Grant Thornton

Financial Statements

Halifax Young Women's Christian Association

December 31, 2021

Contents

Independent auditor's report

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To the officers and members of
Halifax Young Women's Christian Association

Qualified Opinion

We have audited the financial statements of Halifax Young Women's Christian Association (the "Association"), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures, changes in net deficit 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 Halifax Young Women's Christian Association as at December 31, 2021, 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 for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenues, deficiency of revenues over expenditures and cash flows from operations for the years ended December 31,2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1, 2021 and 2020 and December 31, 2021 and 2020. Our audit opinion on the financial statements for the year ended December 31, 2020 was 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 Association 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.

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

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 Association’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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association’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 Association’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 Association’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 Association 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.

Grant Thornton LLP

Halifax, Canada
May 26, 2022

Chartered Professional Accountants

Halifax Young Women's Christian Association
Statement of operations

Year ended December 31	2021	2020
Revenues		
Donations and bequests	$ 154,002	$ 88,078
Foundations and charities	755,341	459,418
Fundraising events	37,750	55,227
Government funding and grants	3,795,727	3,568,409
Miscellaneous	101,696	26,764
Program fees and earned revenue	832,588	698,366
	5,677,104	4,896,262
Expenditures		
Advertising and promotion	27,603	12,821
Amortization of capital assets	151,759	148,997
Bad debt expense	25,207	2,120
Food	44,101	28,014
Fundraising	13,753	17,874
Insurance	42,302	39,290
Interest and bank charges	5,272	3,764
Interest on long term debt	11,365	11,389
Membership fee to YWCA Canada	28,673	31,672
Office supplies and miscellaneous	130,679	168,473
Professional fees	325,369	138,478
Program expenses and supplies	966,310	835,318
Rent expense	317,494	293,213
Repairs and maintenance	164,446	125,295
Salaries and employee benefits	3,040,820	2,468,403
Telephone	71,599	61,872
Training and development	42,796	41,638
Travel	42,524	34,368
Utilities	88,942	95,834
	5,541,014	4,558,833
Excess of revenues over expenditures before other items	136,090	337,429
Other items		
Reinvested dividends and interest	12,036	3,975
Donation of shares	31,203	6,359
Unrealized gain on investments	20,030	435
	63,269	10,769
Excess of revenues over expenditures	$ 199,359	$ 348,198

See accompanying notes to the financial statements.

Halifax Young Women's Christian Association
Statement of changes in net assets
Year ended December 31

	Unrestricted Fund	Capital Reserve Fund	Operating Reserve Fund	Strategic Priority Reserve Fund	**2021 Total**	2020 Total
Surplus (deficit), beginning of year	$ -	$ 95,000	$ 158,200	$ 62,358	**$** 315,558	$ (32,640)
Excess of revenues over expenditures	199,359	-	-	-	199,359	348,198
Inter-fund transfer (Note 9)	(199,359)	59,808	99,680	39,871	-	-
Surplus, end of year	$ -	$ 154,808	$ 257,880	$ 102,229	**$** 514,917	$ 315,558

Halifax Young Women's Christian Association
Statement of financial position

December 31	2021	2020
Assets		
Current		
Cash and cash equivalents	**$ 1,664,103**	$ 2,108,028
Funds held in trust	**94,095**	15,830
Receivables (Note 3)	**180,902**	69,324
Prepaid expenses	**1,124**	13,972
	1,940,224	2,207,154
Long term investments	**465,116**	205,644
Capital assets (Note 4)	**4,678,670**	4,150,633
	$ 7,084,010	$ 6,563,431
Liabilities		
Current		
Payables and accrued liabilities	**$ 282,409**	$ 177,225
Deposits	**15,718**	14,560
Trust liabilities	**94,095**	15,830
Deferred revenue (Note 5)	**1,533,030**	1,891,952
Current portion of long term debt (Note 6)	**56,022**	32,880
Current portion of deferred capital funding (Note 7)	**157,756**	131,573
	2,139,030	2,264,020
Long term debt (Note 6)	**1,093,902**	909,593
Deferred capital funding (Note 7)	**3,336,161**	3,074,260
	6,569,093	6,247,873
Net assets		
Unrestricted Fund	**-**	-
Capital Reserve Fund	**154,808**	95,000
Operating Reserve Fund	**257,880**	158,200
Strategic Priority Reserve Fund	**102,229**	62,358
	514,917	315,558
	$ 7,084,010	$ 6,563,431

Commitments (Note 10)
Subsequent event (Note 12)

On behalf of the Board

DocuSigned by:
Miia Suokonautio
815DEEE23FEB462... President

DocuSigned by:
Nikki Gingette Hills
285B17B4682D4DF... Treasurer

See accompanying notes to the financial statements.

