

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

FINANCIAL STATEMENTS

MARCH 31, 2022

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

FINANCIAL STATEMENTS

MARCH 31, 2022

INDEX

	PAGE
INDEPENDENT AUDITOR'S REPORT	1 - 3
STATEMENT OF FINANCIAL POSITION	4
STATEMENT OF CHANGES IN NET ASSETS	5
STATEMENT OF OPERATIONS	6
STATEMENT OF CASH FLOWS	7
NOTES TO FINANCIAL STATEMENTS	8 - 13

INDEPENDENT AUDITOR'S REPORT

To the Directors of:
Institute for Citizen-Centred Service/
L'Institut des Services Axes sur les Citoyens

Opinion

We have audited the accompanying financial statements of Institute for Citizen-Centred Service/ L'Institut des Services Axes sur les Citoyens, which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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 Opinion

We conducted our audit in accordance with Canadian Generally Accepted Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with 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 opinion.

Other Information

Management is responsible for the other information. The other information comprises the Annual Report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the 2020/2021 Annual Report prior to the date of this auditor's report. If, based on the work we have performed on this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT (Continued)

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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian Generally Accepted Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. As part of an audit in accordance with Canadian Generally Accepted Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT (Continued)

Auditor's Responsibilities for the Audit of the Financial Statements (Continued)

- 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Toronto, Canada
September 8, 2022

A handwritten signature in black ink, appearing to read "RZN, LLP", is written over the printed name.

Chartered Professional Accountants & Licensed Public Accountants

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

STATEMENT OF FINANCIAL POSITION

MARCH 31, 2022

ASSETS

	<u>2022</u> \$	<u>2021</u> \$
CURRENT		
Cash	219,076	188,712
Short-term investments (Note 3)	330,357	330,000
Accounts receivable	66,139	120,310
Canada emergency subsidies receivable	-	1,073
Government remittances recoverable	6,679	11,828
Prepaid expenses	<u>6,759</u>	<u>4,048</u>
	629,010	655,971
PROPERTY AND EQUIPMENT <i>(net of accumulated amortization of \$14,672)</i>	<u>3,881</u>	<u>2,904</u>
	<u>632,891</u>	<u>658,875</u>

LIABILITIES

CURRENT		
Accounts payable and accrued liabilities	141,705	84,506
Deferred revenue (Note 4)	<u>43,388</u>	<u>109,017</u>
	<u>185,093</u>	<u>193,523</u>

NET ASSETS

Operating fund	419,847	447,401
Strategic innovation fund (Note 5)	<u>27,951</u>	<u>17,951</u>
	<u>447,798</u>	<u>465,352</u>
	<u>632,891</u>	<u>658,875</u>


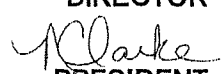
COMMITMENT (Note 6)

ECONOMIC DEPENDENCE (Note 8)

UNCERTAINTY REGARDING COVID-19 (Note 9)

The accompanying notes are an integral part of these financial statements.

**THESE FINANCIAL STATEMENTS ARE
APPROVED BY AND ON BEHALF OF
THE BOARD OF DIRECTORS**


DIRECTOR

PRESIDENT

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2022

	2022		
	Operating Fund	Strategic Innovation Fund	Total
	\$	\$	\$
NET ASSETS, BEGINNING OF YEAR	447,401	17,951	465,352
Interfund transfer (Note 5)	(10,000)	10,000	-
Excess of expenses over revenues	<u>(17,554)</u>	<u>-</u>	<u>(17,554)</u>
NET ASSETS, END OF YEAR	<u>419,847</u>	<u>27,951</u>	<u>447,798</u>

	2021		
	Operating Fund	Strategic Innovation Fund	Total
	\$	\$	\$
NET ASSETS, BEGINNING OF YEAR	448,671	58,818	507,489
Excess of expenses over revenues	<u>(1,270)</u>	<u>(40,867)</u>	<u>(42,137)</u>
NET ASSETS, END OF YEAR	<u>447,401</u>	<u>17,951</u>	<u>465,352</u>

