

CIC ASSET MANAGEMENT INC.

CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2022



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INDEPENDENT AUDITORS' REPORT

To the Members of the Legislative Assembly, Province of Saskatchewan

Opinion

We have audited the consolidated financial statements of CIC Asset Management Inc. (the "Entity"), which comprise:

- the consolidated statement of financial position as at March 31, 2022
- the consolidated statement of comprehensive income for the year then ended
- the consolidated statement of changes in equity for the year then ended
- the consolidated statement of cash flows for the year then ended
- and notes to the consolidated financial statements, comprising 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 consolidated financial position of the Entity as at March 31, 2022 and its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards.

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 the financial statements in accordance with International Financial Reporting Standards, 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.



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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.



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- 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

Regina, Canada
May 26, 2022

CIC Asset Management Inc.
Consolidated Statement of Financial Position
As at March 31
(thousands of dollars)

	Note	2022	2021 (Combined - Note 1)
ASSETS			
Current			
Cash and cash equivalents	5	\$ 21,524	\$ 56,950
Short-term investments	7	18,097	6,716
Interest receivable		123	105
Accounts receivable		270	224
		40,014	63,995
Restricted cash	6	4,508	4,508
Investments	7	23,986	360
		\$ 68,508	\$ 68,863
LIABILITIES AND SHAREHOLDER'S EQUITY			
Current			
Trade and other payables		\$ 130	\$ 200
Provisions	8	50,462	43,415
Due to Crown Investments Corporation of Saskatchewan (CIC)		8,957	8,957
		59,549	52,572
Shareholder's Equity			
Retained earnings		8,959	16,291
		\$ 68,508	\$ 68,863

Commitments and contingencies 10

(See accompanying notes)

On behalf of the Board:

Travis Massier

Director

Leidy Ogilvie

Director

CIC Asset Management Inc.
Consolidated Statement of Comprehensive Income
For the Year Ended March 31
(thousands of dollars)

	Note	2022	2021 (Combined - Note 1)
REVENUES			
Interest and other		\$ 524	\$ 1,286
EXPENSES			
Operating		127	305
Financing expense		-	56
		<u>127</u>	<u>361</u>
EARNINGS BEFORE THE FOLLOWING		397	925
(Provision for) recovery of environmental remediation liabilities	8	(7,302)	16,032
(Allowance for) recovery of credit losses		(443)	976
Gain on sale of investments		-	113
Grant revenue from CIC		-	1,456
Change in the fair value of financial assets		16	131
NET (LOSS) EARNINGS ATTRIBUTABLE TO CIC		(7,332)	19,633
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE (LOSS) INCOME ATTRIBUTABLE TO CIC		\$ (7,332)	\$ 19,633

(See accompanying notes)

CIC Asset Management Inc.
Consolidated Statement of Changes in Equity
For the Year Ended March 31
(thousands of dollars)

Attributable to CIC

	Share Capital (Note 9)	Retained Earnings	Total Equity
Balance at April 1, 2020 (Combined - Note 1)	\$ -	\$ (3,342)	\$ (3,342)
Net earnings (Combined - Note 1)	-	19,633	19,633
Balance at March 31, 2021 (Combined - Note 1)	\$ -	\$ 16,291	\$ 16,291
Balance at April 1, 2021 (Combined - Note 1)	\$ -	\$ 16,291	\$ 16,291
Net loss	-	(7,332)	(7,332)
Balance at March 31, 2022	\$ -	\$ 8,959	\$ 8,959

(See accompanying notes)

CIC Asset Management Inc.
Consolidated Statement of Cash Flows
For the Year Ended March 31
(thousands of dollars)

	Note	2022	2021 (Combined - Note 1)
OPERATING ACTIVITIES			
Net (loss) earnings		\$ (7,332)	\$ 19,633
Adjustments to reconcile net earnings to cash from operating activities	11	7,205	(18,482)
Net change in non-cash working capital balances related to operations	12	(116)	(432)
Net cash (used in) from operating activities		(243)	719
INVESTING ACTIVITIES			
Purchase of investments		(41,650)	-
Proceeds from collection and sale of investments		6,263	48,814
Decrease in restricted cash	6	-	49
Interest received		459	1,648
Net cash (used in) from investing activities		(34,928)	50,511
FINANCING ACTIVITIES			
Decrease in long-term debt		-	(3,569)
Provisions settled	8	(255)	(84)
Net cash used in financing activities		(255)	(3,653)
NET CHANGE IN CASH AND CASH EQUIVALENTS DURING YEAR		(35,426)	47,577
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		56,950	9,373
CASH AND CASH EQUIVALENTS, END OF YEAR		\$ 21,524	\$ 56,950

(See accompanying notes)

Notes to Consolidated Financial Statements March 31, 2022

1. General information

CIC Asset Management Inc. ("AMI" or "the Corporation") is a corporation domiciled in Canada. The address of AMI's registered office and principal place of business is 400 - 2400 College Avenue, Regina, SK, S4P 1C8. AMI has a mandate to prudently monitor and review the remaining portfolio of investments. The consolidated financial statements of AMI comprise AMI and its subsidiary with principal activities as described in Note 3(a).

