

Financial Statements of

**MITACS INC.**

And Independent Auditor's report thereon

Year ended March 31, 2022



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## INDEPENDENT AUDITORS' REPORT

To the Directors of Mitacs Inc.

### **Opinion**

We have audited the financial statements of Mitacs Inc. (the "Entity"), which comprise:

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

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity as at March 31, 2022, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-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 "**Auditors' Responsibilities for the Audit of the Financial Statements**" section of our auditors' report.

We are independent of the Entity in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

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

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



In preparing the financial statements, management is responsible for assessing the Entity's ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Entity or to cease operations, or has no realistic alternative but to do so.

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

### ***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 and 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 Entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosure made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Entity to cease to continue as a going concern.



- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

*KPMG LLP*

Chartered Professional Accountants

Vancouver, Canada  
July 7, 2022

# MITACS INC.

## Statement of Financial Position

March 31, 2022, with comparative information for 2021

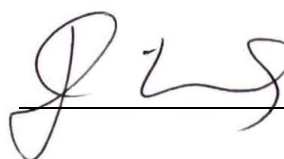
	Note	2022	2021
<b>Assets</b>			
Current assets:			
Cash and cash equivalents		\$ 144,789,986	\$ 144,258,687
Accounts receivable		3,167,676	3,356,400
Prepaid expenses		1,811,759	1,479,325
Current portion of contributions receivable	4	75,683,352	58,016,960
		<u>225,452,773</u>	<u>207,111,372</u>
Contributions receivable	4	25,174,469	20,249,365
Tangible capital assets	5	375,464	164,770
Intangible assets	6	1,689,154	1,160,642
		<u>\$ 252,691,860</u>	<u>\$ 228,686,149</u>
<b>Liabilities and Net Assets</b>			
Current liabilities:			
Accounts payable and accrued liabilities		\$ 6,905,614	\$ 5,112,941
Government remittances payable		968,241	1,487,334
Current portion of awards payable	7	96,713,933	101,246,010
Deferred contributions	8	66,960,238	52,906,731
		<u>171,548,026</u>	<u>160,753,016</u>
Awards payable	7	50,642,176	39,095,729
		<u>222,190,202</u>	<u>199,848,745</u>
Net assets:			
Invested in capital assets		2,064,618	1,325,412
Internally restricted	9	20,000,000	8,500,000
Unrestricted		8,437,040	19,011,992
		<u>30,501,658</u>	<u>28,837,404</u>
Nature of operations and economic dependence	2		
Commitments	10		
Subsequent event	14		
		<u>\$ 252,691,860</u>	<u>\$ 228,686,149</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

# MITACS INC.

## Statement of Operations

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

	Note	2022	2021
Revenue:			
Earned program contributions:			
Federal government	11	\$ 108,091,195	\$ 112,492,909
Provincial governments	11	41,794,176	46,156,150
Participant organizations	11	79,537,151	92,628,796
International organizations		1,424,290	51,000
University partners		464,324	7,984,055
University member fees		2,863,540	2,704,830
Interest income		471,351	762,345
Other		6,005	2,930
		<u>234,652,032</u>	<u>262,783,015</u>
Expenses (recoveries):			
Program awards:			
Accelerate		157,407,519	193,967,288
Business strategy internship		9,661,291	-
Globalink		6,744,262	5,906,621
Elevate		16,926,053	12,412,821
Training		2,005,654	12,746,126
Canadian science policy fellowship		1,165,800	697,839
Converge		(162,500)	(25,000)
Innovation initiatives		1,880,486	231,381
Program services		5,842,565	4,432,394
Stakeholder relations		11,613,402	8,605,210
Corporate services		19,175,166	13,641,120
Amortization of capital assets		728,080	476,945
		<u>232,987,778</u>	<u>253,092,745</u>
Excess of revenue over expenses		<u>\$ 1,664,254</u>	<u>\$ 9,690,270</u>

See accompanying notes to financial statements.

