Financial Statements of

HULL SERVICES

And Independent Auditors' Report thereon

Year ended March 31, 2021

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INDEPENDENT AUDITORS' REPORT

To the Board of Governors of Hull Services

Opinion

We have audited the financial statements of Hull Services (the Entity), which comprise:

- the statement of financial position as at March 31, 2021
- 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, 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 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.

KPMG

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's 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 22, 2021

HULL SERVICES

Statement of Financial Position

March 31, 2021, with comparative information for 2020

	2021	2020
Assets		
Current assets:		
Cash and cash equivalents (note 14)	$ 6,755,320	$ 5,701,117
Accounts receivable (note 14)	841,222	1,385,548
Inventory of food and supplies	174,768	166,410
Prepaid expenses	313,899	286,088
Assets held for sale (note 5)	237,250	–
	8,322,459	7,539,163
Restricted cash for capital (note 2)	95,557	248,030
Investments (note 3)	574,714	670,575
Capital replacement reserve	26,395	25,292
Mortgage reserve	614,268	475,252
Capital assets (note 4)	22,609,448	22,953,983
Intangible assets (note 6)	15,570	24,690
	$ 32,258,411	$ 31,936,985
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (notes 14, 15 and 16)	$ 3,386,629	$ 3,159,394
Deferred revenue (note 14)	4,279,241	3,764,120
Current portion of mortgages payable (note 7)	373,662	400,342
	8,039,532	7,323,856
Mortgages payable (note 7)	2,394,286	2,768,153
Deferred contributions for capital assets (note 8)	13,074,290	13,404,418
	23,508,108	23,496,427
Net assets:		
Invested in capital and intangible assets (note 9(a))	7,020,030	6,405,760
Accumulated operating surplus (note 9(c))	1,730,273	2,034,798
	8,750,303	8,440,558
Commitments (note 15)		
Contingency (note 18) and subsequent event (notes 5 and 19)		
	$ 32,258,411	$ 31,936,985

See accompanying notes to financial statements.

Approved by the Board:

B. Johnston Governor

Geri Greenall Governor

HULL SERVICES

Statement of Operations

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Revenues:		
Contract - Children's Services	$ 20,784,385	$ 20,798,647
Contract - Calgary Board of Education	5,040,028	4,491,890
Contract - Other	7,519,730	7,871,074
Fee for Service	6,696,060	5,582,925
	40,040,203	38,744,536
Other revenues:		
Hull Child and Family Foundation (notes 11 and 13)	440,000	460,000
Grants and donations (note 13)	3,699,123	4,099,756
Amortization of deferred capital contributions (note 8)	499,567	497,816
Investment and other income	1,047,402	417,063
Rental income	89,014	97,180
Realized gain on disposal of assets	600	2,400
	5,775,706	5,574,215
Total revenues	45,815,909	44,318,751
Expenses:		
Salaries and benefits	38,437,283	36,178,842
Client services	2,759,358	3,058,536
Administrative	1,421,431	1,451,321
Facility services	1,347,359	1,364,941
Transportation	230,522	240,140
Mortgage interest	102,973	117,366
Total expenses before the undernoted	44,298,926	42,411,146
Excess of revenues over expenses before the undernoted	1,516,983	1,907,605
Amortization of capital assets	1,196,093	1,214,329
Amortization of intangible assets	11,145	21,624
Unrealized loss on investments (note 3)	–	9,889
Excess of revenues over expenses	$ 309,745	$ 661,763

See accompanying notes to financial statements.

