

**THE GEORGE HULL CENTRE
FOR CHILDREN AND FAMILIES
FINANCIAL STATEMENTS
MARCH 31, 2022**

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES

MARCH 31, 2022

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PETERS, BROWN LLP
CHARTERED PROFESSIONAL ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Trustees of
The George Hull Centre for Children and Families

Opinion

We have audited the financial statements of The George Hull Centre for Children and Families, (the Centre) which comprise the statement of financial position as at March 31, 2022 and the statements of operations and changes to fund balance and statement of cash flows for the year ending March 31, 2022, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Centre as at March 31, 2022 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPPO).

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 report. We are independent of the Centre 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 ASNFPPO 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 Centre'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 Centre or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Centre'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 these 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 Centre'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 Centre'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 Centre 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.

We 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Peters Brown LLP


LICENSED PUBLIC ACCOUNTANTS

Etobicoke, Ontario
June 16, 2022

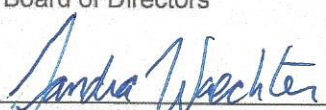
**THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2022**

	2022	2021
ASSETS		
CURRENT ASSETS		
Cash	\$ 974,465	\$ 1,024,015
Accounts receivable	384,915	399,366
Accounts receivable – related (Note 3)	-	376,701
Prepaid expenses and deposits	<u>111,163</u>	<u>115,138</u>
	<u>\$ 1,470,543</u>	<u>\$ 1,915,220</u>
TANGIBLE CAPITAL ASSETS (Note 4)	<u>\$ 4,244,917</u>	<u>\$ 4,263,956</u>
	<u>\$ 5,715,460</u>	<u>\$ 6,179,176</u>
LIABILITIES		
CURRENT LIABILITIES		
Accounts payable and accrued liabilities	\$ 880,573	\$ 1,264,446
Accounts payable – related (Note 3)	123,219	-
Government remittances payable	100,970	35,522
Deferred contributions (Note 6)	743,864	650,440
Deferred contributions related to capital assets (Note 7)	<u>136,930</u>	<u>135,531</u>
	<u>\$ 1,985,556</u>	<u>\$ 2,085,939</u>
LONG-TERM LIABILITIES		
Pension payable (Note 8)	\$ -	\$ 1,912,857
Deferred contributions related to capital assets - net of current portion (Note 7)	<u>2,597,333</u>	<u>2,735,662</u>
	<u>\$ 2,597,333</u>	<u>\$ 4,648,519</u>
	<u>\$ 4,582,889</u>	<u>\$ 6,734,458</u>
NET ASSETS		
FUND BALANCES		
Unrestricted	\$(197,996)	\$(1,859,252)
Externally restricted	<u>1,330,567</u>	<u>1,303,970</u>
	<u>\$ 1,132,571</u>	<u>\$(555,282)</u>
	<u>\$ 5,715,460</u>	<u>\$ 6,179,176</u>

Approved on behalf of the Board of Directors



DIRECTOR



DIRECTOR

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
REVENUE		
Government funding	\$ 10,828,428	\$ 9,810,592
Other funding and income	973,479	1,055,610
Expense recoveries	3,066	4,634
Donations, net (Note 11)	<u>263,426</u>	<u>376,701</u>
	<u>\$ 12,068,399</u>	<u>\$ 11,247,537</u>
EXPENSES		
Staff Compensation	\$ 9,613,785	\$ 8,531,206
Transportation and Communication	68,665	56,716
Occupancy costs	825,282	864,702
Staff development	285,981	86,501
Community Awareness	97,560	37,465
Repairs and maintenance	300,663	315,727
Professional services	228,063	52,085
Purchased client services	494,444	291,702
Insurance	72,819	63,555
Other supplies and equipment	177,070	246,398
Amortization	<u>243,893</u>	<u>195,038</u>
	<u>\$ 12,408,225</u>	<u>\$ 10,741,095</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (339,826)</u>	<u>\$ 506,442</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF CHANGES IN FUND BALANCE
FOR THE YEAR ENDED MARCH 31, 2022