On April 1, 2021, Saskatchewan Immigrant Investor Fund Inc. (SIIF), First Nations and Métis Fund Inc. (FNMF), and AMI amalgamated. All of these entities were wholly-owned share capital subsidiaries of Crown Investments Corporation of Saskatchewan. All assets, liabilities and obligations were amalgamated and the entity is operating as AMI.

2. Basis of preparation

a) Statement of compliance

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS). The consolidated financial statements were authorized for issue by the Board of Directors on May 26, 2022.

b) Basis of measurement

The consolidated financial statements have been prepared on the historical cost basis as explained in the significant accounting policies set out in Note 3.

The amalgamation of SIIF, FNMF, and AMI has been accounted for using the book value method. All comparative information has been restated to include the operations of SIIF, FNMF, and AMI.

c) Functional and presentation currency

The consolidated financial statements are presented in Canadian dollars, which is AMI's functional currency.

d) Use of estimates

The preparation of financial statements in conformity with IFRS requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an on-going basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Significant items subject to estimates and assumptions include the carrying amounts of investments, the fair value of financial instruments, provisions for environmental remediation liabilities, and disclosure of contingent liabilities. These significant areas are further described in Notes 7, 8, 10 and 14.

e) Use of judgements

The preparation of financial statements in conformity with IFRS requires management to make judgements that affect the application of accounting policies. Significant items subject to judgement are included in the accounting policies listed in Note 3.

Notes to Consolidated Financial Statements
March 31, 2022

3. Significant accounting policies

The accounting policies set out below have been applied consistently to all years presented in these consolidated financial statements. The accounting policies have been consistently applied by AMI's subsidiary.

a) Basis of consolidation

Subsidiary

The Corporation consolidates the accounts of 101069101 Saskatchewan Ltd., a wholly-owned share capital subsidiary.

b) Financial instruments

AMI classifies its financial instruments into fair value through profit or loss or amortized cost.

Financial assets and liabilities are not offset to report the net amount on the consolidated statement of financial position unless there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously.

All financial instruments are measured at fair value on initial recognition. Transaction costs are included in the initial carrying amount of financial instruments, except for financial instruments at fair value through profit or loss in which case the transaction costs are expensed as incurred. Measurement in subsequent periods depends on the classification of the financial instrument.

Financial instruments at fair value through profit or loss

The Corporation classifies cash and cash equivalents, certain investments, and restricted cash as fair value through profit or loss. Financial instruments classified as fair value through profit or loss are subsequently measured at fair value with changes in fair value recognized in net earnings.

Financial instruments at amortized cost

The Corporation classifies interest receivable, accounts receivable, certain investments, trade and other payables, and amounts due to CIC as amortized cost. Amortized cost financial instruments are subsequently measured at amortized cost using the effective interest method, less any provision for impairment losses.

Determination of fair value

Fair values are approximate amounts at which financial instruments could be exchanged between willing parties based on current markets for instruments with similar characteristics, such as risk, principal and remaining maturities. Fair values are estimates using present value and other valuation techniques which are significantly affected by the assumptions used concerning the amount and timing of estimated future cash flows and discount rates that reflect varying degrees of risk. Therefore, due to the use of judgement and future-oriented information, aggregate fair value amounts should not be interpreted as being realizable in an immediate settlement of the instruments.

c) Impairments

Financial assets

The Corporation recognizes loss allowances for expected credit losses (ECLs) on financial assets measured at amortized cost. The Corporation measures loss allowances for investments, interest receivable and accounts receivable at an amount equal to lifetime ECL.

Notes to Consolidated Financial Statements March 31, 2022

3. Significant accounting policies (continued)

d) Provisions

A provision is recognized if, as a result of a past event, AMI has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation, the timing or amount of which is uncertain. Provisions are measured at the best estimate to settle them at the consolidated financial statement date.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount of the receivable can be measured reliably.

