

Financial Statements of

HULL SERVICES

And Independent Auditor's Report thereon

Year ended March 31, 2025



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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, 2025
- 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, 2025, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for non-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 the financial statements in accordance with Canadian accounting standards for non-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 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font. A horizontal line is drawn underneath the signature, starting from the left and extending to the right, ending under the 'P'.

Chartered Professional Accountants

Calgary, Canada

June 27, 2025

HULL SERVICES

Statement of Financial Position

March 31, 2025, with comparative information for 2024

	2025	2024
Assets		
Current assets:		
Cash and cash equivalents (note 3(a))	\$ 9,572,776	\$ 9,161,423
Accounts receivable	2,602,447	2,699,887
Inventory of food and supplies	195,988	252,808
Prepaid expenses	66,546	62,691
	12,437,757	12,176,809
Restricted cash for capital (note 2)	1,177,529	1,960,190
Investments (note 3(b))	620,052	607,828
Mortgage reserve	881,463	824,886
Capital assets (note 4)	22,890,952	22,316,887
Intangible assets (note 5)	22,295	31,773
	\$ 38,030,048	\$ 37,918,373

Liabilities and Net Assets

Current liabilities:

Accounts payable and accrued liabilities (note 15)	\$ 3,747,542	\$ 3,474,782
Deferred revenue	7,569,175	6,734,368
Current portion of mortgage and loan payable (note 6)	423,432	411,913
Current portion of capital lease (note 7)	33,154	41,360
	11,773,303	10,662,423
Mortgage and loan payable (note 6)	824,547	1,247,980
Obligation under capital lease (note 7)	49,559	50,238
Deferred contributions for capital assets (note 8)	14,387,374	14,748,674
	27,034,783	26,709,315

Net assets:

Invested in capital and intangible assets (note 9(a))	7,195,179	5,848,495
Accumulated operating surplus (note 9(c))	3,800,086	5,360,563
	10,995,265	11,209,058

Commitments (note 14)
Contingency (note 17)
Subsequent event (note 17)

	\$ 38,030,048	\$ 37,918,373
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See accompanying notes to financial statements.

Approved by the Board:



Governor



Governor

HULL SERVICES

Statement of Operations

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Revenues:		
Contract - Children and Family Services	\$ 21,480,668	\$ 22,188,133
Contract - Calgary Board of Education	5,940,647	5,694,065
Contract - Other	9,392,926	9,248,416
Fee for Service	4,985,683	4,114,322
	41,799,924	41,244,936
Other revenues:		
Hull Child and Family Foundation (notes 11 and 13)	572,389	477,000
Grants and donations (note 13)	5,306,334	4,700,537
Amortization of deferred capital contributions (note 8)	584,939	547,755
Investment and other income	1,032,793	876,505
Rental income	83,474	107,072
	7,579,929	6,708,869
Total revenues	49,379,853	47,953,805
Expenses:		
Salaries and benefits	40,960,041	39,296,533
Client services	3,144,491	2,853,802
Administrative	2,196,811	2,027,514
Facility services	1,727,554	1,549,834
Transportation	299,744	296,696
Mortgage and loan interest	46,268	59,118
Capital lease interest	5,830	6,478
Total expenses before the undernoted	48,380,739	46,089,975
Excess of revenues over expenses before the undernoted	999,114	1,863,830
Realized gain on disposal of assets	11,909	—
Amortization of capital assets	(1,215,337)	(1,212,513)
Amortization of intangible assets	(9,479)	(12,312)
(Deficiency) excess of revenues over expenses	\$ (213,793)	\$ 639,005

See accompanying notes to financial statements.

HULL SERVICES

Statement of Changes in Net Assets

Year ended March 31, 2025, with comparative information for 2024

March 31, 2025	Invested in capital assets	Appropriated	Unrestricted	2025 Total
Balance, beginning of year	\$ 5,848,495	\$ 1,432,714	\$ 3,927,849	\$ 11,209,058
(Deficiency) excess of revenues over expenses	(639,877)	12,224	413,860	(213,793)
Net change in investment in assets (note 9(b))	1,565,762	—	(1,565,762)	—
Mortgage repayment	411,914		(411,914)	—
Capital lease repayment	8,885		(8,885)	—
Mortgage reserve	—	56,577	(56,577)	—
Balance, end of year	\$ 7,195,179	\$ 1,501,515	\$ 2,298,571	\$ 10,995,265