# MITACS INC.

## Statement of Changes in Net Assets

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

	Invested in capital assets	Internally restricted	Unrestricted	Total
Balance, March 31, 2020	\$ 1,334,637	\$ 6,500,000	\$ 11,312,497	\$ 19,147,134
Excess (deficiency) of revenue over expenses	(476,945)	-	10,167,215	9,690,270
Acquisition of capital assets	116,493	-	(116,493)	-
Acquisition of intangible assets	351,227	-	(351,227)	-
Internally imposed restrictions (note 9)	-	2,000,000	(2,000,000)	-
Balance, March 31, 2021	1,325,412	8,500,000	19,011,992	28,837,404
Excess (deficiency) of revenue over expenses	(728,080)	-	2,392,334	1,664,254
Acquisition of tangible capital assets	294,685	-	(294,685)	-
Acquisition of intangible assets	1,172,601	-	(1,172,601)	-
Internally imposed restrictions (note 9)	-	11,500,000	(11,500,000)	-
Interfund transfer (note 9)	-	(2,972,717)	2,972,717	-
Reserve replenishment (note 9)	-	2,972,717	(2,972,717)	-
Balance, March 31, 2022	\$ 2,064,618	\$ 20,000,000	\$ 8,437,040	\$ 30,501,658

See accompanying notes to financial statements.

# MITACS INC.

## Statement of Cash Flows

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

	2022	2021
Cash provided by (used in)		
Operating activities:		
Excess of revenue over expenses	\$ 1,664,254	\$ 9,690,270
Amortization of capital assets, an item not involving cash	728,080	476,945
Change in non-cash operating working capital:		
Accounts receivable	188,724	(3,085,822)
Prepaid expenses	(332,434)	(1,257,136)
Contributions receivable	(22,591,496)	(26,006,514)
Accounts payable and accrued liabilities	1,792,673	709,936
Government remittances payable	(519,093)	786,707
Awards payable	7,014,370	63,142,060
Deferred contributions	14,053,507	(8,655,281)
	1,998,585	35,801,165
Investing activities:		
Acquisition of tangible capital assets	(294,685)	(116,493)
Acquisition of intangible assets	(1,172,601)	(351,227)
	(1,467,286)	(467,720)
Increase in cash and cash equivalents	531,299	35,333,445
Cash and cash equivalents, beginning of year	144,258,687	108,925,242
Cash and cash equivalents, end of year	\$ 144,789,986	\$ 144,258,687

See accompanying notes to financial statements.



# MITACS INC.

Notes to Financial Statements

Year ended March 31, 2022

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## 1. Purpose of the Organization:

Mitacs Inc. (the "Organization") was incorporated under the Canada Corporations Act and is exempt from taxes under the Income Tax Act (Canada). The Organization continued under the Canada Not-For-Profit Corporations Act on June 19, 2013.

The purpose of the Organization is to support and increase Canadian productivity by driving private sector innovation and developing and deploying talent into the Canadian economy. This is done through experiential skills development for Canadian innovators; facilitating technology transfer, commercialization, and entrepreneurship by fostering the creation and application of ideas through cooperative research partnerships; and promoting collaborative networks through partnerships between academia, industry, government, and other organizations in Canada and abroad.

## 2. Nature of operations and economic dependence:

The Organization manages or operates various programs designed to facilitate research collaboration between participant organizations and academia for the training of the next generation of young Canadian researchers. Externally funded active programs include internships, international and research partnerships, and skills enhancement.

### (a) Mitacs Accelerate program:

Mitacs Accelerate connects companies and not-for-profit organizations with graduate students and postdoctoral fellows who apply their specialized expertise to research challenges.

### (b) Mitacs Globalink program:

Mitacs Globalink connects researchers from around the world with Canadian universities. The program offers two-way mobility between Canada and select partner countries for undergraduate and graduate students.

### (c) Mitacs Elevate program:

Mitacs Elevate provides leadership, business, and research management skills training to recent postdoctoral fellows.

### (d) Mitacs Business Strategy program:

Mitacs Business Strategy Internship provides innovative projects designed to help organizations thrive across various aspects of their business.

The Organization receives contributions from national, provincial and international organizations, participant organizations and universities to fund research programs, student training, and operational expenditures. A significant portion of its funding is from federal and provincial government contributions. During the year, the Organization had 22 (2021 - 22) Federal & Provincial Government contracts which accounted for approximately 64% (2021 60%) of revenue. The Organization may not be able to maintain its current levels of activities should this funding be significantly reduced or ended.

# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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### 3. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and incorporate the following significant accounting policies.

(a) Revenue recognition:

The Organization follows the deferral method of accounting for contributions.

Externally restricted government and participant contributions received for programs and training are recognized as revenue in the year in which the related program expenses are incurred. Program expenses are recorded as liabilities when the research project has received research endorsement; participant organization contributions are committed; and all program eligibility and file requirements have been met. The Organization records an allowance for cancellation based on management's best estimate using historical cancellations incurred.

Unrestricted university member fees are recognized as revenue over the fiscal year to which they relate.

Externally restricted investment income earned on government funding is recorded as deferred contributions and recognized as program contributions revenue in the year in which the related program expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

(b) Cash and cash equivalents:

Bank balances and term deposits with a maturity period of 90 days or less from the date of acquisition are presented under cash and cash equivalents.

Cash contributions which are reserved for future award expenditures, internally restricted costs and cash contributions received and held in trust by the Organization on behalf of other organizations are classified as restricted cash.

(c) Tangible capital assets and intangible assets:

Tangible capital assets and intangible assets are measured at cost, less any accumulated depreciation and any accumulated impairment losses. Costs related to specific betterments are capitalized when it is probable that the expenditures will result in additional service potential of the asset. Maintenance costs are expensed as incurred.

The Organization capitalizes certain development costs incurred in connection with its internal use software. Costs incurred in preliminary project stages are expensed as incurred. All direct costs incurred during the development phase are capitalized until such time when the software is substantially complete and ready for its intended use. Development expenditure is capitalized only if the expenditure can be measured reliably, the product or process is technically and commercially feasible, future economic benefits are probable, and the Organization intends to and has sufficient resources to complete development and to use or sell the asset.

# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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### 3. Significant accounting policies (continued):

(c) Tangible capital assets and intangible assets (continued):

Amortization is calculated using the straight-line method over their estimated useful lives. The estimated useful lives of the entity's capital assets are as follows:

	Rate
Equipment and furnishings	2 - 5 years
Software	3 - 10 years

Amortization methods, useful lives and residual values are reviewed when there is a change in circumstance and adjusted if appropriate.

Tangible capital assets and intangible assets are tested for impairment whenever conditions indicate that the capital asset no longer contributes to the organization's ability to provide goods and services, or that the value associated with the asset is less than its net carrying amount. When conditions indicate that an asset is impaired, the net carrying amount of the asset is written down to the asset's replacement cost.

(d) Measurement uncertainty

The preparation of financial statements 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 periods. Significant items subject to such estimates and assumptions include the allowance for cancellations. Actual results could differ from those estimates.

(e) Financial instruments:

Financial assets and financial liabilities are initially measured at fair value. Subsequently, all financial assets and financial liabilities are measured at amortized cost, except for cash and cash equivalents, which management has elected to measure at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at fair value include cash and cash equivalents.

Financial assets measured at amortized cost include accounts receivable and contributions receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, government remittances payable and awards payable.

# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

### 3. Significant accounting policies (continued):

(f) Allocation of expenses:

The Organization records a number of its expenses by program. The costs of each program include stipend, travel and other research expenses that are directly related to the program.

The Organization incurs program support expenses, such as grant applications and management, research and program management costs that directly support programs. These costs are not allocated to program awards. These expenses are reported under the caption "Program services" on the statement of operations.

The Organization incurs stakeholder support expenses that indirectly support programs. These costs are not allocated to program awards. These expenses are reported under the caption "Stakeholder relations" on the statement of operations.

The Organization incurs general support expenses, such as finance, administration, human resources, marketing and communications, information technology and costs, that are common to the administration of the Organization. These costs are not allocated to program awards. These expenses are reported under the caption "Corporate services" on the statement of operations.

### 4. Contributions receivable:

	2022	2021
Government contributions receivable	\$ 40,941,395	\$ 21,730,647
Participant contributions receivable	69,764,495	64,467,821
Allowance for cancellations (note 11)	(9,848,069)	(7,932,143)
	100,857,821	78,266,325
Less current portion:		
Contributions receivable	75,683,352	58,016,960
	\$ 25,174,469	\$ 20,249,365

### 5. Tangible capital assets:

			2022	2021
	Cost	Accumulated depreciation	Net book value	Net book value
Equipment and furnishings	\$ 501,380	\$ 125,916	\$ 375,464	\$ 164,770

# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

## 6. Intangible assets:

	2022		2021	
	Cost	Accumulated depreciation	Net book value	Net book value
Software	\$ 3,681,076	\$ 1,991,922	\$ 1,689,154	\$ 1,160,642

Included in intangible assets is \$40,947 (2021 - nil) of software assets under construction.

