

Financial Statements of

ALBERTA LAW FOUNDATION

And Independent Auditors' Report thereon

Year ended March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Alberta Law Foundation

Opinion

We have audited the financial statements of Alberta Law Foundation (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-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 "**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 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 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 Entity'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 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

Calgary, Canada

June 12, 2022

ALBERTA LAW FOUNDATION

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash	\$ 3,065,159	\$ 2,664,471
Accrued interest - bank accounts	1,685	1,003
Interest receivable:		
Lawyers' pooled trust accounts (note 1(b))	1,401,423	705,847
Prepaid expenses	12,327	11,843
Receivable for investments sold	1,500,000	-
	5,980,594	3,383,164
Investments (note 2)	76,380,015	88,288,788
	\$82,360,609	\$91,671,952
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 70,380	\$ 75,752
Grants payable (note 6)	12,798,173	13,729,340
Payable to Legal Aid Alberta ("LAA") (note 7)	2,728,761	1,732,199
	15,597,314	15,537,291
Net Assets:		
Grant stabilization fund (note 4)	45,000,000	45,000,000
Strategic reserve fund (note 4)	19,600,000	12,100,000
Designated for future year grants (note 5)	1,161,348	2,280,712
Special contribution to LAA for future years (notes 4 and 7)	-	14,800,000
Unrestricted	1,001,947	1,953,949
	66,763,295	76,134,661
Commitments (note 8)		
	\$ 82,360,609	\$91,671,952

See accompanying notes to financial statements.

Approved by the Board:



Director



Director

ALBERTA LAW FOUNDATION

Statement of Operations

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

	2022	2021
Revenues:		
Interest earned on lawyers' pooled trust accounts	\$10,915,044	\$ 6,928,793
Investment income (note 2)	4,346,643	5,938,975
Undisbursable trust balances from Law Society of Alberta	391,070	485,215
Other revenue (note 10)	218,000	216,437
	15,870,757	13,569,420
Expenses:		
Salaries	692,051	679,633
Investment advisory fees	210,474	235,212
Rent and parking	62,892	80,585
Computing and web services	37,918	41,255
Professional fees	22,072	22,900
Contract fees	17,246	31,826
General administration	12,005	14,333
Insurance	11,092	10,885
	1,065,750	1,116,629
Allocation to Legal Aid Alberta ("LAA") (note 7)	2,728,761	1,732,199
Excess of revenues over expenses before grant allocations	12,076,246	10,720,592
Deduct:		
Program grant allocations (note 6)	12,675,654	13,558,076
Project grant allocations (note 6)	1,484,428	1,893,706
Total grant allocations	14,160,082	15,451,782
Add:		
Grant refunds (note 3)	532,105	353,981
Allocations withdrawn (notes 3 and 6)	16,658	62,485
	548,763	416,466
Net grant allocations	13,611,319	15,035,316
Deficiency of revenues over expenses before undermentioned items	(1,535,073)	(4,314,724)
Change in unrealized (loss) gain on investments	(4,136,293)	5,514,930
LAA special contribution current year (note 7)	(3,700,000)	(11,100,000)
Deficiency of revenues over expenses	\$(9,371,366)	\$(9,899,794)

See accompanying notes to financial statements.

ALBERTA LAW FOUNDATION

Statement of Changes in Net Assets

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

	Unrestricted	Designated for Future Year Grants	Special contribution to LAA for future years	Grant Stabilization Fund	Strategic Reserve Fund	2022 Total	2021 Total
Balance, beginning of year	\$1,953,949	\$2,280,712	\$14,800,000	\$45,000,000	\$12,100,000	\$76,134,661	\$86,034,455
Deficiency of revenues over expenses	(9,371,366)	-	-	-	-	(9,371,366)	(9,899,794)
Internally designated transfer to unrestricted (Note 5)	2,280,712	(2,280,712)	-	-	-	-	-
Internally designated transfer from unrestricted (Note 5)	(1,161,348)	1,161,348	-	-	-	-	-
Internally designated transfer (Notes 4 and 7)	3,700,000	-	(3,700,000)	-	-	-	-
Internally designated transfer (Notes 4 and 7)	-	-	(11,100,000)	-	11,100,000	-	-
Internally designated transfer (Note 4)	3,600,000	-	-	-	(3,600,000)	-	-
Balance, end of year	\$1,001,947	\$ 1,161,348	-	\$45,000,000	\$19,600,000	\$66,763,295	\$76,134,661