Halifax Young Women's Christian Association
Statement of cash flows

Year ended December 31	2021	2020
Increase (decrease) in cash and cash equivalents		
Cash flows from operating activities		
Excess of revenues over expenditures	**$ 199,359**	$ 348,198
Unrealized gain on investments	**(20,030)**	(435)
Donation of shares	**(31,203)**	(6,359)
Amortization of deferred capital funding	**(134,865)**	(127,596)
Amortization of capital assets	**151,759**	148,997
Reinvested dividends and interest	**(12,036)**	(3,975)
	152,984	358,830
Change in non-cash operating working capital (Note 8)	**49,914**	1,028,235
	202,898	1,387,065
Cash flows from investing activities		
Purchase of capital assets	**(679,796)**	-
Purchase of investments	**(196,203)**	-
	(875,999)	-
Cash flows from financing activities		
Proceeds from the issuance of long term debt	**253,000**	-
Repayment of long term debt	**(45,549)**	(31,996)
Proceeds from increase in deferred capital funding	**99,990**	-
(Decrease) increase in funds held in trust	**(78,265)**	1,644
	229,176	(30,352)
Net (decrease) increase in cash and cash equivalents	**(443,925)**	1,356,713
Cash and cash equivalents		
Beginning of year	**2,108,028**	751,315
End of year	**$ 1,664,103**	$ 2,108,028

See accompanying notes to the financial statements.

1. Nature and continuance of operations

Halifax Young Women's Christian Association (the "Association") is a charitable, not-for-profit organization that provides support to build economic security, promote wellness and create opportunities for women, girls and their families by providing a strong voice and integrated services. The Association is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met.

These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Association will continue to operate in the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.

2. Summary of significant accounting policies

Basis of accounting
These financial statements have been prepared in accordance with Canadian generally accepted accounting principles using Canadian accounting standards for not-for-profit organizations ("ASNPO") in Part III of the CPA Handbook.

Fund accounting
The Association uses fund accounting and accordingly, resources are classified for accounting purposes into funds based on specific activities or objectives. The following funds are being used:

Unrestricted Fund
The Unrestricted Fund accounts for the Association's excess of revenue over expenditures from program delivery, development and Association services.

Capital Reserve Fund
The Capital Reserve Fund has been established by the Association to support unbudgeted repairs, maintenance or renovation costs or such costs that would result in an annual unrestricted deficit.

Operating Reserve Fund
The Operating Reserve Fund has been established by the Association to provide stability in the event of an annual unrestricted fund deficit or unexpected events that results in significant negative operating cash flow impacts.

Strategic Priority Reserve Fund
The Strategic Priority Reserve Fund has been established by the Association to help fund future initiatives such as new programming investments, operational investments, training and development or testing of new ideas and concepts that advance the missing of the Association.

Funds held in trust
Based on the funding agreement between the Association and the Woman's Community Space, $15,830 funds are considered to be restricted and are to be held and administrated by the Association. Prior to assuming operations of the Dartmouth Children's Development Centre (DCDC) on January 1, 2022 the Association received $78,265 funds that are associated with DCDC operations prior to January 1, 2022. These $78,265 funds are held in trust and will be distributed to the operators of the DCDC prior to January 1, 2022 during the Association's fiscal 2022 year. Note 12 to these financial statements provides additional information regarding DCDC.

2. Summary of significant accounting policies (continued)

Capital assets

Capital assets are initially recorded at cost and subsequently at cost less accumulated amortization. Capital asset purchases are capitalized in the year of acquisition, and amortization expense is recorded using the straight-line method of amortization for each asset category, except land, over their estimated useful lives at the following rates:

Buildings	35 - 40 years
Building improvements	15 years
Appliances	8 years
Computer equipment	3 years
Furniture and equipment	5 years
Leaseholds	over the term of the lease

When capital assets no longer have any long term service potential to the Association, the excess of its net carrying amount over any residual value is recognized as an expense in the statements of operations. Any write downs recognized are not reversed.