The accompanying notes are an integral part of these financial statements.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022**

	<u>2022</u>			<u>2021</u>
	<u>Operating</u>	<u>Strategic</u>		
	<u>Fund</u>	<u>Innovation</u>	<u>Total</u>	<u>Total</u>
	\$	\$		\$
PROGRAM REVENUES				
Sales - services	368,114	-	368,114	410,256
Sales - products	89,317	-	89,317	68,642
Contributions (Note 8 and 9)	<u>370,630</u>	<u>-</u>	<u>370,630</u>	<u>375,630</u>
	<u>828,061</u>	<u>-</u>	<u>828,061</u>	<u>854,528</u>
PROGRAM EXPENSES				
Conferences and meetings (Note 8)	164	-	164	613
Consulting services	221,235	-	221,235	247,029
Development of service delivery and learning module	-	-	-	25,000
Executive	82,440	-	82,440	140,025
Licensing	-	-	-	15,867
Miscellaneous	442	-	442	475
Other direct services	22,392	-	22,392	19,630
Salaries and employees' benefits (Note 8)	418,142	-	418,142	407,242
Canada emergency wage subsidy (Note 9)	(34,019)	-	(34,019)	(84,861)
Travel	<u>(572)</u>	<u>-</u>	<u>(572)</u>	<u>177</u>
	<u>710,224</u>	<u>-</u>	<u>710,224</u>	<u>771,197</u>
PROGRAM SURPLUS	<u>117,837</u>	<u>-</u>	<u>117,837</u>	<u>83,331</u>
EXPENSES				
Amortization	4,224	-	4,224	4,224
Awards	-	-	-	735
Bank charges	4,038	-	4,038	3,774
Business development, social media and market research	27,450	-	27,450	26,790
Data processing, web and computer	27,513	-	27,513	33,474
General and office	6,190	-	6,190	8,605
Insurance	3,639	-	3,639	3,524
Occupancy cost	33,031	-	33,031	36,848
Professional fees	<u>29,762</u>	<u>-</u>	<u>29,762</u>	<u>29,494</u>
	135,847	-	135,847	147,468
Investment revenue (Note 3)	<u>(456)</u>	<u>-</u>	<u>(456)</u>	<u>(22,000)</u>
	<u>135,391</u>	<u>-</u>	<u>135,391</u>	<u>125,468</u>
EXCESS OF EXPENSES OVER REVENUES	<u>(17,554)</u>	<u>-</u>	<u>(17,554)</u>	<u>(42,137)</u>

The accompanying notes are an integral part of these financial statements.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2022

	<u>2022</u> \$	<u>2021</u> \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of expenses over revenues	(17,554)	(42,137)
Add: Items not requiring an outlay of cash:		
Amortization	<u>4,224</u>	<u>4,224</u>
	(13,330)	(37,913)
Accounts receivable	54,171	(3,318)
Canada emergency subsidies receivable	1,073	(1,073)
Government remittances recoverable	5,149	(8,130)
Prepaid expenses	(2,711)	8,370
Accounts payable and accrued liabilities	57,199	9,680
Deferred revenue	<u>(65,629)</u>	<u>(194,415)</u>
Cash flows provided by (used in) operating activities	<u>35,922</u>	<u>(226,799)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of short-term investments - net	(357)	(22,000)
Purchase of property and equipment	<u>(5,201)</u>	<u>-</u>
Cash flows provided by (used in) investing activities	<u>(5,558)</u>	<u>(22,000)</u>
INCREASE (DECREASE) IN CASH	30,364	(248,799)
CASH, BEGINNING OF YEAR	<u>188,712</u>	<u>437,511</u>
CASH, END OF YEAR	<u><u>219,076</u></u>	<u><u>188,712</u></u>

As at March 31, 2022, cash comprises \$207,843 held in the Operating Fund, and \$11,233 held in the Strategic Innovation Fund (2020 - \$187,474 and \$1,238, respectively).