Environmental remediation

A provision for environmental remediation is accrued when the occurrence of an environmental expenditure, related to present or past activities of AMI, is considered probable and the costs of remedial activities can be reasonably estimated. These estimates include costs for investigations and remediation at identified sites. These provisions are based on management's best estimate considering current environmental laws and regulations and are recorded at fair value. AMI reviews its estimates of future environmental expenditures on an ongoing basis.

e) Revenue recognition

Interest earned on investments is recognized on an accrual basis except where uncertainty exists as to ultimate collection. In cases where collectability of interest is not reasonably assured, interest is recorded when it is received, and accrued interest receivable is offset by deferred interest.

Gains or losses on the sale of investments and the recovery of loan losses are recorded in net earnings. Recoveries of loan losses are not recognized in excess of cumulative loan losses.

4. Status of CIC Asset Management Inc.

The Corporation was incorporated under *The Business Corporations Act (Saskatchewan)* on November 14, 1979 as a wholly-owned subsidiary of CIC, a provincial Crown corporation. The Corporation is an agent of Her Majesty in Right of the Province of Saskatchewan and is not subject to federal and provincial income taxes. Certain of the Corporation's investments are subject to federal and provincial income taxes.

5. Cash and cash equivalents

(thousands of dollars)

	2022	2021 (Combined - Note 1)
Cash	\$ 15,574	\$ 56,950
Short-term investments	5,950	-
	<u>\$ 21,524</u>	<u>\$ 56,950</u>

The weighted average interest rate for short-term investments included in cash and cash equivalents at March 31, 2022 was 1.1 per cent (2021 Combined - Nil). They include guaranteed investment certificates maturing within 90 days.

6. Restricted cash

Restricted cash is in trust for the future remediation and monitoring costs associated with the Meadow Lake Pulp Limited Partnership site, subject to the order of the Court of Queen's Bench of Saskatchewan. All reductions in restricted cash were related to monitoring costs, as provided for under the court order.

Notes to Consolidated Financial Statements
March 31, 2022

7. Investments

(thousands of dollars)

	2022	2021 (Combined - Note 1)
Short-term investments		
Guaranteed investment certificates - amortized cost (a)	\$ 17,850	\$ -
Bonds - amortized cost	-	6,058
Loans receivable - amortized cost (b)	247	658
	18,097	6,716
Long-term investments		
Guaranteed investment certificates - amortized cost (a)	23,800	-
Loans receivable - amortized cost (b)	-	46
Debentures - amortized cost (c)	-	144
Equity investment - fair value through profit or loss (d)	186	170
	23,986	360
Total investments	\$ 42,083	\$ 7,076

- a) The Corporation holds a two-year laddered GIC from the Royal Bank of Canada with an interest rate of 1.1 per cent. The GIC is split into eight tranches with maturity dates beginning April 4, 2022 and occurring approximately every 90 days.
- b) The Corporation holds security in Townsgate Properties in Weyburn, SK. Interest is accrued at prime plus 5.0 per cent. All outstanding interest is considered uncollectable and has been allowed for. Outstanding principal payments of \$0.3 million were also allowed for in 2021-22.
- c) Through Infinite Investments Inc. (Infinite), the Corporation holds a general security agreement in oilfield assets of Force Energy Services (Force). On January 20, 2022, CIC AMI agreed to release Infinite of a \$1.2 million debenture in return for auction proceeds of \$0.2 million. All proceeds have been received and CIC AMI released its security interest in Infinite on April 8, 2022.
- d) The Corporation holds a security interest in Muskowekwan Resources Ltd.'s assets including shares in Encanto Potash Corporation. On March 31, 2022, the shares were valued at \$0.2 million (March 31, 2021 - \$0.2 million) representing the fair market value.

8. Provisions

(thousands of dollars)

	2022	2021 (Combined - Note 1)
Environmental Remediation		
Balance, beginning of year	\$ 43,415	\$ 59,531
Increase (decrease) in provisions	7,302	(16,032)
Settlement of provisions	(255)	(84)
Balance, end of year	\$ 50,462	\$ 43,415

Notes to Consolidated Financial Statements
March 31, 2022

8. Provisions (continued)

The following are included in the provision for environmental remediation liabilities:

- a) The Corporation is committed to undertake necessary environmental clean-up activities on certain properties. The Corporation has accrued \$29.3 million (2021 Combined - \$24.1 million) to carry out clean-up activities and associated costs related to an indemnity for environmental liabilities predating 1986 at the Prince Albert pulp mill site. The increase in the provision is a result of updated contractor pricing and inflation. The Corporation has recorded the estimated cost of its assumed obligations related to the Prince Albert pulp mill site. The timing to complete this remediation is indeterminable at this time.
- b) The Corporation has accrued \$21.1 million (2021 Combined - \$19.3 million) to carry out clean-up activities related to an indemnity for environmental liabilities predating 1986 at the ERCO Worldwide chemical plant. The increase in the provision is the result of updated contractor pricing and inflation. The timing to complete this remediation is indeterminable at this time.