## 7. Awards payable:

	2022	2021
Awards payable	\$ 169,975,900	\$ 157,712,000
Allowance for cancellations (note 11)	(22,619,791)	(17,370,261)
	147,356,109	140,341,739
Less current portion: Awards payable	96,713,933	101,246,010
	\$ 50,642,176	\$ 39,095,729

## 8. Deferred contributions:

Deferred contributions represent externally restricted and unspent contributions for the future funding of awards and training.

March 31, 2022	Federal Government	Provincial Governments	Participant Organizations	Other Funders	Total
Beginning of year	\$ 29,650,053	\$ 8,202,304	\$ 10,542,549	\$ 4,511,825	\$ 52,906,731
Funding received and receivable	128,694,168	55,923,848	20,986,231	4,496,628	210,100,875
Revenue recognized	(129,262,959)	(46,386,500)	(16,512,653)	(3,885,256)	(196,047,368)
End of year	\$ 29,081,262	\$ 17,739,652	\$ 15,016,127	\$ 5,123,197	\$ 66,960,238

March 31, 2021	Federal Government	Provincial Governments	Participant Organizations	Other Funders	Total
Beginning of year	\$ 22,579,437	\$ 18,328,855	\$ 19,722,892	\$ 930,828	\$ 61,562,012
Funding received and receivable	113,616,503	21,893,426	18,556,515	10,327,805	162,394,249
Revenue recognized	(106,545,887)	(32,019,977)	(27,736,858)	(6,746,808)	(173,049,530)
End of year	\$ 29,650,053	\$ 8,202,304	\$ 10,542,549	\$ 4,511,825	\$ 52,906,731

# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

## 8. Deferred contributions (continued):

For federal and provincial governments and participant organizations, deferred contributions are adjusted for estimated future cancellations of \$16,425,011 (2021 - \$12,289,630).

As at March 31, 2022, \$35,770,567 (2021 - \$15,845,716) of deferred contributions was included in contributions receivable from government and other funders and \$3,122,510 (2021 - \$3,142,881) was included in contributions receivable from participant organizations.

During the year ended March 31, 2022, \$11.9 million (2021- \$15.7 million) in contributions was received or is receivable from the Ministère de l'Économie et de l'Innovation on behalf of the Government of Quebec to support units approved through the Accelerate, Accelerate International, Elevate, Globalink Research Internship and Globalink Research Award programs. As of March 31, 2022, approximately \$8.0 million (2021- \$8.7 million) has been recognized as revenue.

## 9. Internally restricted net assets:

The board of directors of the Organization resolved to restrict funds as follows:

	2022	2021
Cut-back costs	\$ 7,500,000	\$ 6,500,000
Future capital projects	5,500,000	1,000,000
Innovation projects	1,000,000	1,000,000
Technology operations	4,000,000	-
Strategic initiatives	1,000,000	-
Market price initiatives	1,000,000	-
	<u>\$ 20,000,000</u>	<u>\$ 8,500,000</u>

Cut-back costs (previously shut-down costs) are reserves to be used for administrative costs, severance payments and other expenses associated with a decrease in the Organization's activities.

Funds for future capital projects are intended to be used for capital expenditure to enhance or introduce new technological tools and other capital development projects.

Innovation projects are reserves to be used to fund the piloting of new ideas or programs consistent with the vision and mandate of the Organization.

Funds for technology operations are intended to be used for operational expenditure to enhance or introduce new technological tools and processes.

Strategic initiatives are reserves to be used to fund the implementation and outcomes of the Organization's strategic plan.

Funds for market price initiatives are intended to be used for piloting new price offerings of existing programs consistent with the vision and mandate of the Organization.

# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

## 9. Internally restricted net assets (continued):

The Organization may not use these internally restricted amounts for any other purpose without the approval of the board of directors.

