

Non-Consolidated Financial Statements of

**VICTORIA INNOVATION, ADVANCED
TECHNOLOGY, ENTREPRENEURSHIP
COUNCIL**

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Members of Victoria Innovation, Advanced Technology, Entrepreneurship Council

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying non-consolidated financial statements of the Victoria Innovation, Advanced Technology, Entrepreneurship Council (the Society), which comprise:

- the non-consolidated statement of financial position as at March 31, 2022
- the non-consolidated statement of operations for the year then ended
- the non-consolidated statement of changes in net assets for the year then ended
- the non-consolidated statement of cash flows for the year then ended
- and notes to the non-consolidated financial statements, including summary of significant accounting policies

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2022 and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis of Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the "***Auditors' Responsibilities for the Audit of the Financial Statements***" section of our auditors' 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 requirement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the 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.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

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 controls.
- 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 auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group Society to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Report on Other Legal and Regulatory Requirements

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

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants

Victoria, Canada
August 18, 2022

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Non-Consolidated Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents	\$ 228,404	\$ 377,516
Accounts receivable (note 2)	212,566	272,959
Prepaid expenses	23,076	27,646
	<u>464,046</u>	<u>678,121</u>
Capital assets (note 3)	927,764	946,462
Accumulated equity in Strata Plan 700 (note 4)	138,279	142,386
Due from related parties (note 5)	1,717,127	1,727,288
	<u>\$ 3,247,216</u>	<u>\$ 3,494,257</u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable and accrued liabilities (note 8)	\$ 115,660	\$ 115,467
Deferred revenue	48,809	232,717
Current portion of mortgage payable (note 9)	1,445,281	50,023
	<u>1,609,750</u>	<u>398,207</u>
Canada Emergency Business Account (note 16)	40,000	40,000
Mortgage payable (note 9)	-	1,445,280
Accumulated equity loss in VIATEC Properties Inc. (note 10)	135,489	147,000
Net assets:		
Invested in capital assets	927,764	946,462
Unrestricted	534,213	517,308
	<u>1,461,977</u>	<u>1,463,770</u>
Commitments (note 13)		
Subsequent events (notes 9 and 13)		
	<u>\$ 3,247,216</u>	<u>\$ 3,494,257</u>

See accompanying notes to non-consolidated financial statements.

On behalf of the Board:

_____ Director _____ Director

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Non-Consolidated Statement of Operations

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Program funding (note 11)	\$ 658,698	\$ 999,817
Membership	243,794	244,334
Other revenue (note 12)	163,189	196,277
Facilities	149,277	126,748
Promotion and services	103,325	62,840
Government assistance (note 16)	79,471	236,765
Projects	64,200	22,500
Sponsorship	18,125	10,000
Events	2,370	555
Loan forgiveness (note 16)	-	20,000
	1,482,449	1,919,836
Expenses:		
Program costs (note 11)	711,600	841,953
Salaries	394,659	426,842
Rent and office expenses	203,927	213,889
Events	42,734	142,101
Professional fees	38,888	31,556
Amortization	25,373	26,959
Strata fees (note 6)	23,120	38,757
Website maintenance and design	16,793	41,437
Property taxes	14,417	12,004
Promotion	8,804	10,750
Travel	1,535	940
	1,481,850	1,787,188
Earnings before the undernoted	599	132,648
Other income (expense):		
Interest recovery from subsidiary (note 6)	58,587	60,528
Equity income in VIATEC Properties Inc.	11,512	25,082
Loss on sale of capital assets	(1,089)	-
Equity income (loss) in Strata Plan 700	(4,106)	24,116
Interest expense on mortgage payable	(67,296)	(69,552)
	(2,392)	40,174
Excess (deficiency) of revenue over expenses	\$ (1,793)	\$ 172,822

See accompanying notes to non-consolidated financial statements.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Non-Consolidated Statement of Changes in Net Assets

Year ended March 31, 2022, with comparative information for 2021

	Invested in capital assets	Unrestricted	Total
Balance, March 31, 2020	\$ 966,377	\$ 324,571	\$ 1,290,948
Excess (deficiency) of revenue over expenses	(26,959)	199,781	172,822
Interfund transfer for purchase of capital assets, net of cash on disposal of assets	7,044	(7,044)	-
Balance, March 31, 2021	946,462	517,308	1,463,770
Excess (deficiency) of revenue over expenses	(26,462)	24,669	(1,793)
Interfund transfer for purchase of capital assets, net of cash on disposal of assets	7,764	(7,764)	-
Balance, March 31, 2022	\$ 927,764	\$ 534,213	\$ 1,461,977