	Unrestricted	Externally Restricted	Total 2022	Total 2021
Balance, beginning of the year	\$(1,859,252)	\$ 1,303,970	\$(555,282)	\$(2,653,723)
(Deficiency) excess of revenue over expenses	(120,561)	(219,265)	(339,826)	506,442
Restricted losses covered by Unrestricted Fund	(417,522)	417,522	-	-
Transfer for purchase of tangible capital assets	198,257	(198,257)	-	-
Contribution of land	-	26,597	26,597	675,000
Pension liability re-measurement gain (Note 8)	3,737,481	-	3,737,481	916,999
Pension asset valuation allowance (Note 8)	<u>(1,736,399)</u>	<u>-</u>	<u>(1,736,399)</u>	<u>-</u>
Balance, end of the year	<u>\$(197,996)</u>	<u>\$ 1,330,567</u>	<u>\$ 1,132,571</u>	<u>\$(555,282)</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2022

	Treatment	Family Group Conferencing	EarlyON	Institute	Every Child Belongs
REVENUE					
Government funding	\$ 7,097,773	\$ 465,592	\$ 1,167,398	\$ -	\$ 197,268
Other funding and income	139,935	117	29,577	264,687	-
Expense recoveries	3,066	-	-	-	-
Donations	79,366	300	3,688	180,072	-
	<u>\$ 7,320,140</u>	<u>\$ 466,009</u>	<u>\$ 1,200,663</u>	<u>\$ 444,759</u>	<u>\$ 197,268</u>
EXPENSES					
Compensation	\$ 5,590,416	\$ 426,445	\$ 984,846	\$ 325,439	\$ 185,773
Transportation and Communication	50,382	1,891	5,281	1,294	2,405
Occupancy costs	490,589	11,389	150,756	-	4,649
Staff development	171,133	14,565	1,527	96,431	484
Community Awareness	93,663	248	216	3,306	-
Repairs and maintenance	232,221	(574)	17,072	9,314	1,652
Professional services	220,805	-	-	-	1,258
Purchased client services	438,500	3,393	19,858	163	347
Insurance	64,119	-	-	-	700
Other supplies and equipment	109,088	1,134	16,880	8,812	-
Amortization	243,893	-	-	-	-
	<u>\$ 7,704,809</u>	<u>\$ 458,491</u>	<u>\$ 1,196,436</u>	<u>\$ 444,759</u>	<u>\$ 197,268</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ (384,669)</u>	<u>\$ 7,518</u>	<u>\$ 4,227</u>	<u>\$ -</u>	<u>\$ -</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
SCHEDULE OF OPERATIONS BY PROGRAM
FOR THE YEAR ENDED MARCH 31, 2022

	Journey To Zero	Etobicoke Brighter Futures Coalition	Early Abilities	Total 2022	Total 2021
REVENUE					
Government funding	\$ -	\$ 255,605	\$ 1,644,792	\$ 10,828,428	\$ 9,810,592
Other funding and income	398,251	140,912	-	973,479	1,055,610
Expense recoveries	-	-	-	3,066	4,634
Donations	-	-	-	263,426	376,701
	<u>\$ 398,251</u>	<u>\$ 396,517</u>	<u>\$ 1,644,792</u>	<u>\$ 12,068,399</u>	<u>\$ 11,247,537</u>
EXPENSES					
Compensation	\$ 393,067	\$ 285,184	\$ 1,422,615	\$ 9,613,785	\$ 8,531,206
Transportation and Communication	39	484	6,889	68,666	56,716
Occupancy costs	-	8,300	159,599	825,282	864,702
Staff development	-	1,656	185	285,981	86,501
Community Awareness	-	-	127	97,560	37,465
Repairs and maintenance	-	5,432	35,546	300,663	315,727
Professional services	-	-	6,000	228,063	52,085
Purchased client services	5,145	25,340	1,698	494,444	291,702
Insurance	-	-	8,000	72,819	63,555
Other supplies and equipment	-	39,278	1,878	177,070	246,398
Amortization	-	-	-	243,893	195,038
	<u>\$ 398,251</u>	<u>\$ 365,674</u>	<u>\$ 1,642,537</u>	<u>\$ 12,408,225</u>	<u>\$ 10,741,095</u>
(DEFICIENCY) EXCESS OF REVENUE OVER EXPENSES	<u>\$ -</u>	<u>\$ 30,843</u>	<u>\$ 2,255</u>	<u>\$ (339,826)</u>	<u>\$ 506,442</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2022

