Financial Statements of

HULL SERVICES

And Independent Auditors' Report thereon

Year ended March 31, 2022

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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, 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'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 21, 2022

HULL SERVICES

Statement of Financial Position

March 31, 2022, with comparative information for 2021

	2022	2021
Assets		
Current assets:		
Cash and cash equivalents (notes 3(a) and 14)	$ 7,377,304	$ 6,755,320
Accounts receivable (note 14)	1,909,635	841,222
Inventory of food and supplies	163,494	174,768
Prepaid expenses	285,994	313,899
Assets held for sale (note 5)	-	237,250
	9,736,427	8,322,459
Restricted cash for capital (note 2)	828,638	95,557
Investments (note 3)	564,049	574,714
Capital replacement reserve	27,307	26,395
Mortgage reserve	748,353	614,268
Capital assets (note 4)	22,157,078	22,609,448
Intangible assets (note 6)	9,510	15,570
	$ 34,071,362	$ 32,258,411
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (notes 14 and 16)	$ 3,057,775	$ 3,386,629
Deferred revenue (note 14)	4,729,412	4,279,241
Current portion of mortgages payable (note 7)	378,657	373,662
	8,165,844	8,039,532
Mortgages payable (note 7)	2,015,648	2,394,286
Deferred contributions for capital assets (note 8)	13,586,519	13,074,290
	23,768,011	23,508,108
Net assets:		
Invested in capital and intangible assets (note 9(a))	6,185,764	7,020,030
Accumulated operating surplus (note 9(c))	4,117,587	1,730,273
	10,303,351	8,750,303
Commitments (note 15)		
Contingency (note 18)		
	$ 34,071,362	$ 32,258,411

See accompanying notes to financial statements.

Approved by the Board:

R. Johnston Governor

G. Greenall Governor

HULL SERVICES

Statement of Operations

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

	2022	2021
Revenues:		
Contract - Children's Services	$ 20,546,686	$ 20,784,385
Contract - Calgary Board of Education	5,268,264	5,040,028
Contract - Other	8,902,208	7,519,730
Fee for Service	4,532,553	6,696,060
	39,249,711	40,040,203
Other revenues:		
Hull Child and Family Foundation (notes 11 and 13)	507,000	440,000
Grants and donations (note 13)	3,801,124	3,699,123
Amortization of deferred capital contributions (note 8)	586,075	499,567
Investment and other income	617,190	1,047,402
Rental income	36,708	89,014
	5,548,097	5,775,106
Total revenues	44,797,808	45,815,309
Expenses:		
Salaries and benefits	36,992,057	38,437,283
Client services	2,468,710	2,759,358
Administrative	1,546,405	1,421,431
Facility services	1,375,202	1,347,359
Transportation	248,447	230,522
Mortgage interest	89,788	102,973
Total expenses before the undernoted	42,720,609	44,298,926
Excess of revenues over expenses before the undernoted	2,077,199	1,516,383
Realized gain on disposal of assets (note 19)	642,776	600
Amortization of capital assets	(1,159,067)	(1,196,093)
Amortization of intangible assets	(7,860)	(11,145)
Excess of revenues over expenses	$ 1,553,048	$ 309,745

See accompanying notes to financial statements.

HULL SERVICES

Statement of Changes in Net Assets

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

March 31, 2022	Invested in capital assets	Appropriated	Unrestricted	2022 Total
Balance, beginning of year	$ 7,020,030	$ 1,215,377	$ 514,896	$ 8,750,303
(Deficiency) excess of revenues over expenses (notes 9(b) and 19)	(580,852)	(10,665)	2,144,565	1,553,048
Net change in investment in assets (note 9(b))	(627,057)	–	627,057	–
Mortgage payments	373,643	–	(373,643)	–
Capital replacement reserve	–	912	(912)	–
Mortgage reserve	–	134,085	(134,085)	–
Balance, end of year	$ 6,185,764	$ 1,339,709	$ 2,777,878	$ 10,303,351

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 (notes 9(b) and 19)	(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

See accompanying notes to financial statements.