See accompanying notes to non-consolidated financial statements.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Non-Consolidated Statement of Cash Flows

Year ended March 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operations:		
Excess of revenue over expenses	\$ (1,793)	\$ 172,822
Items not involving cash:		
Amortization of capital assets	25,373	26,959
Loss on disposal of capital assets	1,089	-
Equity income in VIATEC Properties Inc.	(11,513)	(25,081)
Equity loss (income) in Strata Plan 700	4,106	(24,116)
Government assistance - loan forgiveness	-	(20,000)
	17,262	130,584
Changes in non-cash operating working capital:		
Accounts receivable	60,394	(22,410)
Prepaid expenses	4,570	(1,855)
Accounts payable and accrued liabilities	195	(3,905)
Deferred revenue	(183,908)	(118,160)
	(101,487)	(15,746)
Investing:		
Due from related parties	10,161	58,428
Capital assets purchased	(7,764)	(7,045)
	2,397	51,383
Financing:		
Repayment of mortgage payable	(50,022)	(47,766)
Proceeds from Canada Emergency Business Account	-	60,000
	(50,022)	12,234
(Decrease) increase in cash and cash equivalents	(149,112)	47,871
Cash and cash equivalents, beginning of year	377,516	329,645
Cash and cash equivalents, end of year	\$ 228,404	\$ 377,516

See accompanying notes to non-consolidated financial statements.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

Victoria Innovation, Advanced Technology, Entrepreneurship Council (the "Society") was incorporated under the Societies Act (British Columbia) to promote and enhance the development of the advanced technology industry in Greater Victoria. The Society is a non-profit organization as defined under the Income Tax Act. The Society transitioned to the new Societies Act (British Columbia) on August 17, 2017.

1. Significant accounting policies:

The financial statements of the Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The following is a summary of the significant accounting policies used in the preparation of the financial statements.

On March 11, 2020 the COVID-19 outbreak was declared a pandemic by the World Health Organization. As a result, instability and weakness of the Canadian and global economies, including as a result of the effects caused by the COVID-19 pandemic, disruptions to financial markets, inflation and potential recession presents uncertainty over the Society's future operations. Potential impact on the Society's operations could include future decreases in revenue and future increases in expenses, and impairments in the value of our long-lived assets. The situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known.

(a) Cash and cash equivalents:

Cash and cash equivalents consist of cash, short term investments with original maturity dates of less than 90 days, when acquired and investments in money market instruments.

(b) Leases:

Leases which transfer substantially all the benefits and risks of ownership of the property to the Society are treated as a capital lease where it is accounted for as an asset and an obligation.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(c) Controlled profit-oriented enterprises:

The Society accounts for its controlled profit-oriented enterprise using the equity method. Under the equity method, the Society records its investment initially at cost and the carrying amount is adjusted thereafter to include the Society's pro rata share of post-acquisition earnings of the investees, computed by the consolidation method. The adjustments are included in the determination of net income by the Society, and the investment accounts of the Society are also increased or decreased to reflect the Society's share of capital transactions and changes in accounting policies and corrections of errors relating to prior period financial statements applicable to post-acquisition periods. Profit distributions received or receivable from investees reduce the carrying amounts of the investments. Unrealized inter-entity gains or losses are eliminated.

(d) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Investments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

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

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

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

1. Significant accounting policies (continued):

(e) Use of estimates:

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Items requiring the use of estimates include the amortization period of capital assets and the collectability of accounts receivable. Actual results could differ from these estimates.

(f) Revenue recognition:

Membership dues are recorded as revenue immediately when received or receivable.

The Society follows the deferral method of accounting whereby restricted government contributions, special event proceeds, and other project funding sources are recognized as revenue as related expenses are incurred. In the case of projects that span more than one fiscal year, revenue is recognized as specific contractual milestones are met. Unrestricted contributions are recognized when received or receivable.

(g) Contributed services:

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

(h) Capital assets:

Amortization is provided using the following methods and annual rates:

Asset	Basis	Rate
Building	Declining balance	4%
Office equipment	Straight-line	5 years
Computer equipment and software	Straight-line	3 years

The carrying amount of an item of equipment is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

2. Accounts receivable:

Included in accounts receivable is a net \$65,027 (2021: \$85,970) receivable from Western Economic Diversification. The claim submitted to Western Economic Diversification totaled \$174,728 (2021: \$157,207) which includes \$109,701 (2021: \$71,238) on behalf of the Society's project partner Accelerate Okanagan. A receivable of \$145,351 is due from Canada's Digital Technology Supercluster.