	2022	2021
CASH FLOWS FROM OPERATIONS		
(Deficiency) excess of revenue over expenditure	\$(339,826)	\$ 506,442
Items not requiring an outlay of cash:		
Amortization	243,893	195,038
Net benefit plan expense	<u>88,225</u>	<u>362,551</u>
	\$(7,708)	\$ 1,064,031
Changes in non-cash working capital		
Accounts receivable	\$ 14,451	\$ 1,855,787
Accounts receivable/payable – related	499,920	(344,021)
Prepaid expenses and deposits	3,975	(24,926)
Accounts payable and accrued liabilities	(383,873)	280,997
Government remittances payable	65,448	6,325
Deferred contributions	93,424	(1,594,628)
Deferred contributions related to capital assets	<u>(136,930)</u>	<u>732,996</u>
	<u>\$ 156,415</u>	<u>\$ 912,530</u>
	<u>\$ 148,707</u>	<u>\$ 1,976,561</u>
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of tangible capital assets	\$(224,854)	\$(1,612,582)
CASH FLOW FROM FINANCING ACTIVITIES		
Pension payable	\$(2,001,082)	\$(1,681,312)
Pension liability re-measurement gain	3,737,481	916,999
Pension asset valuation allowance	(1,736,399)	-
Land transactions affecting net assets	<u>26,597</u>	<u>675,000</u>
	<u>\$ 26,597</u>	<u>\$(89,313)</u>
INCREASE IN CASH	\$(49,550)	\$ 274,666
CASH – beginning of year	<u>1,024,015</u>	<u>749,349</u>
	<u>\$ 974,465</u>	<u>\$ 1,024,015</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES

The George Hull Centre for Children and Families (the "Centre") is a comprehensive children's mental health centre, serving children from birth through age 18, and their families. The Centre is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered charity under the Income Tax Act. Accordingly, there is no provision for corporate income taxes as the Centre is exempt from paying tax under Sec. 149(1)(l) of The Income Tax Act.

In accounting for its activity during the period, the Centre adhered to the following accounting policies:

Revenue Recognition

The Centre follows the deferral method of accounting for contributions. 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. Restricted contributions are deferred until related expenses are recognized.

Fund Accounting

Revenue and expenses related to program delivery where income is generated from operations or where funders do not require the refund of surpluses are reported in the Unrestricted Fund. Amounts related to tangible capital assets, including the recognition of deferred capital contributions and the amortization of assets, are also reported in the Unrestricted Fund.

Revenue and expenses related to program delivery where funders have placed restrictions on the use of the funds and require the refund of any surpluses are reported in the Externally Restricted Fund.

Financial Instruments

Financial assets and financial liabilities are initially recognized at fair value and subsequently measured at amortized cost.

Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

Buildings	40 years
Furniture and fixtures	5 years
Computer equipment	3 years
Computer software	5 years
Vehicles	5 years
Leasehold improvements	5 - 20 years

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 1 SIGNIFICANT ACCOUNTING POLICIES - continued

Impairment of Long-lived Assets

The Centre monitors the recoverability of long-lived assets, including land, buildings, furniture and fixtures, computer equipment and software and leasehold improvements. In the event that facts and circumstances indicate that the Centre's long-lived assets may be impaired, an evaluation of recoverability is performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to the asset's carrying amount to determine if a write down to market value is required. The Centre has determined that there were no impairments of long-lived assets at March 31, 2022.