9. Share capital and capital disclosures

(thousands of dollars)

As a wholly-owned subsidiary of CIC, the Corporation's share capital currently consists of funds invested by CIC in the amount of \$Nil (2021 Combined - \$Nil). CIC holds 1 common share with no par value.

The Corporation's objectives when managing capital are to ensure adequate capital to support the operations of the Corporation, and to ensure adequate returns to the shareholder.

10. Commitments and contingencies

The following significant commitments and contingencies exist at March 31, 2022:

- a) In the normal course of business, the Corporation became involved in claims and litigation. While the final outcome with respect to claims and litigation pending at March 31, 2022 cannot be predicted with certainty, it is the opinion of management that resolution of these matters will not have a material adverse effect on the Corporation's financial position or results of operations. The Corporation will therefore account for these matters in the period of resolution.
- b) Included in restricted cash is \$4.5 million which has been placed in trust under order of the Court of Queen's Bench of Saskatchewan, related to potential environmental remediation of a landfill site previously operated by Meadow Lake Pulp Limited Partnership. The \$4.5 million is the estimate of the costs which may be required to remediate the site, as determined by third party experts. The Corporation's obligation to incur these costs is contingent on the findings from ongoing groundwater monitoring at the location, which is expected to continue for the next twelve months; at which time the Corporation will either incur the remediation costs, continue groundwater monitoring, or the funds will be released from trust if results from groundwater monitoring indicate further remediation is not required. Due to uncertainty regarding the future findings of groundwater monitoring, the \$4.5 million held in trust has not been included as a liability in these consolidated financial statements.

11. Adjustments to reconcile net earnings to cash from operating activities

(thousands of dollars)

	Note	2022	2021 (Combined - Note 1)
Provision for (recovery of) environmental remediation liabilities	8	\$ 7,302	\$ (16,032)
Allowance for (recovery of) credit losses		443	(976)
Gain on sale of investment		-	(113)
Financing expense		-	56
Interest income		(524)	(1,286)
Change in fair value of financial assets at fair value through profit or loss		(16)	(131)
		\$ 7,205	\$ (18,482)

Notes to Consolidated Financial Statements
March 31, 2022

12. Net change in non-cash working capital balances related to operations

(thousands of dollars)

	2022		2021 (Combined - Note 1)
Increase in accounts receivable	(46)	\$	(13)
Decrease in trade and other payables	(70)		(419)
	\$ (116)	\$	(432)

13. Related party transactions

Included in these consolidated financial statements are transactions with various Saskatchewan Crown corporations, ministries, agencies, boards and commissions related to AMI by virtue of common control by the Government of Saskatchewan and non-Crown corporations and enterprises subject to joint control and significant influence by the Government of Saskatchewan (collectively referred to as related parties). AMI has elected to take a partial exemption under IAS 24 - *Related Party Disclosures* which allows government related entities to limit the extent of disclosures about related party transactions with government or other government related entities.

These transactions are in the normal course of operations and are recorded at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

CIC provides management services to the Corporation without charge. The Corporation estimates \$0.2 million (2021 Combined - \$0.2 million) of CIC's senior management time is expended on the Corporation.

14. Financial instruments and financial risk management

(thousands of dollars)

Financial instruments

The classification of the Corporation's financial instruments is as follows:

Financial Instruments	Classification (i)	2022		2021 (Combined - Note 1)	
		Carrying Amount	Fair Value	Carrying Amount	Fair Value
Financial Assets					
Cash and cash equivalents	FVTPL	\$ 21,524	\$ 21,524	\$ 56,950	\$ 56,950
Interest receivable	AC	123	123	105	105
Accounts receivable	AC	270	270	224	224
Restricted cash	FVTPL	4,508	4,508	4,508	4,508
Investments	AC	41,897	41,897	6,906	6,906
Investments	FVTPL	186	186	170	170
Financial Liabilities					
Trade and other payables	AC	130	130	200	200
Due to CIC	AC	8,957	8,957	8,957	8,957

i) Classification details are:

FVTPL - fair value through profit or loss

AC - amortized cost

Notes to Consolidated Financial Statements
March 31, 2022

14. Financial instruments and financial risk management (continued)
(thousands of dollars)

a) Fair value hierarchy

Fair value measurements are categorized into levels within a fair value hierarchy based on the nature of inputs used in the valuation.