3. Capital assets:

	2022		
	Cost	Accumulated amortization	Net book value
Land	\$ 536,001	\$ -	\$ 536,001
Building	502,476	127,751	374,725
Office equipment	173,294	162,550	10,744
Computer equipment and software	105,503	99,209	6,294
	\$ 1,317,274	\$ 389,510	\$ 927,764

	2021		
	Cost	Accumulated amortization	Net book value
Land	\$ 536,001	\$ -	\$ 536,001
Building	501,293	111,906	389,387
Office equipment	173,294	157,698	15,596
Vehicles	17,637	16,547	1,090
Computer equipment and software	98,922	94,534	4,388
	\$ 1,327,147	\$ 380,685	\$ 946,462

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

4. Investment in related party:

The Society owns two of five strata units of Strata Plan 700. The strata plan is accounted for using the equity method and has a carrying value of \$138,279 (2021 - \$142,386), representing the Society's 40% equity interest in the accumulated surplus to date. Based on the financial statements for the most recent fiscal period, the revenue and expenses of Strata Plan 700 are summarized as follows:

	2022	2021
Statement of Operations:		
Revenues	\$ 60,700	\$ 120,781
Expenses	70,966	60,490
	\$ (10,266)	\$ 60,291

Strata Plan 700 capitalizes the cost of replacing major building components and amortizes the cost over their estimated useful lives which range from 3 years to 33 years.

5. Due from related parties:

The loan receivable from VIATEC Properties Inc., a wholly owned company, is unsecured, bears interest at 4.57% (2021 - 4.57%), and has no fixed terms of repayment.

The loan receivable from 1024851 BC Ltd., a wholly owned subsidiary of VIATEC Properties Inc., is unsecured, is non interest bearing and has no fixed terms of repayment.

The loan receivable from Strata Plan 700, an equity investee, is unsecured, is non-interest bearing has no fixed terms of repayment.

	2022	2021
VIATEC Properties Inc.	\$ 1,584,884	\$ 1,594,124
1024851 BC Ltd.	128,726	127,806
Strata Plan 700	3,517	5,358
	\$ 1,717,127	\$ 1,727,288

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

6. Related party transactions:

During the year, the Society recognized \$10,000 (2021 - \$10,000) in membership fees and allocated interest of \$58,587 (2021 - \$60,528) to its subsidiary, VIATEC Properties Inc. The Society also paid \$154,800 (2021 - \$154,800) in rent during the year to the same subsidiary. In addition, the Society paid \$23,120 (2021 - \$38,757) in strata fees to Strata Plan 700.

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.

7. Line of credit:

The Society has an arrangement with its banker for an operating line of credit facility in the amount of \$100,000 and bearing interest at bank prime plus 1.5%. No amounts were outstanding as of March 31, 2022 (2021 - \$nil). See note 9.

8. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances of \$22,117 (2021 - \$18,010), which include amounts payable for GST, PST, WCB and payroll related taxes.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

9. Mortgage payable:

The term loan is secured by a general security agreement with a floating charge on land, a mortgage in the amount of \$1,750,000 on the real property located at 777 Fort Street, an insurance binder with the loss payable first to the bank, an environmental liability indemnity agreement, a guarantee and postponement of claim by VIATEC Properties Inc. in the amount of \$1,750,000 also secured by a general security agreement with a floating charge on land and a mortgage over its real property, an insurance binder with the loss payable first to the bank and an environmental liability indemnity agreement.

	2022	2021
Term loan, bearing interest at 4.57%, monthly payments of \$9,777, including interest, repayable in full May 25, 2022	\$ 1,445,281	\$ 1,495,303
Less: current portion of mortgage payable	1,445,281	50,023
	\$ -	\$ 1,445,280

The term loan agreement contains both financial and non-financial covenants that need to be met annually. The Society is in breach of both its financial covenant and its non-financial covenant, which are events of default as described in the loan agreement with the bank. The breaches allow the bank to demand repayment of the term loan at any time and accordingly, the full amount of the loan has been presented as a current liability. Furthermore, the events of default may impact the availability of any used or unused credit facilities. The bank has not provided a forbearance or waiver of the breaches and had not indicated what, if any, action it may take as a result of the non-compliance.