Management Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from those estimates.

Employee Future Benefits

The Centre maintains a defined benefit pension plan for certain employees. The value of accrued benefits and changes therein during the year are based on an actuarial valuation prepared by an independent firm of actuaries. The cost of defined pension benefits is charged to earnings using the projected benefit method prorated on service and management's best estimate, as at the valuation date.

NOTE 2 FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, accounts payable and accrued liabilities. As at March 31, 2022, there were no significant differences between their carrying values and their estimated market values due to their immediate or short-term nature.

The Centre's financial instruments expose the Centre to certain risks. These risks are defined as follows:

Credit risk

Credit risk is the risk of loss arising from the failure of a counter party to fully honour its financial obligations with the Centre.

It is the opinion of management that the Centre is not exposed to any significant credit risk.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 2 FINANCIAL INSTRUMENTS - continued

Liquidity risk

Liquidity risk is the risk of not being able to meet the Centre's cost requirements in a timely and cost-effective manner.

Management considers liquidity risk to be minimal or not significant.

NOTE 3 ACCOUNTS RECEIVABLE (PAYABLE) - RELATED

The balance of \$123,219 payable (2021 - \$376,701 receivable) represents donations receivable net of advances made by The George Hull Centre Foundation.

NOTE 4 TANGIBLE CAPITAL ASSETS

The Centre's tangible capital assets as at March 31, 2022 were comprised of:

	Cost	Accumulated Amortization	2022 Net	2021 Net
Land	\$ 1,279,597	\$ -	\$ 1,279,597	\$ 1,253,000
Buildings	1,457,508	154,712	1,302,796	1,312,969
Furniture and fixtures	166,868	145,156	21,712	28,181
Computer equipment	385,665	249,313	136,352	93,922
Computer software	22,035	19,832	2,203	6,610
Vehicles	41,109	4,111	36,998	-
Leasehold improvements	<u>2,221,369</u>	<u>756,110</u>	<u>1,465,259</u>	<u>1,569,274</u>
	<u>\$ 5,574,151</u>	<u>\$ 1,329,234</u>	<u>\$ 4,244,917</u>	<u>\$ 4,263,956</u>

Land and buildings consist of properties housing certain operations of the Centre. Although title is registered in the name of the Centre, the property was purchased with funding from the provincial government where the province retains control over any change of use, alteration, or disposition of this property.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 5 THE GEORGE HULL CENTRE FOUNDATION

The Centre controls The George Hull Centre Foundation (the "Foundation"). The Foundation was primarily established to raise funds for the use of the Centre. The Foundation is incorporated under the Ontario Corporations Act as a not-for-profit organization and is a registered Charity under the Income Tax Act.

The Foundation has not been consolidated with the Centre's financial statements. Financial statements of the Foundation are available on request. A financial summary of the Foundation for the years ended March 31, 2022 and 2021 is as follows:

	2022	2021
Financial position		
Total assets	<u>\$ 3,795,088</u>	<u>\$ 3,286,740</u>
Total liabilities	\$ 6,503	\$ 396,829
Total net assets	<u>3,788,585</u>	<u>2,889,911</u>
	<u>\$ 3,795,088</u>	<u>\$ 3,286,740</u>
Results of operations		
Total revenue	\$ 1,449,254	\$ 1,088,149
Total expenditures	<u>550,580</u>	<u>605,962</u>
Excess of revenue over expenditures	<u>\$ 898,674</u>	<u>\$ 482,187</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 6 DEFERRED CONTRIBUTIONS – OPERATING FUND

Deferred contributions represent funds received that are related to subsequent periods. The change in the deferred contributions balance for the year is as follows:

	2022	2021
Beginning balance	\$ 650,440	\$ 2,248,870
Add: Amounts received for the following year		
EarlyON Child & Family Centres	\$ 315,456	\$ 360,821
Journey 2 Zero	106,049	2,386
Special Needs Resourcing	51,002	53,857
Family Therapy Training Program Funds	24,490	-
Preceptor Funds	8,367	10,903
Etobicoke Brighter Futures Coalition	7,115	28,563
Family Group Conferencing - Provincial Project	5,300	9,150
Toronto Speech and Language	3,820	-
Received as recovery of future expenses	55	-
YouthLink Conference	-	724
	<u>\$ 521,654</u>	<u>\$ 466,404</u>
Deduct: Amounts recognized as revenue in current year for		
EarlyON Child & Family Centres	\$(321,870)	\$(287,983)
Special Needs Resourcing	(53,857)	(60,085)
Family Group Conferencing - Training Resource	(34,900)	-
Preceptor Funds	(10,903)	-
Etobicoke Brighter Futures Coalition	(3,590)	-
Journey to Zero	(2,386)	-
YouthLink Conference	(724)	-
Ministry funds held for property purchase	-	(1,708,825)
Family Group Conferencing - CCAS conference	-	(7,941)
	<u>\$(428,230)</u>	<u>\$(2,064,834)</u>
Ending balance	<u>\$ 743,864</u>	<u>\$ 650,440</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 6 DEFERRED CONTRIBUTIONS – OPERATING FUND – continued

Deferred balance comprises the following:

	2022	2021
EarlyON Child & Family Centres	\$ 397,258	\$ 403,672
Journey 2 Zero	106,049	2,386
Toronto Speech & Language	76,027	72,207
Special Needs Resourcing	52,703	55,558
Family Group Conferencing - Provincial Project	40,195	34,895
Etobicoke Brighter Futures Coalition	36,021	32,496
Family Therapy Training Program Funds	24,490	-
Preceptor Funds	8,367	10,903
Family Group Conferencing - Training Resource	2,699	37,599
Received as recovery of future expenses	55	-
YouthLink Conference	-	724
	<u>\$ 743,864</u>	<u>\$ 650,440</u>

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

The change in the deferred contributions balance related to capital assets for the period is as follows:

	2022	2021
Beginning balance	\$ <u>2,871,193</u>	\$ <u>2,138,197</u>
Add: Contributions received		
Building portion of Islington Ave property	\$ -	\$ <u>859,186</u>
Deduct: Amounts recognized in current year		
Amortization taken - East Mall	\$(72,436)	\$(72,436)
Amortization taken - Islington Ave	(21,480)	(10,740)
Leasehold inducements deducted against rent expense - East Mall	(17,844)	(17,844)
Amortization taken - Libby's Place	(14,293)	(14,293)
Amortization taken - Ronson Drive	(7,127)	(7,127)
Amortization taken - Queens Plate	<u>(3,750)</u>	<u>(3,750)</u>
	<u>\$(136,930)</u>	<u>\$(126,190)</u>
Ending balance	<u>\$ 2,734,263</u>	<u>\$ 2,871,193</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - continued

The ending balance is comprised of:

	2022	2021
Leasehold improvements - East Mall	\$ 1,105,578	\$ 1,178,014
Islington Ave building purchase	826,966	848,446
Libby's Place building purchase	450,230	464,523
Leasehold inducements - East Mall	272,040	289,884
Leasehold improvements - Ronson Drive	56,324	63,451
Leasehold improvements - Queens Plate	<u>23,125</u>	<u>26,875</u>
Ending balance	\$ 2,734,263	\$ 2,871,193
Less: current portion	<u>(136,930)</u>	<u>(135,531)</u>
	<u>\$ 2,597,333</u>	<u>\$ 2,735,662</u>

Deferred contributions related to capital assets as listed above are comprised of the following:

- amounts received towards the completion of leasehold improvements made to office space on The East Mall, for which the lease commenced January 1, 2014 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the lease currently extended through 2027; additional amounts were received in the prior year and the current year for amendments to the lease as additional space was occupied;
- amounts used to purchase a property on Islington Avenue, to house the Intensive In-Home Services program, revenue is to be recognized to the same extent that amortization of the building is expensed over a forty-year amortization period;
- amounts received for the purchase of a building to house the operations of Libby's Place, to be recognized as revenue to the same extent that amortization of the building is expensed over the forty-year amortization period;
- leasehold inducements received under the lease for office space on The East Mall commencing January 1, 2014 to be amortized over the fifteen-year term of the lease;

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 7 DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - continued

- amounts received towards the completion of leasehold improvements made to office space on Ronson Drive, for which the lease commenced September 1, 2019 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the ten year lease; and
- amounts received towards the completion of leasehold improvements made to office space on Queens Plate Drive, for which the lease commenced June 1, 2019 to be recognized as revenue to the same extent that amortization of the leasehold improvements is expensed over the remaining term of the ten year lease.

NOTE 8 PENSION PLAN

The Centre has maintained a defined benefit final average earnings pension plan for employees hired on or before September 6, 2010. On December 18, 2020, the Centre entered into an agreement to merge its defined benefit plan with the Colleges of Applied Arts and Technology Pension Plan ("the CAAT plan"), a multi-employer defined plan. As of July 1, 2021, employer and employee pension contributions were paid into the CAAT plan, even as regulatory approval and the transfer of plan assets remained pending. The merger was approved by the Financial Services Regulatory Authority of Ontario on April 13, 2022. The investment assets and the pension benefit obligation of the defined benefit plan are expected to be transferred to the CAAT plan in July 2022.

The Centre's defined benefit plan, remaining in the Centre until the final transfer, has its assets currently invested 42% in Canadian fixed income long-bonds and 58% in global equity pooled funds. With the most recent valuation for funding purposes conducted as of December 31, 2020, the fair value of plan assets and accrued benefit obligation are measured for accounting purposes as of March 31st of each year. The results for the current statement date are as follows:

	2022	2021
Significant assumptions		
Discount rate		
At beginning of period	3.30%	3.75%
At end of period	4.00%	3.30%
Expected long-term rate of return on plan assets		
At beginning of period	3.30%	3.75%
At end of period	4.00%	3.30%

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2022

NOTE 8 PENSION PLAN - continued

	2022	2021
Status		
Plan assets at fair value	\$ 17,138,814	\$ 17,207,172
Accrued benefit obligation	<u>15,402,415</u>	<u>19,120,029</u>
Funded status - plan deficit	\$ 1,736,399	\$(1,912,857)
Less: current portion	<u>-</u>	<u>-</u>
	<u>\$ 1,736,399</u>	<u>\$(1,912,857)</u>
 Loss (gain) - benefit obligation		
Benefit obligation at beginning of year	\$ 19,120,029	\$ 17,436,625
Employee current service contributions	63,748	210,193
Employer current service cost	85,908	239,947
Benefit payments	(619,490)	(784,631)
Interest cost	<u>558,261</u>	<u>647,602</u>
Expected value	\$ 19,208,456	\$ 17,749,736
Actual value	<u>15,402,415</u>	<u>19,120,029</u>
(Gain) Loss	<u>\$(3,806,041)</u>	<u>\$ 1,370,293</u>
 (Gain) Loss - plan assets		
Opening assets at fair value	\$ 17,207,172	\$ 14,205,007
Employee current service contributions	63,748	210,193
Employer contribution	-	764,313
Benefit payments	(619,490)	(784,631)
Expected return on plan assets	<u>555,944</u>	<u>524,998</u>
Expected value	\$ 17,207,374	\$ 14,919,880
Actual value	<u>17,138,814</u>	<u>17,207,172</u>
Loss (Gain)	<u>\$ 68,560</u>	<u>\$(2,287,292)</u>
 Net benefit plan expense		
Employer current service cost	\$ 85,908	\$ 239,947
Interest cost	558,261	647,602
Expected return on plan assets	<u>(555,944)</u>	<u>(524,998)</u>
Expense	<u>\$ 88,225</u>	<u>\$ 362,551</u>