Level 1 - Quoted prices are readily available from an active market.

Level 2 - Inputs, other than quoted prices included in level 1 that are observable either directly or indirectly.

Level 3 - Inputs are not based on observable market data.

AMI's financial instruments are categorized within this hierarchy as follows:

	2022			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 21,524	\$ -	\$ -	\$ 21,524
Restricted cash	4,508	-	-	4,508
Investments - AC	-	41,897	-	41,897
Investments - FVTPL	-	-	186	186

	2021 (Combined - Note 1)			
	Level 1	Level 2	Level 3	Total
Cash and cash equivalents	\$ 56,950	\$ -	\$ -	\$ 56,950
Restricted cash	4,508	-	-	4,508
Investments - AC	-	6,906	-	6,906
Investments - FVTPL	-	-	170	170

Changes in Level 3 investments carried at fair value are as follows:

	2022	2021 (Combined - Note 1)
Balance, beginning of year	\$ 170	\$ 39
Change in fair value of assets held at the end of the year	16	131
Balance, end of year	\$ 186	\$ 170

Notes to Consolidated Financial Statements
March 31, 2022

14. Financial instruments and financial risk management (continued)
(thousands of dollars)

Financial risk management

b) Market risk

AMI is exposed to market risk (interest rates), credit risk and liquidity risks. AMI mitigates the risk through Board-approved policies, limits on use and amount of exposure, internal monitoring, and compliance reporting to management and the Board.

The objective of market risk management is to manage and control market risk exposures within acceptable parameters while optimizing return. The Corporation manages the following market risk:

Interest rate risk

AMI is exposed to changes in interest rates in its cash and cash equivalents, certain investments and restricted cash. Based on year end balances, it is estimated that a 100-basis point increase or decrease in interest rates would increase or decrease annual profit or loss by \$0.3 million at March 31, 2022 (2021 Combined - \$0.6 million).

c) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. Concentration of credit risk relates to groups of customers or counterparties that have similar economic or industry characteristics that cause their ability to meet contractual obligations to be similarly affected by changes in economic or other conditions. AMI maintains credit policies and limits in respect to certain investments.

The carrying amount of financial assets represents the maximum credit exposure as follows:

	2022	2021 (Combined - Note 1)
Cash and cash equivalents	\$ 21,524	\$ 56,950
Short-term investments	18,097	6,716
Interest receivable	123	105
Accounts receivable	270	224
Restricted cash	4,508	4,508
Investments - AC	23,800	190
Investments - FVTPL	186	170
	\$ 68,508	\$ 68,863

The allowance for credit losses recognized in the year is impacted primarily by remeasurements, which comprise changes in forward-looking macroeconomic conditions, partial repayments, and unwinding of the time value discount due to the passage of time. During the year ended March 31, 2022, there were no significant changes to the models used to estimate expected credit losses.

Notes to Consolidated Financial Statements
March 31, 2022

14. Financial instruments and financial risk management (continued)
(thousands of dollars)

The following table reconciles the opening and closing allowance for credit losses (thousands of dollars):

	2022	2021 (Combined - Note 1)
Amortized cost investments		
Gross carrying value of amortized cost investments	\$ 57,527	\$ 23,080
Opening allowance for credit losses	16,174	17,208
Allowance for (recovery of) credit losses	414	(993)
Allowance written off	(958)	-
Interest income - unwinding of discount on impaired loans	-	(41)
Closing allowance for credit losses	15,630	16,174
<u>Net carrying value of amortized cost investments</u>	<u>\$ 41,897</u>	<u>\$ 6,906</u>
Interest receivable		
Gross carrying value of interest receivable	\$ 175	\$ 1,039
Opening allowance for credit losses	934	917
Allowance for credit losses	65	17
Allowance written off	(947)	-
Closing allowance for credit losses	52	934
<u>Net carrying value of interest receivable</u>	<u>\$ 123</u>	<u>\$ 105</u>

d) Liquidity risk

Liquidity risk is the risk that AMI is unable to meet its financial commitments as they become due. AMI is a subsidiary of CIC and as such has access to capital markets through the General Revenue Fund. AMI, through its diversified holdings and capital allocation, can allocate resources to ensure that all financial commitments made are met.

Where necessary AMI can borrow funds from CIC, adjust dividend rates, or be provided with equity injections to solve any liquidity issues.

AMI's only contractual obligations are trade and other payables. All trade and other payables are due in the next fiscal year.