The accompanying notes and schedules are an integral part of these financial statements.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

1. PURPOSE OF THE ORGANIZATION

Institute for Citizen-Centred Service/L'Institut des Services Axes sur les Citoyens ("the Organization") (carrying on business as "Citizens First") was incorporated on August 2, 2005, under the Canada Corporations Act as a corporation without share capital to promote high levels of citizen satisfaction with public sector service delivery. As a not-for-profit organization, while registered, the Organization is exempt from income tax under the Income Tax Act (Canada).

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of accounting

The accompanying financial statements have been prepared by management in accordance with Accounting Standards for Not-for-Profit Organizations ("ASNPO").

Use of estimates

The preparation of financial statements in accordance with ASNPO 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 statement of financial position and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Financial statement items subject to significant management judgement include revenue recognition, the completeness of accounts payable and accrued liabilities and the valuation of intangible assets.

Revenue recognition

The Organization derives its revenues from the sale of its publications and from the provision of consulting and related services, from fees earned for joint council meetings, educational courses and seminars, marketing memberships and outreach subscriptions, and from contributions to the Organization's research projects, occupancy, research, and secretariat support and subcontractor labour services from the Councils. (See below and Note 8.) Revenues are recognized under the accrual basis of accounting, except for contributions which may be externally restricted and payments received in advance of the rendering of services which are accounted for under the deferral method as noted below.

Payments received in advance of the rendering of services are recorded as a component of deferred revenue on the accompanying statement of financial position when received and are recognized as revenue over the term of the corresponding project.

Sales and registration fee revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured, and the corresponding service has been provided or the goods have been sold with a corresponding transfer of the risks and rewards of ownership. Contributions from the Councils, as described in Note 8, are recognized as revenue when received as receivable unless otherwise restricted. Included in registration fees are membership and subscription revenues which are recognized evenly over the period to which the contract applies when applicable. The unearned portion of these revenues is recorded as a component of deferred revenue on the accompanying statement of financial position.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Revenue recognition *(Continued)*

Support from the Councils for secretariat and labour services are accounted for as a deduction of salaries and employees' benefits on the accompanying statement of operations.

Fund accounting

In order to ensure observance of the limitations and restrictions placed on the use of resources available to the Organization, the accounts of the Organization are maintained in accordance with the principles of fund accounting. Accordingly, resources are classified for accounting and reporting purposes into funds. These funds are held in accordance or in accordance with directives issued by the Board of Directors ("the Board"). Transfers between the funds are made when it is considered appropriate and authorized by the Board. To meet the objectives of financial reporting and stewardship over assets, certain interfund transfers are necessary to ensure the appropriate allocation of assets and liabilities to the respective funds. These interfund transfers, if any, are recorded in the statement of changes in net assets in the accompanying financial statements.

For financial reporting purposes, the accounts have been classified into the following funds:

Revenue and expenses and assets and liabilities related to the Organization's program delivery and operations, as well as its administrative activities, are reported in the Operating Fund.

The Strategic Innovation Fund reports assets, liabilities, revenues and expenses related to the Strategic Innovation Fund. This fund is intended to support the strategic goals of the Organization and enhance or expand the work of the Organization. From time to time, the Board may authorize the transfer of additional funds from the Operating Fund to the Strategic Innovation Fund.