Use of estimates

The preparation of the financial statements in conformity with ASNPO requires that management make estimates and assumptions that affect the amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and reported amounts of revenue and expenditures during the year. Certain of these estimates require subjective judgments by management that may be uncertain. These estimates are reviewed periodically and adjustments are made to earnings as appropriate in the year they become known. These items include allowance for doubtful accounts related to receivables and useful lives of capital assets. Actual results could differ from those reported.

Revenue recognition

The Association follows the deferral method of accounting for contributions. Deferred revenue represents amounts received for the purposes of expenditures not yet incurred. These revenues will be recognized as income when the amounts are expended.

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.

Revenues from program fees are recognized as the program services are provided and collection is reasonably assured.

Interest and dividend revenue are recorded on an accrual basis.

Realized gains or loss on the sale of investments are the difference between the proceeds received and the cost of investments sold.

Unrealized gains or losses on investments represents the difference between the carrying value at the year end and the carrying value at the previous year end or purchase value during the year, less the reversal of previously recognized unrealized gains and losses in respect of disposals during the year.

Miscellaneous revenues are recognized as revenue when the funds are received or receivable, and collection is reasonably assured.

Pledges for donations are not recorded in the financial statements.

2. Summary of significant accounting policies (continued)

Cash and cash equivalents
Cash and cash equivalents include cash on hand and balances with banks net of any bank indebtedness.

Long term investments
Long term investments consist of high interest savings account, guaranteed investment certificates and equities. The investments are stated at fair value. The change in unrealized gain or loss on investments, being the difference between cost and fair value, is included in the statement of revenues and expenditures. Fair values of equities are established by year end quoted market prices.

Donated services
Donated services are recognized in the period the services are performed, provided fair value can be determined; otherwise such amounts are not recognized.

Deferred capital funding
Deferred capital funding, including government capital funding, is required to be deferred and amortized into revenue on the same basis that the related capital asset is amortized.

Financial instruments
Initial measurement
Financial instruments are measured at fair value when issued or acquired. For financial instruments subsequently measured at cost or amortized cost, fair value is adjusted by the amount of the related financing fees and transaction costs. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement
At each reporting date, the Association measures its financial assets and liabilities at cost or amortized cost (less impairment in the case of financial assets), except for investments, which must be measured at fair value. The Association uses the effective interest rate method to amortize any premiums, discounts, transaction fees and financing fees to the statement of revenues and expenditures. The financial instruments measured at amortized cost are cash and cash equivalents, funds held in trust, receivables, payables and accrued liabilities, deposits, trust liabilities and long term debt.

For financial assets measured at cost or amortized cost, the Association regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Association determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of revenues and expenditures. Any reversals of previously recognized impairment losses are recognized in the statement of revenues and expenditures in the year the reversal occurs.

The Association's financial instruments consist of cash and cash equivalents, funds held in trust, receivables, investments, payables and accrued liabilities, deposits, trust liabilities and long term debt. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair values of these financial instruments approximate their carrying value, unless otherwise noted.

3. Receivables

	2021	2020
Child care	$ **20,389**	$ 483
Commodity taxes	**22,325**	14,848
Government funding	**131,551**	41,500
Housing	**10,885**	2,400
Other	**15,907**	11,748
	201,057	70,979
Allowance for doubtful accounts	**(20,155)**	(1,655)
	$ **180,902**	$ 69,324

4. Capital assets

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book value
Land	$ 325,000	$ -	$ **325,000**	$ 225,000
Appliances	40,126	10,623	**29,503**	-
Computer equipment	30,699	30,699	-	-
Furniture and equipment	193,819	100,120	**93,699**	34,376
SHYM I building (Note 6)	1,093,174	289,861	**803,313**	836,440
SHYM II building (Note 6)	511,720	225,329	**286,391**	304,097
Spryfield early learning facility (Note 6)	1,917,642	417,010	**1,500,632**	1,541,188
Leasehold Spryfield Building	16,934	16,934	-	-
Program Residence	475,050	2,262	**472,788**	-
WISH II condominiums (Note 6)	1,527,533	360,189	**1,167,344**	1,209,532
	$ 6,131,697	$ 1,453,027	$ **4,678,670**	$ 4,150,633