See accompanying notes to financial statements.

ALBERTA LAW FOUNDATION

Statement of Cash Flows

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

	2022	2021
Cash provided by (used in):		
Operations:		
Deficiency of revenues over expenses	\$(9,371,366)	\$(9,899,794)
Items not involving cash:		
Change in unrealized loss (gain) on investments	4,136,293	(5,514,930)
Net realized loss (gain) on sale of investments (note 2)	245,567	(800,024)
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(5,372)	(10,551)
Grants payable	(931,167)	(770,405)
Payable to Legal Aid Alberta	996,562	(6,290,254)
Interest receivable - lawyers' pooled trust accounts	(695,576)	1,342,183
Accrued interest - bank accounts	(682)	6,984
Prepaid expenses	(484)	(207)
	(5,626,225)	(21,936,998)
Investments:		
Purchase of investments	(35,038,982)	(12,290,371)
Proceeds from disposal of investments	41,065,895	31,668,648
	6,026,913	19,378,277
Increase (decrease) in cash	400,688	(2,558,721)
Cash, beginning of year	2,664,471	5,223,192
Cash, end of year	\$ 3,065,159	\$ 2,664,471

See accompanying notes to financial statements.

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

Nature of operations:

The Alberta Law Foundation (the “Foundation”) was established by amendments to the *Legal Profession Act*, which became effective on April 1, 1973. The Foundation is the recipient of the interest which banks, credit unions, trust companies, and treasury branches must pay on clients’ funds held in lawyers’ pooled trust accounts. The Foundation also earns investment income and receives undisburseable trust funds from the Law Society of Alberta. The interest earned on lawyers’ pooled trust accounts is calculated and remitted to the Foundation based on agreements made with individual financial institutions. This does not include interest paid on a specific trust investment held for an individual client. The interest and other net income are made available by the Foundation to organizations engaged in activities which are considered to be in keeping with the Foundation’s objects pursuant to the *Legal Profession Act*. The Foundation is a not-for-profit organization as defined in the *Income Tax Act (Canada)* and is exempt from income taxes.

1. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the Chartered Professional Accountants (“CPA”) Canada Handbook.

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic. The situation is dynamic with various countries around the world responding in different ways to address the virus and its impact. Governments and businesses are implementing measures that are aimed at allowing populations to live with the virus, while implementing ongoing control measures. Governments and central banks have reacted with significant monetary and fiscal interventions designed to stabilize economic conditions.

As the economy emerges from the initial effects of the pandemic, the rate of inflation has risen. The Bank of Canada response to curb inflation has been to increase interest rates. The increase in prime interest rate has increased the interest rate payable to the Foundation under contracts with financial institutions holding lawyers’ pooled trust accounts. As at the reporting date, the Foundation has determined that COVID-19 has had no impact on its other contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. Management has assessed the financial impacts of the COVID-19 pandemic and did not identify any material impacts on its financial statements as at March 31, 2022.

There are other factors which present uncertainty over future revenues and cash flows, may cause significant changes to the assets or liabilities and may have a significant impact on future operations. An estimate of the financial effect of these items is not practicable at this time.

