributions balance for the year are as follows:

	2022	2021
Balance, beginning of year	25,650	102,489
Less: Amount recognized as revenue during the year	(2,565)	(76,839)
Balance, end of year	23,085	25,650

10. Commitments

The Society has entered into an operating lease for office space subject to minimum monthly rent payments of \$4,600 until April 2023, annual payment for 2023 is \$57,600.

11. Guarantees

The Society has guaranteed the mortgages of The Semiahmoo Foundation to a maximum balance of \$2,800,000. As at March 31, 2022, the balance in this mortgage was \$1,939,696 (2021 - \$2,018,928).

12. Pension benefits

The Society and its employees contribute to the Municipal Pension Plan, a jointly trustee pension plan. The Board of Trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2020, the plan has about 220,000 active members and approximately 112,000 retired members.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2018 indicated a \$2.866 billion funding surplus for basic pension benefits. The next valuation will be as at December 31, 2021 with results available later in 2022. Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, with the result that there is no consistent and reliable basis for allocating the obligation, assets and costs to the individual employers participating in the plan.

The Society's employer contributions to the Plan of \$744,661 (2021 - \$636,007) were expensed during the year.

13. Economic dependence

The Society's primary source of revenue is funding from Community Living of B.C. The funding can be cancelled if the Society does not observe certain established guidelines. The Society's ability to continue viable operations is dependent upon following the criteria within the government guidelines, and receipt of government funding. As at the date of these financial statements, the management of the Society believes that it is in compliance with the guidelines.

Semiahmoo House Society
Notes to the Financial Statements
For the year ended March 31, 2022

14. Controlled entities

The Society controls two entities which have not been consolidated in the financial statements. The Semiahmoo Foundation (TSF) and Peninsula Estates Housing Society (PEHS). The Board of Directors of the Society are the members of TSF and PEHS.

	<i>TSF</i>	<i>PEHS</i>
	<i>March 31,</i>	<i>March 31,</i>
	<i>2022</i>	<i>2022</i>
BALANCE SHEET		
Total assets	\$ 8,162,426	\$ 17,114,558
Total liabilities	(3,823,568)	(15,373,349)
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Total net assets	\$ 4,338,858	\$ 1,741,209
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REVENUE AND EXPENSES		
Total revenue	\$ 770,362	\$ 1,910,553
Total expenses	(767,522)	(1,765,725)
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Excess of revenue over expenses	\$ 2,840	\$ 144,828
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CASH FLOWS		
Cash provided by operations	\$ 169,284	\$ 419,540
Cash used in financing and investing activities	32,025	(57,881)
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Increase in cash	\$ 201,309	\$ 361,659

15. Related party transactions

Included in revenue for the current year are donations of \$153,634 (2021 - \$60,000) and administration fees of \$121,908 (2021 - \$141,663) received from The Semiahmoo Foundation, and management fees of \$144,934 (2021 - \$145,934) received from Peninsula Estates Housing Society.

Included in occupancy costs expense for the current year is \$508,993 (2021 - \$530,593) paid to The Semiahmoo Foundation and \$48,470 (2021 - \$58,092) paid to Peninsula Estates Housing Society.

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

17. Management remuneration

During the year ended March 31, 2022, the Society paid a total of \$1,039,692 (2021 - \$995,545) for its ten (2021 - eleven) most highly remunerated employees and persons under contract for services paid in excess of \$75,000.

The Directors of the Society receive no compensation.

18. Canada Emergency Wage Subsidy

On April 11, 2020, the Canadian government launched the Canada Emergency Wage Subsidy (the "CEWS"), an emergency economic relief program to lessen the financial fallout on Canadian businesses from the effects of COVID-19. The CEWS program is designed to help businesses struggling with the economic effects of the coronavirus retain and/or rehire their employees. The CEWS program provides a salary subsidy of 75% of an employee's wages (up to a weekly cap of \$847) for up to 12 weeks, retroactive from March 15, 2020 and ending on June 6, 2020. The subsidy is intended to make it easier for eligible employers to avoid laying off or terminating employees, as well as to bring back staff that were laid-off due to COVID-19 by significantly lessening the Society's payroll costs.

If eligible employers determine that they qualify for the CEWS for one claim period, they will automatically qualify for the following claim period. On May 15, 2020, the Canadian government announced that it would be extending the CEWS by an additional 12 weeks to August 29, 2020. The program was subsequently updated on July 19, 2020, November 19, 2020 and April 19, 2021, which extended the end date to November 2021.

During the year, the Society claimed \$98,237 (2021 - \$2,809,625) of CEWS related to eligible remuneration paid during the year. Of this amount, \$98,237 (2021 - \$2,082,365) was received during the year and \$nil (2021 - \$727,260) has been recorded as a receivable at year end.

Any subsidies received that are subsequently determined to not meet the eligibility criteria are subject to repayment with interest and possibly penalties in certain cases. Management believes the Society has met the eligibility criteria for these subsidies and that they have been calculated correctly. As such, no contingent liability for repayment has been recorded in relation to these subsidies.

19. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

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

As at March 31, 2022, the Society is exposed to significant interest rate risk related to restricted cash and investments.

Liquidity risk

Liquidity risk refers to the risk that the entity will encounter difficulty in meeting obligations associated with financial liabilities. The Society enters into transactions to borrow funds from financial institutions for which repayment is required at various maturity dates.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society's main credit risk relates to its accounts receivable.

The Society believes there is no unusual exposure associated with the collection of their accounts receivable. The Society performs regular assessments of its accounts receivable balances and provides allowances for potentially uncollectible accounts receivable.

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 foreign 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 Society's restricted cash and investments in publicly-traded securities exposes the Society to price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.