5. Deferred revenue

	Opening Balance	Contributions received	Contributions recognized	Transferred to deferred capital funding	Ending balance
Deferred revenue	$ 1,891,952	$ 4,594,370	$ (4,630,333)	$ (322,959)	**$ 1,533,030**

6. Long term debt

	2021	2020
Non-interest bearing loan from YWCA Canada, no set terms of repayment.	**$ -**	$ 9,036
Non-interest bearing loan from St. Paul's home, repayable on the earlier of 20 years from March 2012, the date of its advance, the sale of the property, or the default of the Association's secured loan on the Spryfield early learning facilities.	**480,000**	480,000
Expansion cost loan from Nova Scotia Housing Development Corporation ("NSHDC"), repayable in monthly blended payments of $1,312 bearing interest at 1%, maturing December 2037.	**232,804**	246,157
TD Mortgage Payable, repayable in monthly blended payments $2,288 bearing interest at 4%, maturing December 2029.	**187,753**	207,280
TD Mortgage Payable, repayable in monthly blended payments $2,424 bearing interest at 2.84%, maturing October 2031.	**249,367**	-
	1,149,924	942,473
Less: amounts repayable in one year	**56,022**	32,880
	$ 1,093,902	$ 909,593

Security on the NSHDC loan and TD Mortgages loan is as disclosed in Note 6.

Principal amounts repayable on the long term debt within each of the next five years are as follows:

2022	56,022
2023	57,618
2024	59,271
2025	60,978
2026	62,743

7. Deferred capital funding

	2021	2020
Government capital funding		
SHYM II building, net of accumulated earnings of $202,034 (2020 - $187,756)	**$ 275,031**	$ 289,309
Spryfield early learning facility, net of accumulated earnings of $237,164 (2020 - $211,039)	**807,844**	833,969
WISH II condominiums, net of accumulated earnings of $366,317 (2020 - $322,383)	**1,167,813**	1,211,746
Spryfield playground, net of accumulated earnings of $13,062 (2020 - $10,885)	**4,354**	6,532
Spryfield Equipment, net of accumulated earnings of $19,887 (2020 - $11,932)	**19,888**	27,842
SHYM1 and SHYM2 equipment net of accumulated earnings of $6,929 (2020 - $nil)	**94,258**	-
Program residence net of accumulated earnings accumulated earnings of $1,538 (2020 - $nil)	**321,421**	-
Other capital funding		
SHYM I building, net of accumulated earnings of $289,865 (2020 - $256,739)	**803,308**	836,435
	3,493,917	3,205,833
Less: current portion	**157,756**	131,573
	$ 3,336,161	$ 3,074,260

SHYM II building
Between 2007 and 2010 the Association received total government funding of $477,065 which was used to purchase an apartment building at 4 Skeena Street in Halifax, Nova Scotia, as well as to complete various upgrades and renovations to the building. The building is used for the purposes of the Supportive Housing for Young Mothers program. Included in government funding and grants revenue is $14,278 (2020 - $14,278) of revenue recognized from this contribution.

Spryfield early learning facility
In November of 2008, the Association was granted a loan from NSHDC in the amount of $1,393,343 for the purpose of assisting with the construction of a new child care facility located at 358 Herring Cove Road. $1,045,008 of the loan is forgivable if average enrolment of the maximum licensed capacity of 70 new child care spaces is maintained at or above 75%, or 52 spaces. Forgiveness will occur monthly at an amount of $3,483. The remaining amount of $348,336 is repayable over a term of 25 years in monthly payments of $1,312 at an interest rate of 1% per annum. Security for the loan will be provided through a general security agreement and a first charge on the related property. Included in government funding and grants revenue is $26,125 (2020 - $26,125) of revenue recognized from this contribution.

7. Deferred capital funding (continued)

Spryfield early learning facility (continued)
In 2013, a second mortgage on the property was provided by the Canadian Alternative Investment Cooperative ("CAIF") in the amount of $271,300 repayable over 15 years at a fixed interest rate of 6% per annum. In 2015, the Association received an additional $78,470 which increased payments to $2,843. In 2019, the CAIF loan was refinanced with TD Mortgage in the amount of $226,043, repayable in monthly blended payments $2,288 bearing interest at 4%, maturing December 2029. Security is provided by a second mortgage on the child care facility held by the Association.