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

1. Significant accounting policies (continued):

a) Financial instruments:

The Foundation records financial instruments at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost and tested for impairment at each reporting date if there are indicators of impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed when incurred.

b) Interest received on lawyers' pooled trust accounts:

The Foundation reports interest earned on lawyers' pooled trust accounts as received or receivable. The lawyers' pooled trust accounts are not the property of, nor administered by, the Foundation. The Foundation records the amount of interest receivable at the time the amounts are determinable from the individual financial institutions. As at March 31, 2022, the Foundation recognized interest receivable of \$1,401,423 (2021 - \$705,847) from lawyers' pooled trust accounts.

c) Cash:

Cash includes cash deposited with financial institutions.

d) Investments:

Investments are recorded at fair value based upon closing prices for publicly traded securities and quoted prices for fixed rate investments. Realized investment gains (losses) are recorded on a settlement date basis. Any unrealized gains (losses) are reflected as a change in unrealized gain (loss) on investments in the statement of operations. Interest earned on investments is recorded on an accrual basis.

e) Revenue recognition:

The Foundation follows the deferral method of accounting for contributions. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions are recorded as deferred revenue, and are recognized as revenue in the year in which the related expenses are incurred.

Government assistance toward current expenses or revenues is included in the determination of deficiency of revenues over expenses for the period. Government assistance is presented as part of revenue.

f) Grant Stabilization Fund:

The Grant Stabilization Fund represents amounts which are reserved for future funding of programs, at the Board of Directors' discretion, in those years when net revenues and other reserves are deemed inadequate, and require the approval of the Board of Directors prior to allocation.

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

1. Significant accounting policies (continued):

g) Strategic Reserve Fund:

The Strategic Reserve Fund represents amounts which are reserved for long-term strategic purposes and require the approval of the Board of Directors prior to allocation.

h) Designated for Future Year Grants

The amount Designated for Future Year Grants represents the amount of grants committed to be funded in future years if certain conditions are met.

i) Special Contribution to LAA for Future Years:

In the fiscal year ended March 31, 2020, the Board of Directors approved the creation of an internally designated account to segregate the amount of special contributions committed to Legal Aid Alberta in future years if certain conditions are met.

j) Unrestricted net assets:

Unrestricted net assets represent amounts which have not been committed to projects, programs or otherwise restricted.

k) Measurement uncertainty:

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Actual results could differ from these estimates.

2. Investments:

As at March 31, 2022, market values reflect unrealized gains or losses on certain investments. Included in investment income are realized losses from the sale of investments of \$835,670 (2021 - \$15,437) and realized gains from the sale of investments of \$590,103 (2021 - \$815,461).

Investments are held for purposes other than meeting current cash commitments and are classified as long term assets.

It is not the intention of the Foundation to actively engage in the purchase and sale of securities on a short-term basis, but primarily to meet liquidity needs if and when they arise.

The Foundation's investment policy specifies the maximum levels of direct equity market exposure, in addition to fixed and variable rate investments. The policy addresses issues of diversification, asset allocation, investment concentration and minimum credit ratings. Investment decisions are made by an experienced professional investment manager in accordance with the Foundation's Statement of Investment Policy and Procedures.

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

2. Investments (continued):

	2022		2021	
	Cost	Fair value	Cost	Fair value
Trade due for settlement	\$ (350,585)	\$ (350,585)	\$ (541)	\$ (541)
Money Market Fund	1,114,349	1,114,349	221,550	221,550
Short Term Bond	27,357,237	25,891,764	29,853,946	29,829,740
Bond Fund	-	-	30,570,331	29,821,133
Universe Bond Alpha Plus	28,054,935	25,968,232	-	-
High Yield Bond Fund	8,253,928	7,653,799	8,930,907	8,840,503
Equity Income & Growth Fund	6,936,069	8,538,134	8,568,482	9,773,215
Global Equity	8,432,516	7,564,322	9,426,254	9,803,188
	\$ 79,798,449	\$ 76,380,015	\$ 87,570,929	\$ 88,288,788

Investment income of \$4,346,643 (2021 - \$5,938,975) was earned during the year.