March 31, 2024	Invested in capital assets	Appropriated	Unrestricted	2024 Total
Balance, beginning of year	\$ 6,366,935	\$ 1,507,677	\$ 2,695,441	\$ 10,570,053
(Deficiency) excess of revenues over expenses	(677,070)	42,303	1,273,772	639,005
Net change in investment in assets (note 9(b))	(249,891)	—	249,891	—
Mortgage repayment	397,393	—	(397,393)	—
Capital lease repayment	11,128	—	(11,128)	—
Capital replacement reserve	—	(27,744)	27,744	—
Mortgage reserve	—	(89,522)	89,522	—
Balance, end of year	\$ 5,848,495	\$ 1,432,714	\$ 3,927,849	\$ 11,209,058

See accompanying notes to financial statements.

HULL SERVICES

Statement of Cash Flows

Year ended March 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
(Deficiency) excess of revenues over expenses	\$ (213,793)	\$ 639,005
Items not involving cash:		
Amortization of capital assets	1,215,337	1,212,513
Amortization of intangible assets	9,479	12,312
Gain on disposal of capital assets	(11,909)	—
Amortization of deferred capital contributions	(584,939)	(547,755)
	414,175	1,316,075
Changes in non-cash working capital:		
Accounts receivable	97,440	(514,773)
Inventory of food and supplies	56,820	(49,214)
Prepaid expenses	(3,855)	67,206
Accounts payable and accrued liabilities	272,760	219,437
Deferred revenue	834,807	1,967,329
	1,672,147	3,006,060
Investing activities:		
Increase in investments	(12,224)	(42,303)
Purchase of capital assets (note 9(b))	(1,789,403)	(1,214,405)
Proceeds on disposition of capital assets	11,909	—
Purchase of intangible assets (note 9(b))	—	(22,550)
	(1,789,718)	(1,279,258)
Financing activities:		
Mortgage and loan repayment	(411,914)	(397,393)
Deferred contributions for capital assets (note 8)	223,639	1,486,846
Increase (decrease) in restricted cash for capital (note 2)	782,661	(1,187,928)
Repayment of capital lease obligation	(8,885)	(11,128)
Decrease in capital replacement reserve funding	—	27,744
(Increase) decrease in mortgage reserve funding	(56,577)	89,522
	528,924	7,663
Increase in cash and cash equivalents	411,353	1,734,465
Cash and cash equivalents, beginning of year	9,161,423	7,426,958
Cash and cash equivalents, end of year	\$ 9,572,776	\$ 9,161,423

See accompanying notes to financial statements.

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Notes to Financial Statements, page 2

Year ended March 31, 2025, with comparative information for 2024

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.

The Agency is registered under the Income Tax Act as a registered charity and therefore is exempt from income taxes.

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	30 – 35 years
Furniture and equipment	3 – 5 years
Vehicles	3 – 5 years

HULL SERVICES

Notes to Financial Statements, page 3

Year ended March 31, 2025, with comparative information for 2024

1. Significant accounting policies (continued):

(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.

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Notes to Financial Statements, page 4

Year ended March 31, 2025, with comparative information for 2024

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 annually at the end of the fiscal year if indicators suggest such impairment. If an indicator of impairment exists, the Agency determines whether there has been 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) 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.

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Notes to Financial Statements, page 5

Year ended March 31, 2025, with comparative information for 2024

2. Restricted cash for capital:

	2025	2024
Balance, beginning of year	\$ 1,960,190	\$ 772,262
Contributions received (note 8)	223,639	1,486,846
Spent – current year contributions	(91,969)	(5,000)
	131,670	1,481,846
Spent – prior years' contributions	(914,331)	(293,918)
Balance, end of year	\$ 1,177,529	\$ 1,960,190

3. Investments:

(a) Short term investments:

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

	2025	2024
High interest savings account	\$ 227,496	\$ 219,036
Cashable guaranteed investment certificates (GICs)	10,050,000	10,550,000
Short term investments	10,277,496	10,769,036
Add cash	472,809	352,577
Less restricted cash for capital (note 2)	(1,177,529)	(1,960,190)
Cash and cash equivalents	\$ 9,572,776	\$ 9,161,423