HULL SERVICES

Statement of Cash Flows

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

	2022	2021
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	$ 1,553,048	$ 309,745
Items not involving cash:		
Amortization of capital assets	1,159,067	1,196,093
Amortization of intangible assets	7,860	11,145
Gain on disposal of capital assets	(642,776)	(600)
Amortization of deferred capital contributions	(586,075)	(499,567)
	1,491,124	1,016,816
Changes in non-cash working capital:		
Accounts receivable	(1,068,413)	544,326
Inventory of food and supplies	11,274	(8,358)
Prepaid expenses	27,905	(27,811)
Accounts payable and accrued liabilities	(328,854)	227,235
Deferred revenue	450,171	515,121
	583,207	2,267,329
Investing activities:		
Deferred contributions for capital assets (note 8)	1,098,304	169,438
Purchase of capital assets (note 9(b))	(706,697)	(1,088,807)
Proceeds on disposition of capital assets	880,026	600
Purchase of intangible assets (note 9(b))	(1,800)	(2,025)
Transfer of restricted cash for capital (notes 2 and 19)	(733,081)	152,473
	536,752	(768,321)
Financing activities:		
Net reductions in investments	10,665	95,861
Mortgage repayment	(373,643)	(400,547)
Increase in capital replacement reserve funding	(912)	(1,103)
Increase in mortgage reserve funding	(134,085)	(139,016)
	(497,975)	(444,805)
Increase in cash and cash equivalents	621,984	1,054,203
Cash and cash equivalents, beginning of year	6,755,320	5,701,117
Cash and cash equivalents, end of year	$ 7,377,304	$ 6,755,320

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. The Agency is following health advisories and mandatory requirements from local, provincial and national health and government organizations.

Market conditions have improved over the course of fiscal 2022 as nations began re-opening their economies. Resurgence of COVID-19 cases (including cases related to variants or mutations of the COVID-19 virus) continue to some extent in certain geographic areas, and the possibilities that a resurgence may occur in other areas, has resulted in the re-imposition of certain restrictions by local authorities from time to time. In addition, while vaccines are being distributed, there is uncertainty as to the timing, level of adoption, duration of efficacy and overall effectiveness of the vaccine against variants or mutations.

As at the reporting date, the Agency has determined that COVID-19 has had no impact on its contracts or lease agreements, the assessment of provisions and contingent liabilities, or the timing of revenue recognition.

The Agency continues to use its capital assets and management has not assessed any impairment that needs to be recognized on these assets at March 31, 2022. The Agency continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis. As at March 31, 2022, the Agency continues to meet its contractual obligations within normal payment terms and the Agency’s exposure to credit risk remains largely unchanged.

1. Significant accounting policies:

(a) Revenue recognition:

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

1. Significant accounting policies (continued):

(a) Revenue recognition (continued):

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.

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.

1. Significant accounting policies (continued):

(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 Agency; 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 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.

1. Significant accounting policies (continued):

(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.

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:

	2022	2021
Balance, beginning of year	$ 95,557	$ 248,030
Contributions received (note 8)	1,098,304	169,438
Spent – current year contributions	(363,363)	(131,140)
	734,941	38,298
Spent – prior years' contributions	(1,860)	(190,771)
Balance, end of year	$ 828,638	$ 95,557

3. Investments:

(a) Short term investments:

Short term investments included in cash and cash equivalents are comprised of the following:

	2022	2021
High interest savings account	$ 204,934	$ 204,451
Cashable guaranteed investment certificates (GICs)	7,000,000	5,098,429
Funds administered by Hull Child and Family Foundation	872,481	–
Short term investments	8,077,415	5,302,880
Add cash	128,527	1,547,997
Less restricted cash for capital (note 2)	(828,638)	(95,557)
Cash and cash equivalents	$ 7,377,304	$ 6,755,320

3. Investments (continued):

(b) Long term investments:

	Scholarship Fund	Contingency Fund	2022 Total value	2021 Total value
Balance, beginning of year	$ 151,045	$ 423,669	$ 574,714	$ 670,575
Investment income	335	1,000	1,335	12,639
Disbursements	(12,000)	–	(12,000)	(108,500)
Balance, end of year	$ 139,380	$ 424,669	$ 564,049	$ 574,714

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.

