Financial Statements of

HULL SERVICES

And Independent Auditor's Report thereon

Year ended March 31, 2023

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INDEPENDENT AUDITOR'S 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, 2023
- 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, 2023, 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 **"Auditor's Responsibilities for the Audit of the Financial Statements"** section of our auditor's 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.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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 auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the 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 27, 2023

HULL SERVICES

Statement of Financial Position

March 31, 2023, with comparative information for 2022

	2023	2022
Assets		
Current assets:		
Cash and cash equivalents (notes 3(a) and 14(a))	$ 7,426,958	$ 7,377,304
Accounts receivable	2,185,114	1,909,635
Inventory of food and supplies	203,594	163,494
Prepaid expenses	129,897	285,994
	9,945,563	9,736,427
Restricted cash for capital (note 2)	772,262	828,638
Investments (note 3(b))	565,525	564,049
Capital replacement reserve	27,744	27,307
Mortgage reserve	914,408	748,353
Capital assets (note 4)	22,314,995	22,157,078
Intangible assets (note 5)	21,535	9,510
	$ 34,562,032	$ 34,071,362
Liabilities and Net Assets		
Current liabilities:		
Accounts payable and accrued liabilities (notes 14 and 16)	$ 3,255,345	$ 3,057,775
Deferred revenue	4,767,039	4,729,412
Current portion of mortgage and loan payable (note 6)	397,747	378,657
Current portion of capital lease (note 7)	11,128	–
	8,431,259	8,165,844
Mortgage and loan payable (note 6)	1,659,539	2,015,648
Obligation under capital lease (note 7)	91,598	–
Deferred contributions for capital assets (note 8)	13,809,583	13,586,519
	23,991,979	23,768,011
Net assets:		
Invested in capital and intangible assets (note 9(a))	6,366,935	6,185,764
Accumulated operating surplus (note 9(c))	4,203,118	4,117,587
	10,570,053	10,303,351
Commitments (note 15)		
Contingency (note 18)		
	$ 34,562,032	$ 34,071,362

See accompanying notes to financial statements.

Approved by the Board:

____________________ Governor

____________________ Governor

HULL SERVICES

Statement of Operations

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Revenues:		
Contract - Children's Services	$ 22,251,182	$ 20,546,686
Contract - Calgary Board of Education	5,455,628	5,268,264
Contract - Other	9,502,090	8,902,208
Fee for Service	4,860,604	4,532,553
	42,069,504	39,249,711
Other revenues:		
Hull Child and Family Foundation (notes 11 and 13)	495,000	507,000
Grants and donations (note 13)	3,992,356	3,801,124
Amortization of deferred capital contributions (note 8)	546,795	586,075
Investment and other income	416,068	617,190
Rental income	37,799	36,708
	5,488,018	5,548,097
Total revenues	47,557,522	44,797,808
Expenses:		
Salaries and benefits	38,412,804	36,992,057
Client services	3,945,304	2,468,710
Administrative	1,980,902	1,546,405
Facility services	1,418,369	1,375,202
Transportation	303,522	248,447
Mortgage interest	71,313	89,788
Capital lease interest	1,205	–
Total expenses before the undernoted	46,133,419	42,720,609
Excess of revenues over expenses before the undernoted	1,424,103	2,077,199
Realized gain on disposal of assets	15,645	642,776
Amortization of capital assets	(1,164,059)	(1,159,067)
Amortization of intangible assets	(8,987)	(7,860)
Excess of revenues over expenses	$ 266,702	$ 1,553,048

See accompanying notes to financial statements.

HULL SERVICES

Statement of Changes in Net Assets

Year ended March 31, 2023, with comparative information for 2022

March 31, 2023	Invested in capital assets	Appropriated	Unrestricted	2023 Total
Balance, beginning of year	$ 6,185,764	$ 1,339,709	$ 2,777,878	$ 10,303,351
(Deficiency) excess of revenues over expenses (note 9(b))	(626,251)	1,476	891,477	266,702
Net change in investment in assets (note 9(b))	573,129		(573,129)	–
Mortgage repayment	337,019		(337,019)	–
Capital lease	(102,726)		102,726	–
Capital replacement reserve		437	(437)	–
Mortgage reserve		166,055	(166,055)	–
Balance, end of year	$ 6,366,935	$ 1,507,677	$ 2,695,441	$ 10,570,053

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 (note 9(b))	(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

See accompanying notes to financial statements.