HULL SERVICES

Statement of Changes in Net Assets

Year ended March 31, 2021, with comparative information for 2020

March 31, 2021	Invested in capital assets	Appropriated	Unrestricted	2021 Total
Balance, beginning of year	$ 6,405,760	$ 1,171,119	$ 863,679	$ 8,440,558
(Deficiency) excess of revenues over expenses (note 9(b))	(707,671)	(95,861)	1,113,277	309,745
Net change in investment in assets (note 9(b))	921,394	–	(921,394)	–
Mortgage repayment	400,547	–	(400,547)	–
Capital replacement reserve	–	1,103	(1,103)	–
Mortgage reserve	–	139,016	(139,016)	–
Balance, end of year	$ 7,020,030	$ 1,215,377	$ 514,896	$ 8,750,303

March 31, 2020	Invested in capital assets	Appropriated	Unrestricted	2020 Total
Balance, beginning of year	$ 5,631,944	$ 1,048,724	$ 1,098,127	$ 7,778,795
(Deficiency) excess of revenues over expenses (note 9(b))	(738,137)	(3,559)	1,403,459	661,763
Net change in investment in assets (note 9(b))	1,113,542	–	(1,113,542)	–
Mortgage payments	398,411	–	(398,411)	–
Capital replacement reserve	–	1,288	(1,288)	–
Mortgage reserve	–	124,666	(124,666)	–
Balance, end of year	$ 6,405,760	$ 1,171,119	$ 863,679	$ 8,440,558

See accompanying notes to financial statements.

HULL SERVICES

Statement of Cash Flows

Year ended March 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	$ 309,745	$ 661,763
Items not involving cash:		
Amortization of capital assets	1,196,093	1,214,329
Amortization of intangible assets	11,145	21,624
Gain on disposal of capital assets	(600)	(2,400)
Amortization of deferred capital contributions	(499,567)	(497,816)
Unrealized loss on investments	-	9,889
	1,016,816	1,407,389
Changes in non-cash working capital:		
Accounts receivable	544,326	(708,797)
Inventory of food and supplies	(8,358)	(20,588)
Prepaid expenses	(27,811)	73,266
Accounts payable and accrued liabilities	227,235	384,631
Deferred revenue	515,121	1,014,311
	2,267,329	2,150,212
Investing activities:		
Deferred contributions for capital assets (note 8)	169,438	69,509
Purchase of capital assets (note 9(b))	(1,088,807)	(1,168,876)
Proceeds on disposition of capital assets	600	2,400
Purchase of intangible assets (note 9(b))	(2,025)	(14,175)
	(920,794)	(1,111,142)
Financing activities:		
Net reductions (additions) in investments	95,861	(3,589)
Mortgage repayment	(400,547)	(398,411)
Increase in capital replacement reserve funding	(1,103)	(1,288)
Increase in mortgage reserve funding	(139,016)	(124,666)
	(444,805)	(527,954)
Increase in cash and cash equivalents	901,730	511,116
Beginning of year:		
Cash and cash equivalents	5,701,117	5,202,585
Restricted cash for capital	248,030	235,446
	5,949,147	5,438,031
End of year:		
Cash and cash equivalents	6,755,320	5,701,117
Restricted cash for capital	95,557	248,030
Cash and cash equivalents and restricted cash, end of year	$ 6,850,877	$ 5,949,147

See accompanying notes to financial statements.

Hull Services (the "Agency") is a charitable, multi-service organization that offers a range of evidence-based and evidence-informed programs that support children, youth, adults and families to overcome challenges and build resilience. Hull Services is a recognized innovator and leader in its field.

The Agency was originally incorporated by the William Roper Hull Home Act of the Legislative Assembly of the Province of Alberta consented to on April 8, 1954. The original Act was subsequently amended on several occasions (March 29, 1956; April 7, 1959; March 29, 1963; June 6, 1974; June 17, 1987; May 30, 2000 and most recently May 13, 2011) to modify and expand the corporate powers and authority of the Agency, to more accurately describe the nature and scope of its activities and to change its name to its current name of Hull Services.

The Agency follows Part III of the CPA Handbook - Canadian accounting standards for not-for-profit organizations.