Subsequent to the year-end, the Society entered into an amended loan agreement with the bank to extend the maturity date of the term loan to May 2027. The amended loan bears interest at 4.60%.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

10. Controlled profit-oriented enterprise:

On February 6, 2014, the Society incorporated a controlled profit-oriented enterprise, VIATEC Properties Inc. which is accounted for using the equity method. The negative carrying value of \$135,489 (2021 - \$147,000) represents the shareholder's deficiency. The Society has committed to provide financial support to VIATEC Properties Inc., as necessary.

Based on the financial statements for the most recent fiscal period, the assets, liabilities, revenue, expenses and cash flows of VIATEC Properties Inc. are summarized as follows:

	2022	2021
Balance Sheet:		
Total assets	\$ 1,717,181	\$ 1,704,090
Total liabilities	1,852,669	1,851,090
Shareholder's deficiency	\$ (135,488)	\$ (147,000)
Statement of Operations:		
Revenue	\$ 229,265	\$ 283,482
Expenses	217,752	258,400
Net income for the period	\$ 11,513	\$ 25,082
Statement of Cash Flows:		
Cash provided by (used in) operations	\$ 8,502	\$ 3,416
Cash provided by (used in) financing	17,337	2,507

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

11. Program funding:

	2022	2021
Innovate BC	\$ 240,000	\$ 240,000
Western Economic Diversification Canada funding	218,145	269,543
Innovate BC DER3 funding	196,470	307,500
Training Revenues	4,083	17,223
Canada's Digital Technology Supercluster	-	145,351
Supercluster W Venture funding	-	10,200
Innovate BC DS4Y funding	-	10,000
	\$ 658,698	\$ 999,817

Program costs include an allocation of salaries and contractor expenses.

12. Other revenue:

	2022	2021
Innovate BC	\$ 160,000	\$ 160,000
Other income	3,189	16,277
Municipal contributions	-	20,000
	\$ 163,189	\$ 196,277

13. Commitments:

The Society is committed to rental payments for premises under operating leases with its subsidiary, VPI. Subsequent to the year-end, the Society entered into an amended lease agreement effective April 1, 2022 with scheduled payments, as follows:

2023	\$ 130,000
2024	130,000
2025	180,000
2026	180,000
2027	180,000

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

14. Financial instruments:

The maximum credit risk exposure for the Society's financial assets is the carrying value of those assets. To reduce credit risk, cash and cash equivalents are only held at major financial institutions and management performs ongoing credit evaluations of its members' financial condition.

The Society is exposed to credit risk with respect to the accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible.

It is management's opinion that the Society is not exposed to significant interest risk or foreign exchange risk.

There has been no change to the risk exposures from 2021.

15. Remuneration paid to employees, directors and contractors:

For the fiscal year ending March 31, 2022, the Society paid total remuneration of \$277,000 to two employees (2021 - \$352,555 to two employees), each of whom received total annual remuneration of \$75,000 or greater.

VICTORIA INNOVATION, ADVANCED TECHNOLOGY, ENTREPRENEURSHIP COUNCIL

Notes to Non-Consolidated Financial Statements

Year ended March 31, 2022

16. Government assistance:

During the year, the Society applied for and received the Canada Emergency Wage Subsidy ("CEWS"), and the Canada Emergency Business Account ("CEBA") and the 10% Temporary Wage Subsidy for Employers ("TWS").

CEWS is a subsidy that provides government assistance up to 75% of eligible remuneration and is based on the revenue reduction experienced by the Society due to COVID-19. The funds received are not required to be repaid. During the year, the Society received and recognized a total of \$79,471 (2021 - \$236,765) from the government.

CEBA is an interest free government loan with a portion being forgiven if certain conditions are met. The loans intention is to help cover operating costs during a period where revenues have been temporarily reduced due to COVID-19. The Society received the maximum available of \$60,000. If the Society repays the balance of the loan on or before December 31, 2023, it will result in loan forgiveness of up to 33 percent. The \$20,000 forgivable portion was recognized in income in 2021 fiscal year.

TWS is a subsidy that provided government assistance for a 3 month period that allowed eligible employers to reduce the amount of payroll deductions they were required to remit to the Canada Revenue Agency ("CRA"). The Society received and recognized a total of \$nil (2021 - \$11,158) related to this subsidy. Repayment is only required if the CRA determined during post-payment review, that it did not meet the eligibility requirements.