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
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FOR THE YEAR ENDED MARCH 31, 2022

NOTE 8 PENSION PLAN - continued

	2022	2021
Accrued benefit asset (liability)		
Opening balance	\$(1,912,857)	\$(3,231,618)
Net benefit plan expense	88,225	(362,551)
Employer contributions	-	764,313
Re-measurement gain	<u>3,737,481</u>	<u>916,999</u>
Closing balance	<u>\$ 1,736,399</u>	<u>\$(1,912,857)</u>

The closing balance represents a pension asset of \$1,736,399. The Centre does not expect to realize this asset, as it will be transferred to the CAAT plan under the terms of the agreement dated December 18, 2020. A valuation allowance of \$1,736,399 is deducted from net assets to write-down the value of the pension asset. Any gain/loss realized up to the date of transfer will be recognized as a remeasurement gain/loss in the current period at that time.

For the nine months following July 1, 2020, contributions to the CAAT plan were as follows:

Employer contributions	\$ 312,869	
Employee contributions	<u>312,869</u>	
	<u>\$ 625,399</u>	

NOTE 9 RESTRICTED CONTRIBUTIONS - LAND

Restricted contributions were received in fiscal 2014 from the Ministry of Children and Youth Services for the purchase of residential properties to house the operations of Boys' House and Libby's Place. The portion allocated to the purchased land was recognized as a direct increase in the restricted fund balance. Following the sale of Boys' House, the Centre received Ministry approval to purchase 2670 Islington Avenue property in the current year and the value of its land was recognized as a direct increase of the restricted fund balance.

	2022	2021
Opening balance	\$ 1,253,000	\$ 578,000
Adjustment for HST on purchase	26,597	-
Purchase of 2670 Islington Avenue	<u>-</u>	<u>675,000</u>
Closing balance	<u>\$ 1,279,597</u>	<u>\$ 1,253,000</u>

Although title to the properties initially purchased with provincial funding has been registered in the name of the Centre, the province retains control over any change of use, alteration or disposition of said properties.

THE GEORGE HULL CENTRE FOR CHILDREN AND FAMILIES
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NOTE 10 COMMITMENTS

The Centre has entered into leases for premises situated at the following locations: 81 The East Mall, expiring December 31, 2037; 135 Queen's Plate Drive expiring May 31, 2028; and 200 Ronson Drive, expiring April 30, 2029. Minimum payments under these agreements are:

Year ending	Amount
March 31, 2023	\$ 574,938
2024	576,664
2025	491,527
2026	613,579
2027	<u>613,924</u>
	\$ 2,870,632
Remainder of term	<u>6,286,020</u>
	<u>\$ 9,156,652</u>

Above amounts are comprised of base annual rents plus estimated operating expenses.

NOTE 11 RELATED PARTY TRANSACTIONS

Donations reported in the statement of operations are net donations in the amount of \$263,426 (2021 - \$376,701) from The George Hull Centre Foundation.

The George Hull Centre for Children and Families controls The George Hull Centre Foundation. The objective of the George Hull Centre Foundation is to raise funds to support The George Hull Centre for Children and Families.

NOTE 12 COMPARATIVE FIGURES

Certain comparative figures for fiscal March 31, 2021 have been reclassified to conform with the presentation adopted in the current period.

NOTE 13 COVID-19 PANDEMIC

In March 2020, the World Health Organization declared coronavirus COVID-19 a global pandemic. Since this declaration, the Centre has had to modify or temporarily suspend the delivery of some services, however, it has not seen a significant drop in service levels. There is uncertainty as to how long the COVID-19 pandemic will continue for. The Centre does not anticipate a significant drop in its operations or the delivery of services.