On March 11, 2020, the World Health Organization declared the Coronavirus (COVID-19) outbreak a pandemic. This has resulted in governments worldwide, including the Canadian and Alberta governments, enacting emergency measures to combat the spread of the virus. These measures, which include the implementation of travel bans, self-imposed quarantine periods, closures of non-essential businesses, and physical distancing, have caused material disruption to businesses in Calgary, resulting in an economic slowdown. The ultimate duration and magnitude of the impact on the economy is not known at this time. With the rollout of COVID-19 vaccines and the Provincial three-stage plan to lift all public health restrictions, economic recovery is expected to follow.

The impacts of COVID-19 on the Agency may include challenges on the Agency's ability to obtain funding, impairments in the value of the Agency's capital assets and disruptions to its operations, employee impacts from illness, school closures and other communication response measures.

As at the reporting date, the Agency has determined that COVID-19 has had no significant impact on its funding, contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition. However, there is no guarantee that there will not be an impact in future.

1. Significant accounting policies:

(a) Revenue recognition:

The Agency follows the deferral method of accounting for contributions, which include donations and government grants.

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.

1. Significant accounting policies (continued):

(a) Revenue recognition (continued):

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Contributions restricted to the purchase of capital assets are deferred and amortized into operations on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets.

(b) Capital assets:

Purchased capital assets are stated at cost. Contributed assets are recorded at fair market value at the date of acquisition. Depreciation of assets under construction does not commence until they are placed in use.

Depreciation is provided for on a straight-line basis over the following terms:

Assets	Rate
Buildings and improvements	35 years
Furniture and equipment	3 - 5 years
Vehicles	5 years

Property and equipment are tested for impairment whenever a change in events or circumstances indicates that their carrying values may not be recoverable. Any resulting impairment loss is recognized in the period it is determined and is calculated as the excess of the carrying value of the asset over its fair value.

(c) Assets held for sale:

The Agency classifies non-current assets as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Assets held for sale are available for immediate sale in its present condition subject only to terms and conditions that are usual and customary for sales of such assets and there is high probability to sell. Assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell. Impairment losses on assets held for sale are recognized in the statement of operations, if applicable.

(d) Intangible assets:

Purchased intangible assets are stated at cost. Internally generated assets are recorded as the sum of expenditures incurred from the date when the intangible asset first meets the recognition criteria. An intangible asset shall be recognized if it is probable that the expected future economic benefits that are attributable to the asset will flow to the entity; and the cost of the asset can be measured reliably. The internally generated intangible asset comprises all directly attributable costs necessary to create, produce and prepare the asset to be capable of

1. Significant accounting policies (continued):

(d) Intangible assets (continued):

operating in the manner intended by management. Depreciation of intangible assets under construction does not commence until they are placed in use.

Depreciation is provided for on a straight-line basis as follows:

Assets	Rate
Software	5 years

(e) Donations:

Cash donations are recorded at the time of receipt. Donations of materials and services, including volunteer services, are not recognized in the financial statements of the Agency.

(f) Cash and cash equivalents:

Cash and cash equivalents include cash and short-term investments, net of restricted cash for capital, which are readily convertible to cash and are subject to minimal risk of change of value.

(g) Restricted cash for capital:

Restricted cash for capital includes unspent contributions for capital assets net of contributions included in assets under construction.

(h) Inventory of food and supplies:

Inventory is carried at the lower of cost or net realizable value, with cost determined on a first-in first-out basis.

(i) Investments:

Investments are recognized in the statement of financial position at fair value.

(j) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred.

1. Significant accounting policies (continued):

(j) Financial instruments (continued):

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Agency determines if there is a significant adverse change in the expected amount or timing of future

cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Agency expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

(k) Use of estimates:

The preparation of the financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the year. Actual results could differ from those estimates. Significant management estimates pertain to the recoverability and useful life of property and equipment.

(l) Interest in joint arrangements:

The Agency accounts for its investments in operations which are jointly controlled using proportionate consolidation whereby the Agency's proportionate share of the assets, liabilities and the related revenues and expenses are included in the financial statements.