HULL SERVICES

Statement of Cash Flows

Year ended March 31, 2023, with comparative information for 2022

	2023	2022
Cash provided by (used in):		
Operating activities:		
Excess of revenues over expenses	$ 266,702	$ 1,553,048
Items not involving cash:		
Amortization of capital assets	1,164,059	1,159,067
Amortization of intangible assets	8,987	7,860
Gain on disposal of capital assets	(15,645)	(642,776)
Amortization of deferred capital contributions	(546,795)	(586,075)
	877,308	1,491,124
Changes in non-cash working capital:		
Accounts receivable	(275,479)	(1,068,413)
Inventory of food and supplies	(40,100)	11,274
Prepaid expenses	156,097	27,905
Accounts payable and accrued liabilities	197,570	(328,854)
Deferred revenue	37,627	450,171
	953,023	583,207
Investing activities:		
Deferred contributions for capital assets (note 8)	769,859	1,098,304
Purchase of capital assets (note 9(b))	(1,215,976)	(706,697)
Proceeds on disposition of capital assets	15,645	880,026
Purchase of intangible assets (note 9(b))	(21,012)	(1,800)
Decreases (increases) in restricted cash for capital (note 2)	56,376	(733,081)
	(395,108)	536,752
Financing activities:		
(Increases) decreases in investments	(1,476)	10,665
Mortgage and loan repayment	(337,019)	(373,643)
Repayment of capital lease obligation	(3,274)	–
Increase in capital replacement reserve funding	(437)	(912)
Increase in mortgage reserve funding	(166,055)	(134,085)
	(508,261)	(497,975)
Increase in cash and cash equivalents	49,654	621,984
Cash and cash equivalents, beginning of year	7,377,304	6,755,320
Cash and cash equivalents, end of year	$ 7,426,958	$ 7,377,304

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.

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.

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	2 - 5 years

1. Significant accounting policies:

(b) Capital assets (continued):

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) 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

(d) 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.

(e) 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.

(f) Restricted cash for capital:

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

(g) 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.

1. Significant accounting policies (continued):

(h) 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. Management has elected to recognize investments 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.

(i) 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 capital and intangible assets.

(j) 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.

1. Significant accounting policies (continued):

(k) Leases:

Capital leases are recorded at the present value of the minimum lease payments using the lower of the lessee’s rate for incremental borrowing and the interest rate implicit in the lease as the discount rate. Capital leases are amortized over the period of expected use, on a basis that is considered consistent with the Agency’s depreciation policy for other similar fixed assets. If the lease contains terms that allow ownership to pass to the Agency or a bargain purchase option, the period of amortization shall be the economic life of the asset. Otherwise, the

property shall be amortized over the lease term.

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

2. Restricted cash for capital:

	2023	2022
Balance, beginning of year	$ 828,638	$ 95,557
Contributions received (note 8)	769,859	1,098,304
Spent – current year contributions	(59,421)	(363,363)
	710,438	734,941
Spent – prior years’ contributions	(766,814)	(1,860)
Balance, end of year	$ 772,262	$ 828,638

3. Investments:

(a) Short term investments:

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

	2023	2022
High interest savings account	$ 209,641	$ 204,934
Cashable guaranteed investment certificates (GICs)	7,550,000	7,000,000
Funds administered by Hull Child and Family Foundation	–	872,481
Short term investments	7,759,641	8,077,415
Add cash	439,579	128,527
Less restricted cash for capital (note 2)	(772,262)	(828,638)
Cash and cash equivalents	$ 7,426,958	$ 7,377,304

(b) Long term investments:

			2023	2022
	Scholarship Fund	Contingency Fund	Total value	Total value
Balance, beginning of year	$ 139,380	$ 424,669	$ 564,049	$ 574,714
Investment income	2,971	9,755	12,726	1,335
Disbursements	(11,250)	–	(11,250)	(12,000)
Balance, end of year	$ 131,101	$ 434,424	$ 565,525	$ 564,049

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 $565,525 (2022 – $564,049).