HULL SERVICES

Notes to Financial Statements, page 6

Year ended March 31, 2025, with comparative information for 2024

3. Investments (continued):

(b) Long term investments:

			2025	2024
	Scholarship Fund	Contingency Fund	Total value	Total value
Balance, beginning of year	\$ 201,117	\$ 406,711	\$ 607,828	\$ 565,525
Investment income	7,515	15,709	23,224	25,792
Disbursements	(11,000)	–	(11,000)	(11,625)
Fund transfer per Board Resolution	–	–	–	28,136
Balance, end of year	\$ 197,632	\$ 422,420	\$ 620,052	\$ 607,828

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 childcare.

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 \$620,052 (2024 – \$607,828).

4. Capital assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Land and improvements	\$ 919,031	\$ –	\$ 919,031	\$ 919,031
Buildings and improvements	41,914,431	20,636,130	21,278,301	20,448,306
Furniture and equipment	6,920,702	6,508,013	412,689	328,505
Vehicles	1,174,516	1,068,357	106,159	100,451
Assets under construction	174,772	–	174,772	520,594
	\$ 51,103,452	\$ 28,212,500	\$ 22,890,952	\$ 22,316,887

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Notes to Financial Statements, page 7

Year ended March 31, 2025, with comparative information for 2024

5. Intangible assets:

				2025	2024
	Cost	Accumulated amortization		Net book value	Net book value
Software	\$ 454,955	\$ 432,660	\$	22,295	\$ 31,773

6. Long-term debt:

(a) Mortgage payable:

Description	2025 Principal	2024 Principal
Mortgage payable	\$ 1,234,584	\$ 1,631,526
Less current portion of mortgage payable	(410,037)	(396,942)
	\$ 824,547	\$ 1,234,584

The Agency has one fixed rate mortgage, requiring monthly principal and interest payments of \$37,011. The mortgage bears interest at 3.25% per annum, is compounded semi-annually and is subject to renewal on May 5, 2026. The debt is secured by specific buildings, inventory, equipment, and lands of the Agency.

The Agency has secured funding to cover the payments over the life of the mortgage and is committed to payments of principal and interest as follows:

Fiscal year	Principal	Interest	Total
2025-2026	\$ 410,037	\$ 34,093	\$ 444,130
2026-2027	824,547	4,386	828,933
	\$ 1,234,584	\$ 38,479	\$ 1,273,063

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Notes to Financial Statements, page 8

Year ended March 31, 2025, with comparative information for 2024

6. Long-term debt:

(b) Loans payable:

Description	Monthly principal and interest	Interest rate	Maturity date	2025 Principal	2024 Principal
Loan 1	\$ 484	10.49%	January 23, 2026	\$ 4,521	\$ 9,441
Loan 2	484	10.49%	January 23, 2026	4,521	9,441
Loan 3	484	10.49%	February 6, 2026	4,354	9,485
				13,396	28,367
Less current portion of loans payable				(13,396)	(14,971)
				\$ —	\$ 13,396

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.

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

Fiscal year	Principal	Interest	Total
2025-2026	\$ 13,396	\$ 647	\$ 14,043
	\$ 13,396	\$ 647	\$ 14,043

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.

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Notes to Financial Statements, page 9

Year ended March 31, 2025, with comparative information for 2024

7. Capital lease (continued):

Capital lease repayments are due as follows:

Fiscal Year	
2025-2026	\$ 37,752
2026-2027	29,518
2027-2028	6,543
2028-2029	6,543
2029-2030	11,858
Total minimum lease payments	92,214
Less amount representing interest (at rates of 5.7% and 6.95%)	(9,501)
Present value of net minimum capital lease payments	\$82,713
Current portion of obligations under capital lease	33,154
Capital lease repayments	\$ 49,559

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.