(m) Leases:

Payments made under operating leases are recognized as expenses in the statement of operations on an accrual basis.

2. Restricted cash for capital:

	2021	2020
Balance, beginning of year	$ 248,030	$ 235,446
Contributions received (note 8)	169,438	69,509
Spent – current year contributions	(131,140)	(46,221)
	38,298	23,288
Spent – prior years' contributions	(190,771)	(10,704)
Balance, end of year	$ 95,557	$ 248,030

3. Investments:

(a) Short term investments:

The short term investments and deposits which are included in cash and cash equivalents are comprised of a high interest savings account of $204,451 (2020 - $203,978). In the year ended March 31, 2021, the unrealized gain or loss is nil (2020 - $7,147 unrealized loss).

(b) Long term investments:

			2021	2020
	Scholarship Fund	Contingency Fund	Total value	Total value
Balance, beginning of year	$ 156,340	$ 514,235	$ 670,575	$ 676,875
Investment income	3,205	9,434	12,639	8,942
Change in unrealized (loss) on investments	–	–	–	(2,742)
Disbursements	(8,500)	(100,000)	(108,500)	(12,500)
Balance, end of year	$ 151,045	$ 423,669	$ 574,714	$ 670,575

The Scholarship Fund represents appropriated funds which have been set aside, at the discretion of the Board of Governors, for the granting of scholarships to employees to further their education in the field of child care.

The Contingency Fund represents appropriated funds which have been set aside and can be used for discretionary purposes based on direction from the Board of Governors.

3. Investments (continued):

(b) Long term investments (continued):

As at the reporting date, there is no holding of bonds or marketable securities. Investments consist of cash and cash equivalents of $574,714 (2020 - $670,575).

4. Capital assets:

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land and improvements	$ 919,031	$ –	$ 919,031	$ 969,031
Buildings and improvements	38,127,292	16,844,541	21,282,751	21,430,143
Furniture and equipment	6,127,325	5,805,040	322,285	444,089
Vehicles	1,050,167	964,786	85,381	110,720
	46,223,815	23,614,367	22,609,448	22,953,983
Assets held for sale (note 5)	461,244	223,994	237,250	–
	$ 46,685,059	$ 23,838,361	$ 22,846,698	$ 22,953,983

The City of Calgary has a reserve caveat against a small portion of non-usable land on the north-side of property owned by the Agency.

5. Assets held for sale:

During the year ended March 31, 2021, the Agency committed to selling one of the properties that it owns. On January 26, 2021, a purchase contract was executed with the selling price of $950,000. The closing date was 12 pm on June 1, 2021 and subsequent to year end, all conditions have been waived and the Cash to Close funds were received.

			2021	2020
	Cost	Accumulated amortization	Net book value	Net book value
Land and improvements	$ 50,000	$ -	$ 50,000	$ –
Buildings and improvements	411,244	223,994	187,250	–
	$ 461,244	$ 223,994	$ 237,250	$ –

6. Intangible assets:

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Software	$ 409,593	$ 394,023	$ 15,570	$ 24,690

7. Mortgages payable:

Description	Monthly Pmt Princ+Int	Interest rate	Renewal/Maturity date	2021 Principal	2020 Principal
Mortgage – fixed, closed	746	1.97%	December 1, 2022	$ 15,384	$ 23,943
Mortgage – fixed, closed	1,060	3.49%	January 11, 2021	–	10,422
Mortgage – fixed, closed	628	3.49%	January 11, 2021	–	2,465
Mortgage – fixed, closed	628	3.49%	January 11, 2021	–	2,465
Mortgage – fixed, closed	40,000	3.50%	May 5, 2021	2,752,564	3,129,200
				2,767,948	3,168,495
Less current portion of mortgages payable				(373,662)	(400,342)
				$2,394,286	$ 2,768,153

Each mortgage is payable in monthly installments including interest at the indicated effective interest rates, compounded semi-annually. Each facility is secured by specific buildings, inventory, equipment, and lands of the Agency and subject to renewal on the indicated dates.