As at the reporting date, there is no holding of bonds or marketable securities. Investments consist of cash and cash equivalents of $564,049 (2021 – $574,714).

4. Capital assets:

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land and improvements	$ 919,031	$ –	$ 919,031	$ 919,031
Buildings and improvements	38,505,226	17,760,872	20,744,354	21,282,751
Furniture and equipment	6,195,476	5,990,030	205,446	322,285
Vehicles	1,101,756	981,618	120,138	85,381
Assets under construction	168,109	–	168,109	–
	46,889,598	24,732,520	22,157,078	22,609,448
Assets held for sale (note 5)	–	–	–	237,250
	$ 46,889,598	$ 24,732,520	$ 22,157,078	$ 22,846,698

4. Capital assets (continued):

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, 2022, the Agency sold one of the properties that it owns. A purchase contract was executed on January 26, 2021 with the selling price of $950,000 and subsequently closed on June 1, 2021. The Cash to Close funds were received on June 30, 2021.

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Land and improvements	$ –	$ –	$ –	$ 50,000
Buildings and improvements	–	–	–	187,250
	$ –	$ –	$ –	$ 237,250

6. Intangible assets:

			2022	2021
	Cost	Accumulated amortization	Net book value	Net book value
Software	$ 411,393	$ 401,883	$ 9,510	$ 15,570

7. Mortgages payable:

Description	Monthly Pmt Princ+Int	Interest rate	Renewal/Maturity date	2022 Principal	2021 Principal
Mortgage – fixed, closed	746	1.97%	December 1, 2022	$ 6,657	$ 15,384
Mortgage – fixed, closed	37,011	3.25%	May 5, 2026	2,387,648	2,752,564
				2,394,305	2,767,948
Less current portion of mortgages payable				(378,657)	(373,662)
				$2,015,648	$ 2,394,286

7. Mortgages payable (continued):

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 $37,011 per month.

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

Fiscal Year	Principal	Interest	Total
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
2026-2027	824,545	4,386	828,931
	$ 2,394,305	$ 217,855	$ 2,612,160

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.

	2022	2021
Balance, beginning of year	$ 13,074,290	$ 13,404,418
Add:		
Contributions spent - assets	363,363	131,140
Contributions unspent	734,941	38,298
	1,098,304	169,438
Less:		
Amounts amortized to revenues	(586,075)	(499,566)
Balance, end of year	$ 13,586,519	$ 13,074,290

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

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

	2022	2021
Capital assets	$ 22,157,078	$ 22,846,698
Intangible assets	9,510	15,570
Amounts financed by capital contributions	(13,586,519)	(13,074,290)
Amounts financed by mortgages	(2,394,305)	(2,767,948)
	$ 6,185,764	$ 7,020,030

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

	2022	2021
Excess of expenses over revenues:		
Amortization of capital contributions	$ 586,075	$ 499,567
Amortization of capital assets and intangible assets	(1,166,927)	(1,207,238)
	$ (580,852)	$ (707,671)
Net change in invested in capital assets:		
Capital assets acquired	$ 469,447	$ 1,088,807
Intangible assets acquired	1,800	2,025
Amount funded by capital contributions	(1,098,304)	(169,438)
	$ (627,057)	$ 921,394

(c) Accumulated operating surplus is calculated as follows:

	2022	2021
Appropriated:		
Capital reserve	$ 27,307	$ 26,395
Scholarship fund	139,380	151,045
Contingency fund	424,669	423,669
Mortgage reserve	748,353	614,268
	1,339,709	1,215,377
Unrestricted	2,777,878	514,896
	$ 4,117,587	$ 1,730,273

10. Line of credit:

As at March 31, 2022, the Agency has available a line of credit in the amount of $250,000 (2021 - $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, 2022, no amounts were drawn on this facility (2021 – $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, 2022, the Foundation distributed $507,000 (2021 – $440,000) 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 (2021 - $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:

	2022	2021
Government grants and other agreements	$ 1,810,420	$ 1,811,644
Private grants and donations	2,497,704	2,327,479
	$ 4,308,124	$ 4,139,123

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:

	2022	2021
Operating community based programs	$ 1,726,273	$ 1,974,461
Supporting general agency operations	1,491,173	1,053,221
Capital assets	156,250	92,255
Operating therapeutic campus based care programs	891,270	970,264
Operating school programs	43,158	48,922
	$ 4,308,124	$ 4,139,123

Expenses incurred for the purpose of soliciting contributions were $453,548 (2021 - $375,171), which includes $369,415 (2021 - $326,664) in remuneration to employees whose principal duties involve fund-raising. Salaries and benefits 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, 2022 are as follows:

(i) Financial Position:

	2022		2021	
	Total	45%	Total	45%
Assets:				
Cash and cash equivalents	$ 4	$ 2	$ 6	$ 3
	$ 4	$ 2	$ 6	$ 3
Liabilities:				
Accounts payable and accrued liabilities	$ 4	$ 2	$ 6	$ 3
	$ 4	$ 2	$ 6	$ 3

(ii) Results of Operations:

	2022		2021	
	Total	45%	Total	45%
Revenue:				
Investment and other income - registration	$ –	$ –	$ (24,975)	$ (11,239)
	–	–	(24,975)	(11,239)
Expenses:				
Client services – materials and supplies	–	–	712	320
Facility services – facility and equipment rental	–	–	(25,000)	(11,250)
Administrative	–	–	20,253	9,114
	–	–	(4,035)	(1,816)
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, 2022. Financial summaries of the Mental Health in Sports Project for the year ended March 31, 2022 are as follows:

(i) Financial Position:

	2022		2021	
	Total	50%	Total	50%
Assets:				
Cash and cash equivalents	$ 135	$ 68	$ 135	$ 68
	$ 135	$ 68	$ 135	$ 68
Liabilities:				
Accounts payable and accrued liabilities	$ 135	$ 68	$ 135	$ 68
	$ 135	$ 68	$ 135	$ 68

14. Joint arrangements (continued):

(b) Mental Health in Sports Project (the “Project”) (continued):

(ii) Results of Operations:

There were no revenues or expenses in fiscal year 2022 and 2021.

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 one-year term ending in June 2022, with a renewal in process for a two-year term between July 2022 and June 2024; 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 January 2023 and October 2024.

The Agency has entered into an electricity service agreement for purchase of electricity at a fixed rate for a four-year period commencing July 2021.

The total estimated dollar value of the remaining commitment, excluding the electricity costs, is as follows:

2022-2023	$ 207,647
2023-2024	183,707
2024-2025	172,188
2025-2026	130,200
2026-2027	96,990
Thereafter	202,062
	$ 992,794

16. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $429,683 (2021 – $509,122) which relates to payroll remittances and goods and services tax payable of $997 (2021 – $263).

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, 2022. The Agency continues to manage liquidity risk by forecasting and assessing cash flow requirements on an ongoing basis.

(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, 2022, 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 2022 other than the potential impact of COVID-19 as discussed in basis of presentation note.

18. Contingency:

In October 2021, a statement of claim was filed against the Agency in relation to a 1990 allegation from a client to a former employee. A statement of defense has been filed and the matter will be covered by the Agency's insurance provider.

19. Comparative information:

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. These reclassifications did not impact the Agency's excess of revenues over expenses or net assets.