Property and equipment

Property and equipment comprise computer hardware and are recorded at cost less accumulated amortization. Amortization is based on the declining balance method at rates sufficient to substantially amortize the cost of the assets over their useful lives, as follows:

Computer equipment	-	30% per annum
--------------------	---	---------------

In the year of acquisition, property and equipment additions are amortized at one-half of the above-noted rates

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Canada emergency subsidies

The Organization recognizes subsidies receivable under Canada Emergency Wage Subsidy ("CEWS") and Canada Emergency Rent Subsidy ("CERS") on the accrual basis, according to the eligibility requirements and calculations stipulated by the federal government and the Canada Revenue Agency, from time to time. The amount of subsidies receivable is a function of an employer's "eligible remuneration" and rent paid, as defined, based upon a percentage of salaries and wages and rent paid by an "eligible employer" and "eligible business," as defined. CEWS and CERS received and receivable during the reporting period are recognized on the accompanying statement of earnings on the same basis as the corresponding expenditures.

Contributed assets and services

The work of the Organization is partly dependent upon the services provided by certain staff members from other organizations under secondment arrangements. In addition, certain of the Organization's tangible capital assets have been provided by other organizations at no cost. Since these assets and certain of the services are not normally purchased by the Organization and because of the difficulty of determining their fair value, contributed assets and certain services are not recognized in the accompanying financial statements.

Leases

Lease obligations are classified as either capital or operating leases. Leases that transfer ownership upon conclusion of the lease or substantially all of the benefits and inherent risks of ownership of property and equipment to the Organization are accounted for as capital leases. At the time a capital lease is entered into, an asset is recorded together with its related long-term obligation to reflect the acquisition and financing. Rental payments under operating leases are expensed as incurred.

Financial instruments

Financial assets and financial liabilities are recognized when the Organization becomes a party to the contractual provisions of the instrument. Financial assets are derecognized when the contractual rights to the cash flows from the financial asset expire, or when the financial asset and all substantial risks and rewards are transferred. Financial liabilities are derecognized when they are extinguished, discharged, cancelled or expire. At initial recognition, the Organization classifies its financial instruments depending on the purpose for which the instruments were acquired. Trade-date accounting is used.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES *(Continued)*

Financial instruments *(Continued)*

The Organization measures cash and short-term investments at fair value with changes in fair value recognized in excess of revenue over expenses (expenses over revenue.)

Accounts receivable are classified as loans and receivables, which are measured at amortized cost.

Accounts payable and accrued liabilities are classified as other financial liabilities, which are measured at amortized cost.

3. SHORT-TERM INVESTMENTS

The Organization's short-term investments comprise of amounts invested in two income funds, the values of which vary with the values of the underlying investments. As at March 31, 2022, the market value of these funds was approximately \$330,357.

4. DEFERRED REVENUE

Deferred revenue comprises operating funding and payments received in advance of rendering services received in the current year to be recognized in the subsequent year. Changes in the deferred revenue balance are as follows:

	<u>2022</u>	<u>2021</u>
	\$	\$
Deferred revenue balance, beginning of year	109,017	303,431
Funding and payments received in during the year	691,619	546,782
Revenue recognized in year (before costs)	<u>(757,248)</u>	<u>(741,196)</u>
Deferred revenue balance, end of year	<u>43,388</u>	<u>109,017</u>

5. INTERFUND TRANSFERS

During the 2022 fiscal year, the Board authorized the transfer of \$10,000 (2021 - \$Nil) from the Operating Fund to the Strategic Innovation Fund to fund future projects of that fund.

6. COMMITMENT - OFFICE LEASE

The Organization leases its office from the Legislative Assembly of Ontario under an operating lease with no expiry date. The minimum annual rental payments, exclusive of certain operating costs, are \$37,000.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

7. FINANCIAL INSTRUMENTS AND RISK MANAGEMENT

The fair value of the Organization's financial instruments approximates book value due to the short-term maturity of these instruments, unless otherwise noted.

The Organization's risk management policies are established to identify and analyse the risks faced by the Organization, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Organization's activities. There have been no changes to the Organization's exposure to risks in respect of its financial instruments, and there have been no changes in respect of management's objectives, policies and processes in the management of its financial instruments from that of the prior reporting period.