All securities present a risk of potential loss of capital. Management manages this risk through working closely with a professional investment manager within the parameters established by the Foundation's Statement of Investment Policy and Procedures.

3. Grant refunds and allocations withdrawn:

Grant refunds represent funds returned to the Foundation from projects or programs which did not require all the funds originally advanced to them by the Foundation.

Approved grants contain restrictions on the use of funds that may result in a portion of the grants payable being withheld. Grants payable allocations are withdrawn (reversed) when the Foundation becomes aware that the funds are no longer required or when grant conditions have not been met.

4. Internally Restricted Net Assets - Grant Stabilization Fund, Strategic Reserve Fund and Special contribution to LAA for future years Fund:

The Grant Stabilization Fund, the Strategic Reserve Fund and Special contribution to LAA for future years Fund are subject to internally imposed restrictions and require the approval of the Board of Directors for all transactions related to those funds.

In the fiscal year ended March 31, 2022, the Board of Directors approved the transfer of \$3,700,000 (2021 - \$11,100,000) from the Special contribution to LAA for future years to Unrestricted Net Assets to fund special contributions to Legal Aid Alberta (refer to note 7 for more details). In the fiscal year ended March 31, 2022, the Board of Directors approved the transfer of \$11,100,000 (2021 - \$nil) from the Special contribution to LAA for future years to the Strategic Reserve Fund (refer to note 7 for more details). In the fiscal year ended March 31, 2022, the Board of Directors approved the transfer of \$3,600,000 (2021 - \$nil) from the Strategic Reserve Fund to Unrestricted Net Assets, in accordance with the internal reserve policy established by the Board of Directors.

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

5. Designated for Future Year Grants:

In the fiscal year ended March 31, 2022, grants in the amount of \$2,280,712 (2021 - \$1,383,524) were allocated and transferred from Designated for future year grants to Unrestricted Net Assets after conditions precedent were met in the year. In the fiscal year ended March 31, 2022, the Board of Directors designated the amount of \$1,161,348 (2021 - \$2,280,712) for grants to be allocated in future years if certain conditions are met. The amounts designated for future years at March 31, 2022 are \$1,161,348 (2021 - \$2,280,712).

6. Grants payable:

	2022	2021
Balance, beginning of year	\$13,729,340	\$14,499,744
Add:		
Program grant allocations:		
Research and reform	2,013,132	2,166,380
Law libraries	1,226,732	1,191,000
Public legal education	1,334,506	1,418,420
Community, student and native legal programs	8,101,284	8,782,276
	12,675,654	13,558,076
Project grant allocations:		
Research and reform	-	317,350
Public legal education	198,972	85,472
Community, student and native legal programs	1,285,456	1,490,884
	1,484,428	1,893,706
Deduct:		
Allocations withdrawn from projects and programs:		
Public Legal Education	16,658	6,854
Community, student and native legal programs	-	55,631
	16,658	62,485
Allocations Paid:		
Research and reform	2,380,748	2,402,608
Law libraries	1,191,000	1,354,432
Public legal education	1,483,966	1,643,697
Community, student and native legal programs	10,018,877	10,758,964
	15,074,591	16,159,701
Balance end of year	\$12,798,173	\$ 13,729,340