	2025	2024
Balance, beginning of year	\$ 14,748,674	\$ 13,809,583
Add:		
Contributions spent - assets	91,969	5,000
Contributions unspent	131,670	1,481,846
	223,639	1,486,846
Less:		
Amounts amortized to revenues	(584,939)	(547,755)
Balance, end of year	\$ 14,387,374	\$ 14,748,674

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Notes to Financial Statements, page 10

Year ended March 31, 2025, with comparative information for 2024

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

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

	2025	2024
Capital assets	\$ 22,890,952	\$ 22,316,887
Intangible assets	22,295	31,773
Amounts financed by capital contributions	(14,387,374)	(14,748,674)
Amounts financed by capital lease	(82,714)	(91,598)
Amounts financed by mortgage and loans	(1,247,980)	(1,659,893)
	\$ 7,195,179	\$ 5,848,495

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

	2025	2024
Excess of expenses over revenues:		
Amortization of capital contributions	\$ 584,939	\$ 547,755
Amortization of capital assets and intangible assets	(1,224,816)	(1,224,825)
	\$ (639,877)	\$ (677,070)
Net change in invested in capital assets:		
Capital assets acquired	\$ 1,755,604	\$ 1,214,405
Capital lease acquired	33,797	—
Intangible assets acquired	—	22,550
Amount funded by capital contributions	(223,639)	(1,486,846)
	\$ 1,565,762	\$ (249,891)

(c) Accumulated operating surplus is calculated as follows:

	2025	2024
Appropriated:		
Scholarship fund	\$ 197,632	\$ 201,117
Contingency fund	422,420	406,711
Mortgage reserve	881,463	824,886
	1,501,515	1,432,714
Unrestricted	2,298,571	3,927,849
	\$ 3,800,086	\$ 5,360,563

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Notes to Financial Statements, page 11

Year ended March 31, 2025, with comparative information for 2024

10. Line of credit:

As at March 31, 2025, the Agency has available a line of credit in the amount of \$250,000 (2024 – \$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% per annum. As at March 31, 2025, no amounts were drawn on this facility (2024 – \$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, 2025, the Foundation distributed \$572,389 (2024 – \$477,000) 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 (2024 – \$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:

	2025	2024
Government grants and other agreements	\$ 1,621,999	\$ 1,920,086
Private grants and donations	4,256,724	3,257,451
	\$ 5,878,723	\$ 5,177,537

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Notes to Financial Statements, page 12

Year ended March 31, 2025, with comparative information for 2024

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:

	2025	2024
Operating therapeutic campus based care programs	\$ 1,356,084	\$ 1,430,551
Operating community based programs	2,194,457	1,862,332
Supporting general agency operations	1,979,487	1,506,788
Operating school programs	57,404	58,014
Capital assets	291,291	319,852
	<u>\$ 5,878,723</u>	<u>\$ 5,177,537</u>

Expenses incurred for the purpose of soliciting contributions were \$732,962 (2024 – \$696,940), which includes \$431,269 (2024 – \$398,248) 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 administrative expenses.

14. Commitments:

The Agency has entered into a commitment for telecommunications services for a five-year period ending January 2030.

The Agency has entered into a subscription and services agreement for a client care case management system for a five-year period ending March 2028.

The Agency has entered into a subscription and services agreement for a Human Resources Information System (HRIS) for a five-year period ending September 2029.

The Agency has entered into two rental agreements for office space. One has a two-year term ending June 2026; and the other a ten-year term ending April 2029.

The agency has entered into a subscription and service agreement with WorkPerks to provide employees with a discount on goods and services (Perks) offered by third-party firms through the WorkPerks system for five years, ending on November 30 2029.

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.

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Year ended March 31, 2025, with comparative information for 2024

14. Commitments:

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

Fiscal Year	
2025-2026	\$ 617,252
2026-2027	590,604
2027-2028	589,900
2028-2029	296,160
2029-2030	30,862
	<hr/>
	\$ 2,124,778

15. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$630,924 (2024 – \$521,435) which relates to payroll remittances and goods and services tax payable of \$2,689 (2024 – \$1,594).

16. 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 triggers on these assets as at March 31, 2025. 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.

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Year ended March 31, 2025, with comparative information for 2024

16. Financial instruments and related risks (continued):

(b) Credit risk (continued):

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, 2025, 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 were no significant changes in these risk exposures from prior year.

17. 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 was filed and the matter covered by the Agency's insurance provider. Management does not believe this action will have a material adverse effect on the business or financial condition of the Agency.

Subsequently the court adjudicated the statement of claim, resulting a consent dismissal order as of March 10, 2025 and ending this claim.