On June 29, 2021, a board of directors' resolution established three new reserves and internally restrict \$11,500,000 to both fund the new reserves and increase the funds available for future capital projects. On March 10, 2022, the board of directors resolved to transfer \$2,972,717 out of the reserves to fund activity in the year ended March 31, 2022. It was also resolved to immediately replenish these reverses to fund future activity.

## 10. Commitments:

### (a) Program delivery commitments:

The Organization has received and processed Mitacs Accelerate internship applications which are in various stages of completion, and which have not been approved as at March 31, 2022. As at March 31, 2022, the Organization has processed approximately \$99.5 million (2021 - \$144.3 million) of these internship applications, of which it expects that approximately \$57.5 million (2021 - \$55.8 million) will be approved within the next 12 months. The Organization will be required to secure sufficient government and participant organization contributions to fund these internships if they are completed and approved.

### (b) Operating lease commitments:

The Organization leases office space in five locations across Canada. Future minimum lease payments required over the remaining term of these leases are as follows.

2023	\$	875,818
2024		60,000
2025		15,000
	\$	950,818

## 11. Allowance for cancellations:

The Organization records an allowance for cancellation based on management's best estimate using historical cancellations incurred. For externally restricted government and unrestricted participant contributions, the impact of the cancellations estimate for the fiscal year are as follows:

Revenue	Gross	Cancellation allowance	2022
Federal government	\$ 120,021,950	\$ (11,930,755)	\$ 108,091,195
Provincial governments	46,288,433	(4,494,257)	41,794,176
Participant organizations	89,385,220	(9,848,069)	79,537,151

# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

## 11. Allowance for cancellations (continued):

Revenue	Gross	Cancellation allowance	2021
Federal government	\$ 121,233,786	\$ (8,740,877)	\$ 112,492,909
Provincial governments	49,704,903	(3,548,753)	46,156,150
Participant organizations	100,560,939	(7,932,143)	92,628,796

## 12. Financial risks and concentration of risks:

The Organization is exposed to various risks through its financial instruments, the risks are detailed below:

### (a) Credit risk:

Credit risk is the risk that a counterparty may default on its contractual obligations resulting in a financial loss.

Cash and cash equivalents consist of amounts held at a major Canadian financial institution and the associated credit risk is considered minimal.

Accounts receivable consists of amounts due from Canadian universities and other organizations and the associated credit risk is considered minimal.

Government contributions receivable consists of amounts due from federal and provincial governments and government agencies. Credit risk associated with amounts due from federal and provincial governments and government agencies is considered minimal.

Participant organization contributions receivable consist of amounts due from private and public sector participant organizations. The Organization normally receives the required matching participant organization contributions immediately before the commencement date of an internship. The risk from amounts due from participant organizations is limited as, if these matching participant organization contributions are not received by the Organization before the expected start-date of any internship, the approved associated internship will be cancelled, and the related awards payable will not be paid.

### (b) Liquidity risk:

Liquidity risk is the risk of being unable to meet cash requirements or to fund obligations as they become due. The Organization is exposed to liquidity risk with respect to the financial liabilities recognized in the statement of financial position. The Organization manages its liquidity risk by monitoring its operating requirements. The Organization prepares budget and cash forecasts to ensure it has enough funds to fulfill its obligations. The Organization monitors the sufficiency of its unrestricted net assets to support a sudden increase in liquidity needs. Further to unrestricted net assets, the board of directors has internally restricted a reserve for cut-back costs to support liquidity needs associated with a scale back or shut down of operations.



# MITACS INC.

Notes to Financial Statements (continued)

Year ended March 31, 2022

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## **12. Financial risks and concentration of risks (continued):**

### (c) Market risk:

Market risk is the risk that changes in market prices, including interest rates, will affect the Organization. The objective of market risk management is to control market risk exposures within acceptable parameters while optimizing the return on risk.

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fixed-rate instruments subject the Organization to a risk of changes in fair value.

It is management's opinion that the Organization is not exposed to significant market risk arising from financial instruments.

## **13. Comparative information:**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted for the current year.

## **14. Subsequent event:**

Subsequent to March 31, 2022, the Board of Directors approved a transfer of \$500,000 from unrestricted to internally restricted net assets for cut-back costs