The Agency has secured funding to cover the payments over the life of the mortgage currently at approximately $40,000 per month.

7. Mortgages payable (continued):

The Agency is committed to payments of principal and interest on its mortgages as follows:

Fiscal Year	Principal	Interest	Total
2021-2022	$ 373,662	$ 85,397	$ 459,059
2022-2023	378,657	72,183	450,840
2023-2024	384,123	60,007	444,130
2024-2025	396,943	47,187	444,130
2025-2026	410,037	34,092	444,129
Thereafter	824,526	4,386	828,912
	$ 2,767,948	$ 303,252	$ 3,071,200

8. Deferred contributions for capital assets:

Deferred contributions for capital assets include the unamortized portion of externally restricted contributions received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2021	2020
Balance, beginning of year	$ 13,404,418	$ 13,832,725
Add:		
Contributions spent - assets	131,140	46,221
Contributions unspent	38,298	23,288
	169,438	69,509
Less:		
Amounts amortized to revenues	(499,566)	(497,816)
Balance, end of year	$ 13,074,290	$ 13,404,418

9. Invested in capital, intangible assets and accumulated operating surplus:

(a) Invested in capital and intangible assets are calculated as follows:

	2021	2020
Capital assets	$ 22,846,698	$ 22,953,983
Intangible assets	15,570	24,690
Amounts financed by capital contributions	(13,074,290)	(13,404,418)
Amounts financed by mortgages	(2,767,948)	(3,168,495)
	$ 7,020,030	$ 6,405,760

(b) Change in net assets invested in capital assets is calculated as follows:

	2021	2020
Excess of expenses over revenues:		
Amortization of capital contributions	$ 499,567	$ 497,816
Amortization of capital assets and intangible assets	(1,207,238)	(1,235,953)
	$ (707,671)	$ (738,137)
Net change in invested in capital assets:		
Capital assets acquired	$ 1,088,807	$ 1,168,876
Intangible assets acquired	2,025	14,175
Amount funded by capital contributions	(169,438)	(69,509)
	$ 921,394	$ 1,113,542

(c) Accumulated operating surplus is calculated as follows:

	2021	2020
Appropriated:		
Capital reserve	$ 26,395	$ 25,292
Scholarship fund	151,045	156,340
Contingency fund	423,669	514,235
Mortgage reserve	614,268	475,252
	1,215,377	1,171,119
Unrestricted	514,896	863,679
	$ 1,730,273	$ 2,034,798

10. Line of credit:

As at March 31, 2021, the Agency has available a line of credit in the amount of $250,000 (2020 - $250,000). The line of credit is secured by certain lands held by the Agency and bears interest at the lender’s prime rate plus 0.25%. As at March 31, 2021, no amounts were drawn on this facility (2020 - $nil).

11. Hull Child and Family Foundation:

The Hull Child and Family Foundation (the "Foundation") was incorporated under the Societies Act of Alberta with the objective of providing financial investment services and related financial support to the Agency. During the year ended March 31, 2021, the Foundation distributed $440,000 (2020 - $460,000) to the Agency.

12. Interest in the William Roper Hull Home Trust:

Four-fifths of the residual of the Estate of the late William Roper Hull was applied to The William Roper Hull Home Trust (the “Trust”) for the benefit of the Agency.

The Trustees may spend, with the approval or recommendation of the Agency's Board of Governors, such portion of the Trust property to promote the emotional and psychological well-being of children and families through the provision of educational, preventative and treatment services. During the year, no amounts were received from the Trust property (2020 - $nil).

The Trustees may invest the balance of the Trust property remaining and pay the net annual income therefrom to the Agency to be used as may be determined by the Agency’s Board, but particularly for the maintenance and support of the Agency.