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

7. Payable to Legal Aid Alberta (LAA):

The *Legal Profession Act* requires the Foundation to pay 25% of the interest it receives on lawyers' pooled trust accounts to LAA not more than six months after each fiscal year-end. As at March 31, 2022 the Foundation recognized a contribution to LAA of \$2,728,761 (2021 - \$1,732,199) equal to the 25% required by the *Legal Profession Act*. In the fiscal year ended March 31, 2020, the Foundation committed to make a special contribution to LAA in the total amount of \$34,400,000 payable over three years from the Strategic Reserve Fund, over and above the 25% statutory contribution, if certain conditions are met. In the fiscal year ended March 31, 2020, the Foundation paid \$8,500,000 to LAA as a special contribution from the Strategic Reserve Fund. In the fiscal year ended March 31, 2020, the Board of Directors approved the creation of an internally designated Fund to segregate the amount of special contributions committed to LAA in future years, and approved the transfer of \$25,900,000 from the Strategic Reserve Fund to that account. In the fiscal year ended March 31, 2022, the Foundation paid \$3,700,000 (2021 - \$11,100,000) to LAA from the LAA Special contribution to LAA for future years Fund. In the fiscal year ended March 31, 2022, the conditions for payment of the committed special contribution were not met, and the Board of Directors approved the transfer of \$11,100,000 from the Special contribution to LAA for future years to the Strategic Reserve Fund.

8. Commitments:

At March 31, 2022 the Foundation was committed to future lease payments for office premises (excluding operating costs) under a lease expiring May 31, 2026 in the following amounts:

2023	\$ 34,896
2024	34,896
2025	34,896
2026	34,896
2027	5,816

9. Financial instruments:

The Foundation's financial instruments recognized in the statement of financial position consist of cash, investments, accrued interest receivable, interest receivable on lawyers' pooled trust accounts, receivable for investments sold, accounts payable and accrued liabilities, grants payable and payable to Legal Aid Alberta. Except for investments, these instruments' carrying values approximate fair values given their short-term nature. The fair value of investments is disclosed in note 2.

The Foundation's investment activities expose it to a variety of financial risks:

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

9. Financial instruments (continued):

(a) Credit risk:

The Foundation's maximum exposure to credit risk is on cash, investments, receivable for investments sold, and accrued interest receivable.

Credit risk relates to the possibility that a loss may occur from the failure of another party to perform according to the terms of a contract. Cash is placed with reputable commercial financial institutions. Credit risk for interest receivable, interest receivable on lawyers' pooled trust accounts, receivable for investments sold and the investments is the risk that the obligation will fail to be discharged causing the Foundation to incur a financial loss. Credit risk is minimized by ensuring that credit is only extended to those entities that management believes have the financial capacity to pay obligations due to the Foundation. The investments are diversified across different classes of assets and such investments are managed by a professional investment manager in accordance with the Foundation's Statement of Investment Policy and Procedures.

Management and the Board of Directors of the Foundation periodically review its investments to ensure that the credit risk assumed is appropriate.

(b) Liquidity risk:

Liquidity risk is the risk that the Foundation will encounter difficulty in liquidating investments on a timely basis to meet commitments or protect its assets. Management controls liquidity risk through cash flow projections used to forecast funding requirements for its financial instruments.

(c) Market risk:

Current and future investments are subject to market risk due to changes in the value of investments.

(d) Interest rate risk:

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Foundation is exposed to interest rate risk on its investments in fixed income (bond) funds and equity funds.

(e) Foreign currency:

The Foundation is exposed to foreign currency fluctuations on the underlying investments denominated in foreign currency.

There is no change in risk exposures from 2021.

ALBERTA LAW FOUNDATION

Notes to Financial Statements

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

10. COVID-19 Subsidies:

The Government of Canada created a program called the Canada Emergency Wage Subsidy (“CEWS”) to provide wage assistance to organizations who experienced a drop in revenues resulting from the COVID-19 outbreak. During the year, the Foundation met the eligibility requirements and has recognized a subsidy of \$176,316 (2021 - \$189,320) under the CEWS.

The Government of Canada created a program called the Canada Emergency Rent Subsidy (“CERS”) to provide rent assistance to organizations who experienced a drop in revenues resulting from the COVID-19 outbreak. During the year, the Foundation met the eligibility requirements and has recognized a subsidy of \$41,684 (2021 – \$nil) under CERS.

The eligibility and subsidy amounts under the CEWS and CERS programs may be subject to audit by the Canada Revenue Agency. The entire amount for both subsidies has been recognized as other revenue on the statement of operations for the year ended March 31, 2022.