4. Capital assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Land and improvements	$ 919,031	$ –	$ 919,031	$ 919,031
Buildings and improvements	39,531,082	18,692,731	20,838,351	20,744,354
Furniture and equipment	6,303,497	6,117,085	186,412	205,446
Vehicles	1,194,878	998,449	196,429	120,138
Assets under construction	174,772	–	174,772	168,109
	$ 48,123,260	$ 25,808,265	$ 22,314,995	$ 22,157,078

5. Intangible assets:

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Software	$ 432,405	$ 410,870	$ 21,535	$ 9,510

6. Long-term debt:

(a) Mortgage payable:

Description	Monthly pmt principle + int	Interest rate	Renewal/maturity date	2023 Principle	2022 Principle
Mortgage – fixed, closed	$ 746	1.97%	December 1, 2022	$ –	$ 6,657
Mortgage – fixed, closed	37,011	3.25%	May 5, 2026	2,015,648	2,387,648
					2,394,305
Less current portion of mortgages payable				(384,122)	(378,657)
				$ 1,631,526	$ 2,015,648

6. Long-term debt (continued):

(a) Mortgage payable (continued):

As at March 31, 2023, the Agency has one mortgage payable in monthly installments including interest at the indicated effective interest rate, compounded semi-annually. The facility is secured by specific buildings, inventory, equipment, and lands of the Agency and subject to renewal on the indicated date.

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 mortgage as follows:

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

Fiscal year	Principal	Interest	Total
2023-2024	$ 384,122	$ 60,007	$ 444,129
2024-2025	396,943	47,187	444,130
2025-2026	410,037	34,092	444,129
2026-2027	824,546	4,386	828,932
	$ 2,015,648	$ 145,672	$ 2,161,320

(b) Loan payable:

Description	Monthly pmt principle + int	Interest rate	Renewal/maturity date	2023 Principle	2022 Principle
Loan	$ 484	10.49%	January 23, 2026	$ 13,862	$ –
Loan	484	10.49%	January 23, 2026	13,862	–
Loan	224	10.49%	January 19, 2024	13,914	–
				41,638	–
Less current portion of mortgages payable				(13,625)	–
				$ 28,013	$ –

The loan agreements are collateralized by a general security agreement in the underlying assets. Loan payments made by the Agency are blended interest and principal payments.

7. Capital lease:

The Agency has financed certain capital equipment by entering a capital leasing arrangement. The arrangements are collateralized by a general security agreement in the underlying assets. Lease payments made by the Agency are blended interest and principal payments.

Capital lease repayments are due as follows:

	2023
2023-2024	$ 17,918
2024-2025	46,826
2025-2026	31,209
2026-2027	22,975
Total minimum lease payments	118,928
Less amount representing interest (at rate of 6.95%)	(16,202)
Present value of net minimum capital lease payments	102,726
Current portion of obligations under capital lease	11,128
Capital lease repayments	$ 91,598

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.

	2023	2022
Balance, beginning of year	$ 13,586,519	$ 13,074,290
Add:		
Contributions spent - assets	59,421	363,363
Contributions unspent	710,438	734,941
	769,859	1,098,304
Less:		
Amounts amortized to revenues	(546,795)	(586,075)
Balance, end of year	$ 13,809,583	$ 13,586,519

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

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

	2023	2022
Capital assets	$ 22,314,995	$ 22,157,078
Intangible assets	21,535	9,510
Amounts financed by capital contributions	(13,809,583)	(13,586,519)
Amounts financed by capital lease	(102,726)	–
Amounts financed by mortgages	(2,057,286)	(2,394,305)
	$ 6,366,935	$ 6,185,764

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

	2023	2022
Excess of expenses over revenues:		
Amortization of capital contributions	$ 546,795	$ 586,075
Amortization of capital assets and intangible assets	(1,173,046)	(1,166,927)
	$ (626,251)	$ (580,852)
Net change in invested in capital assets:		
Capital assets acquired	$ 1,215,976	$ 469,447
Capital lease acquired	106,000	–
Intangible assets acquired	21,012	1,800
Amount funded by capital contributions	(769,859)	(1,098,304)
	$ 573,129	$ (627,057)

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

(c) Accumulated operating surplus is calculated as follows:

	2023	2022
Appropriated:		
Capital reserve	$ 27,744	$ 27,307
Scholarship fund	131,101	139,380
Contingency fund	434,424	424,669
Mortgage reserve	914,408	748,353
	1,507,677	1,339,709
Unrestricted	2,695,441	2,777,878
	$ 4,203,118	$ 4,117,587

10. Line of credit:

As at March 31, 2023, the Agency has available a line of credit in the amount of $250,000 (2022 – $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, 2023, no amounts were drawn on this facility (2022 – $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, 2023, the Foundation distributed $495,000 (2022 – $507,000) 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 (2022 – $nil).

12. Interest in the William Roper Hull Home Trust (continued):

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:

	2023	2022
Government grants and other agreements	$ 1,768,205	$ 1,810,420
Private grants and donations	2,719,151	2,497,704
	$ 4,487,356	$ 4,308,124

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

	2023	2022
Operating community based programs	$ 1,715,070	$ 1,726,273
Supporting general agency operations	1,253,359	1,491,173
Capital assets	239,841	156,250
Operating therapeutic campus based care programs	1,199,915	891,270
Operating school programs	79,171	43,158
	$ 4,487,356	$ 4,308,124

Expenses incurred for the purpose of soliciting contributions were $475,419 (2022 – $453,548), which includes $342,466 (2022 – $369,415) 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 is a conference jointly sponsored by the Agency and the Neurosequential Model Network, LLC (the "NMN").

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.

No NMT Symposium has been held since the COVID-19 pandemic from 2020.

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

Financial summaries of the NMT Symposium for the year ended March 31, 2023 are as follows:

(i) Financial Position:

	2023		2022	
	Total	45%	Total	45%
Assets:				
Cash and cash equivalents	$ 4	$ 2	$ 4	$ 2
	$ 4	$ 2	$ 4	$ 2
Liabilities:				
Accounts payable and accrued liabilities	$ 4	$ 2	$ 4	$ 2
	$ 4	$ 2	$ 4	$ 2

(ii) Results of Operations:

There were no revenues or expenses in fiscal year 2023 and 2022.

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.

Effective December 16, 2022, the joint agreement was mutually terminated. There have been no live events or other activities for the year ended March 31, 2023. Financial summaries of the Mental Health in Sports Project for the year ended March 31, 2023 are as follows:

(i) Financial Position:

	2023		2022	
	Total	50%	Total	50%
Assets:				
Cash and cash equivalents	$ –	$ –	$ 135	$ 68
	$ –	$ –	$ 135	$ 68
Liabilities:				
Accounts payable and accrued liabilities	$ –	$ –	$ 135	$ 68
	$ –	$ –	$ 135	$ 68

(ii) Results of Operations:

There were no revenues or expenses in fiscal year 2023 and 2022.

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 June 2024; and the other a ten-year term ending April 2029.

The Agency has entered into a vehicle operating lease agreement with the terms ending August 2024.

The Agency has entered into an electricity service agreement for purchase of electricity at a fixed rate for a four-year period ending July 2025.

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

2023-2024	$ 173,998
2024-2025	167,323
2025-2026	130,200
2026-2027	96,990
2027-2028	96,990
Thereafter	105,072
	$ 770,573

16. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of $605,620 (2022 – $429,683) which relates to payroll remittances and goods and services tax payable of $2,526 (2022 – $997).

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, 2023. 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, 2023, 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.

Risk associated with the COVID-19 pandemic have declined in fiscal year 2023 as a result of a reduction in the spread of the virus. Beyond this, there are no significant changes in risk exposures between fiscal years 2022 and 2023.

18. Contingency:

Periodically, the Agency may become involved in, named as a party to, or be the subject of various legal proceedings which are usually related to normal operational or labor issues. The results of such legal proceedings or related matters cannot be determined with certainty. The Agency's assessment of the likely outcome of such matters is based on input from internal examination of the facts of the case and advice from external legal advisors, which is based on their judgment of a number of factors including the applicable legal framework and precedents, relevant financial and operational information, and other evidence and facts specific to the matter as known at the time of the assessment.

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. Management does not believe that this action will have a material adverse effect on the business or financial condition of the Agency.