Currency Risk

The Organization is not exposed to currency risks in that none of the Organization's financial instruments are denominated in foreign currencies.

Interest Rate and Investment Risk

The Organization is exposed to interest rate risk arising from fluctuations in interest rates on its short-term investments from time to time to the extent that changes in market conditions will affect the available returns that the Organization can earn on these investments as they mature and are reinvested. All of the Organization's other financial instruments are non-interest bearing.

The Board of Directors of the Organization regularly reviews both the compliance and performance of its short-term investments where applicable. The Organization does not consider there to be a significant credit risk for its investments based on investment grade ratings and performance criteria used in selecting these investments.

Liquidity Risk

The Organization is exposed to liquidity risk to the extent that it must meet its financial obligations as these fall due. The Organization's approach to managing liquidity risk is to ensure that it has sufficient cash and other financial assets, with varying maturities, to meet its obligations when and as due. Management forecasts cash flows to identify financing requirements. These requirements are then addressed through a combination of cash and investment management. As at March 31, 2022, the Organization had current financial instrument liabilities of \$141,705, comprising accounts payable and accrued liabilities, pertaining to its Operating Fund.

Credit Risk

Management believes that the Organization is not exposed to material credit risks in that most of its clients are either governments or are also not-for-profit entities that receive government funding and do not withhold overdue payments.

**INSTITUTE FOR CITIZEN-CENTRED SERVICE/
L'INSTITUT DES SERVICES AXES SUR LES CITOYENS**

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

8. CONTRIBUTIONS AND ECONOMIC DEPENDENCE

The Public Sector Service Delivery Council and the Public Sector Chief Information Officer Council (collectively, "the Councils") were instrumental in the establishment of the Organization. The Councils contribute approximately \$380,000 to the Organization per annum, funding upon which the Organization is economically dependent, in the form of unrestricted funding for occupancy, secretariat, administration and research costs. The Councils also reimburse the Organization for the labour costs of one person per year. During the 2022 and 2021 fiscal years, such reimbursements approximated 90% of these labour costs, approximately \$55,000 per annum. These reimbursements have been applied to salaries and employees' benefits on the accompanying statement of operations.

9. UNCERTAINTY REGARDING COVID-19

Canada's federal, provincial, territorial, and local governments and economies, as well as economies the world over, have been significantly impacted by the world-wide coronavirus (COVID-19) pandemic and its aftereffects such as supply chain and labour market disruptions, inflation, continued economic uncertainty, etc. The Board of Directors does not believe that there will be significant adverse, long-term effects on the Organization's ability to continue as a going concern; however, the Board believes that it is too early to predict the full, longer-term impact of the post-pandemic environment, notably the extent of anticipated reductions in federal, provincial territorial and municipal government operations and budgets; any future public sector austerity measures on discretionary spending will impact the Organization.

The Organization continues to leverage strategic investments made during previous fiscal years to digitize and offer virtual and remote delivery of its services and programs. These investments help ensure the continuity of its operations and the services it provides to its clients and reduce operating and delivery costs.

While the Board of Directors remains confident that the strategic investments made in previous fiscal years via the Strategic Innovation Fund to implement a "digital first" service and program delivery business model have significantly enhanced the Organization's ability to mitigate the impact of post pandemic uncertainty, as well as provide greater stability through reduced operating expenses, the future of post pandemic government operations and budgets, and the economic consequences notably high interest rates and inflation, remain concerns of the Organization going forward.

In the opinion of the Board of Directors, as a result of the nature of the Organization's operating results, the nature of its membership and client base, its staffing and contractors, its ability to deliver programs digitally and virtually, its working capital as at March 31, 2022, and the designation of its industry as an essential service, the ability of the organization to continue as a going concern has not been materially affected, and the organization has been able to realize its assets, discharge its liabilities and competitively bid for new contracts and projects during this period of continued health, social and economic uncertainty.