13. Grants and donations:

Contributions are received from unsolicited donations, annual campaigns, special fund-raising events, corporate sponsorships, and government and private grants. Contributions, net of deferred balances, are as follows:

	2021	2020
Government grants and other agreements	$ 1,811,644	$ 1,905,904
Private grants and donations	2,327,479	2,653,852
	$ 4,139,123	$ 4,559,756

13. Grants and donations (continued):

For the purposes of the Alberta Charitable Fund-raising Act, the disposition of funds raised, net of deferred balances, is as follows:

	2021	2020
Operating community based programs	$ 1,974,461	$ 2,311,566
Supporting general agency operations	1,053,221	1,243,375
Capital assets	92,255	206,346
Operating therapeutic campus based care programs	970,264	734,219
Operating school programs	48,922	64,250
	$ 4,139,123	$ 4,559,756

Expenses incurred for the purpose of soliciting contributions were $375,171 (2020 - $747,508), which includes $326,664 (2020 - $447,394) in remuneration to employees whose principal duties involve fund-raising. Remuneration to employees is not applied against donations and grant contributions received. Remaining fundraising expenses are included in the facility services and administrative expenses.

14. Joint arrangements:

(a) International Neurosequential Model of Therapeutics Symposium (the "NMT Symposium"):

The NMT Symposium, held once every two years, is a conference jointly sponsored by the Agency and The Neurosequential Model Network, LLC (the "NMN"). Effective December 16, 2019, the Agency entered into an agreement with the NMN for the 4th NMT Symposium being held June 2020. Subsequently, due to the COVID-19 pandemic, the Symposium was cancelled and registration fees were refunded.

The NMT offers a developmentally and biologically informed approach to working with children and youth who have experienced significant childhood trauma. The NMT Symposium is a two-day event that features innovations in research, clinical practice and education in all areas related to maltreatment and trauma, with a focus on the NMT. The operation of the NMT Symposium is managed by the Agency and the NMN in accordance with the contractual agreement.

The Agency has a 45% interest in the assets, liabilities, revenues and expenses of the NMT Symposium. The Agency has proportionately consolidated its percentage of the NMT Symposium. Any excess or deficiency of revenues over expenses is disbursed to the Agency and the NMN upon event completion.

14. Joint arrangements (continued):

(a) International Neurosequential Model of Therapeutics Symposium (the "NMT Symposium") (continued):

Financial summaries of the NMT Symposium for the year ended March 31, 2021 are as follows:

1) Financial Position:

	2021		2020	
	Total	45%	Total	45%
Assets:				
Cash and cash equivalents	$ 6	$ 3	$ 236,314	$ 106,341
Accounts receivable	–	–	30	14
	$ 6	$ 3	$ 236,344	$ 106,355
Liabilities:				
Accounts payable and accrued liabilities	$ 6	$ 3	$ 3,387	$ 1,524
Deferred revenue	–	–	232,957	104,831
	$ 6	$ 3	$ 236,344	$ 106,355

2) Results of Operations:

	2021		2020	
	Total	45%	Total	45%
Revenue:				
Investment and other income - registration	$ (24,975)	$ (11,239)	$ 38,600	$ 17,370
	(24,975)	(11,239)	38,600	17,370
Expenses:				
Client services – materials and supplies	712	320	–	–
Facility services – facility and equipment rental	(25,000)	(11,250)	25,000	11,250
Administrative	20,253	9,114	13,600	6,120
	(4,035)	(1,816)	38,600	17,370
Deficiency of revenues over expenses	$ (20,940)	$ (9,423)	$ –	$ –

14. Joint arrangements (continued):

(b) Mental Health in Sports Project (the "Project"):

Effective October 17, 2019, the Agency entered into a joint agreement with I Got Mind Inc. to sponsor the Project. The purpose of the Project is to educate and promote best practices to attain mental health wellness in the sporting communities.

The Project hosts live events at various locations across Canada and produces educational mental health videos. The live events feature guest speakers and promotion of in-depth educational mental health videos.