WISH II condominiums
The Association secured $1,231,180 from the Homelessness Partnership Strategy in fiscal 2012. In 2014, the Association secured an additional amount of $311,427 which was used to purchase two condominiums to be used for the purposes of the WISH Second Stage program. Included in government funding and grants revenue is $43,934 (2020 - $43,934) of revenue recognized from this contribution.

SHYM I building
In April 2013, the Association acquired the building located at 4 Mount Hope Avenue in Dartmouth, Nova Scotia, during the dissolution of the Society of Supportive Housing for Young Mothers. The building and related office equipment were recognized at their carrying values of $1,093,174 and $6,338, respectively, with a corresponding amount recognized as deferred capital funding. Included in government funding and grants revenue is $33,126 (2019 - $33,126) of revenue recognized from this contribution.

Spryfield playground
The Association received funding during 2016 to construct a playground for the Spryfield Childcare Centre. The playground was recognized at its carrying value of $17,417 with a corresponding amount recognized as deferred capital funding. Included in government funding and grants revenue is $2,177 (2020 - $2,177) of revenue recognized from this contribution.

Spryfield Equipment
The Association received funding during 2019 to purchase and install heating and cooling equipment for the Spryfield Childcare Centre. The equipment was recognized at its carrying value of $39,776 with a corresponding amount recognized as a deferred capital funding. Included in government funding and grants revenue is $7,955 (2020 - $7,955).

SHYM1 and SHYM2 Equipment
The Association received funding during 2021 to purchase and install heating and cooling equipment along with security equipment for the SHYM1 and SHYM2 buildings. The equipment was recognized at its carrying value of $104,746 with a $99,990 amount recognized as a deferred capital funding. Included funding and grants revenue is $6,929 (2020 - $Nil).

Program residence
The Association received funding during 2021 to purchase a Safe House. The house and associated land was recognized at its carrying value of $575,050 with a $322,959 amount recognized as a deferred capital funding. Included funding and grants revenue is $1,538 (2020 - $Nil). The difference between the carry value and the amount financed with funding received was financed with mortgage. The mortgage has a ten-year term with monthly principal and interest payments of $2,424 bearing a 2.84% interest rate.

8. Supplemental cash flow information

		2021		2020
Change in non-cash operating working capital:				
Receivables	$	**(111,578)**	$	(12,013)
Prepaid expenses		**12,848**		10
Payables and accrued liabilities		**105,184**		(28,773)
Deposits		**1,158**		2,560
Trust liabilities		**78,265**		(1,644)
Deferred revenue		**(35,963)**		1,068,095
	$	**49,914**	$	1,028,235

9. Interfund transfer

During the year, the Board authorized the transfer of $59,808 to the Capital Reserve Fund, $99,680 to the Operating Reserve Fund and $39,871 to the Strategic Priority Fund from the Unrestricted Fund.

10. Commitments

The Association has entered into lease commitments for two locations. Lease commitments for the next two years are as follows:

2022	41,732
2023	3,622

11. Impacts of COVID-19

In March 2020, the coronavirus disease outbreak ("COVID-19") was recognized as a pandemic by the World Health Organization ("WHO"). In response, several measures have been taken by local governments to limit or restrict business operations which has disrupted the activities of many entities, including the Association, and has impacted financial results during the year and could impact future results.

The Association has strategically managed the risks associated with COVID-19 by running modified versions of its programs, implementing a system of continuous monitoring over funding and securing additional financial support in the form of government grants to assist in program and other related costs.

Actual future results may differ materially from the Association's current estimates as the scope of COVID-19 evolves, or if the duration of disruption is longer than currently anticipated.

12. Subsequent Event

On January 1, 2022 the Association assumed operating responsibilities for the Dartmouth Children's Development Centre ("DCDC") childcare facility.

The Association has not assumed any DCDC obligations that exist prior to January 1, 2022. The DCDC has a licensed capacity to educate eighty (80) children, including twenty-four (24) infants. The DCDC is currently operating at full capacity.

The fiscal 2022 anticipated operating revenues for the DCDC are $1,145,000 and the fiscal 2022 anticipated net operating profit for the DCDC is $11,200.

The Association has entered into a GIFT "the agreement" with the DCDC where the net equity position of the DCDC at December 31, 2021 will be donated to the Association during the fiscal 2022 year. The conditions of the agreement generally state the donation is to be used for the future betterment of the DCDC and the Association's work with childcare development. The amount of the donation is $257,000 and this donation will be recorded as donation revenues in the Association's fiscal 2022 year