The Agency has a 50% interest in the assets, liabilities, revenues and expenses of the Project. The Agency has proportionately consolidated its percentage of the Project. Any excess of revenues over expenses is disbursed to the Agency and I Got Mind Inc. upon event completion.

Due to COVID-19 pandemic impacts, there have been no live events or other activities for the year ended March 31, 2021. Financial summaries of the Mental Health in Sports Project for the year ended March 31, 2021 are as follows:

1) Financial Position:

	2021		2020	
	Total	50%	Total	50%
Assets:				
Cash and cash equivalents	$ 135	$ 68	$ 207	$ 104
Accounts receivable	-	-	44	22
	$ 135	$ 68	$ 251	$ 126
Liabilities:				
Accounts payable and accrued liabilities	$ 135	$ 68	$ 251	$ 126
	$ 135	$ 68	$ 251	$ 126

14. Joint arrangements (continued):

(b) Mental Health in Sports Project (the "Project") (continued):

2) Results of Operations:

	2021		2020	
	Total	50%	Total	50%
Revenue:				
Investment and other income - registration	$ –	$ –	$ 3,873	$ 1,937
	–	–	3,873	1,937
Expenses:				
Client services - food and refreshments	–	-	143	72
Facility services – facility and equipment rental	–	–	376	188
Transportation - travel and hotel	–	–	149	75
Administrative	–	–	1,988	994
	–	–	2,656	1,329
Excess of revenues over expenses	$ –	$ –	$ 1,217	$ 608

15. Commitments:

The Agency has entered into a commitment for business WiFi services at $25 per multi-access point per month to September 2026.

The Agency has entered into two rental agreements for office space. One has a two-year term ending in June 2021 and the other a ten-year term ending April 2029.

The Agency has entered into operating lease agreements for vehicles with various terms ending between June 2021 and October 2024.

15. Commitments (continued):

The total estimated dollar value of the remaining commitment is as follows:

2021-2022	$ 204,927
2022-2023	179,458
2023-2024	156,577
2024-2025	160,834
2025-2026	122,766
Thereafter	276,130
	$ 1,100,692

16. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $509,122 (2020 - $437,271) which relates to payroll remittances and goods and services tax payable of $263 (2020 - $139).

17. Financial instruments and related risks:

(a) Liquidity risk:

Liquidity risk is the risk that the Agency will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Agency manages its liquidity risk by monitoring its operating requirements. The Agency prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

The Agency continues to use its capital assets and management has assessed no impairment that needs to be recognized on these assets at March 31, 2021. The Agency continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis.

17. Financial instruments and related risks (continued):

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Agency is exposed to credit risk with respect to cash and cash equivalents, and its accounts receivable. Cash and cash equivalents are held at financial institutions that are considered to be creditworthy by the Agency. The Agency assesses, on a continuous basis, its receivables and provides for any amounts that are not collectible in the allowance for doubtful accounts.

Concentration of credit risk arises as a result of exposures to a single debtor or to a group of debtors similarly affected by changes in economic, political, or other conditions. The Agency monitors credit risk by assessing the collectability of the amounts.

As at March 31, 2021, the Agency continues to meet its contractual obligations within normal payment terms and the Agency's exposure to credit risk remains largely unchanged.

(c) Interest rate risk:

The Agency is exposed to interest rate risk on its floating interest rate line of credit. The Agency reduces the interest rate risk by entering into fixed rate mortgages.

There have been no changes to the Agency's risk exposure during fiscal year 2021 other than the potential impact of COVID-19 as discussed in basis of presentation note.

18. Contingency:

In January 2021, a statement of claim was filed against the Agency by a former employee. At this time, no assurance can be given as to the final outcome. A provision for losses has been reflected in the accounts of the Agency for this matter.

19. Subsequent event:

Subsequent to year end, the Agency signed a mortgage renewal agreement with its lender for the principal balance of $2,688,573 at a fixed rate of 3.25% per annum and a term of 60 months. The terms under the new agreement have no financial covenants.