



AVENTA

CENTRE OF EXCELLENCE FOR WOMEN WITH ADDICTIONS

Annual Financial Report 2023 - 2024

AVENTA TREATMENT FOUNDATION FOR WOMEN
Financial Statements
Year Ended March 31, 2024

AVENTA TREATMENT FOUNDATION FOR WOMEN
Index to Financial Statements
Year Ended March 31, 2024

| | Page |
|---|--------|
| INDEPENDENT AUDITOR'S REPORT | 1 - 2 |
| FINANCIAL STATEMENTS | |
| Statement of Financial Position | 3 |
| Statement of Revenues and Expenditures - Operating Fund | 4 |
| Statement of Revenues and Expenditures - Capital Fund | 5 |
| Statement of Changes in Fund Balances | 6 |
| Statement of Cash Flows | 7 |
| Notes to Financial Statements | 8 - 14 |

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Aventa Treatment Foundation for Women:

Opinion

We have audited the financial statements of Aventa Treatment Foundation for Women (the Foundation), which comprise the statement of financial position as at March 31, 2024, Statement of Revenues and Expenditures - Operating Fund, Statement of Revenues and Expenditures - Capital Fund, and the statements of changes in fund balances and cash flows for the year then ended, 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 Foundation as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 Foundation in accordance with 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 ASNPO, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

(continues)

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 Foundation'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 Foundation'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 Foundation 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.



Calgary, Alberta
June 18, 2024

C&E LLP Chartered Professional Accountants

AVENTA TREATMENT FOUNDATION FOR WOMEN
Statement of Financial Position
March 31, 2024

| | Operating Fund 2024 | Capital Fund 2024 | Total 2024 | Total 2023 |
|---|------------------------|----------------------|---------------------|---------------------|
| ASSETS | | | | |
| CURRENT | | | | |
| Cash (Note 3) | \$ 1,349,185 | \$ - | \$ 1,349,185 | \$ 1,044,031 |
| Money market funds | 257,521 | 620,771 | 878,292 | 840,616 |
| Accounts receivable | 177,675 | 2,434 | 180,109 | 152,681 |
| Goods and services tax recoverable | 11,355 | - | 11,355 | 7,906 |
| Prepaid expenses | 28,071 | - | 28,071 | 30,186 |
| | <u>1,823,807</u> | <u>623,205</u> | <u>2,447,012</u> | <u>2,075,420</u> |
| CAPITAL ASSETS (Note 4) | - | 3,860,283 | 3,860,283 | 4,017,912 |
| | <u>\$ 1,823,807</u> | <u>\$ 4,483,488</u> | <u>\$ 6,307,295</u> | <u>\$ 6,093,332</u> |
| LIABILITIES AND FUND BALANCES | | | | |
| CURRENT | | | | |
| Accounts payable and accrued liabilities | \$ 392,703 | \$ - | \$ 392,703 | \$ 364,894 |
| Current portion of long term debt (Note 6) | - | 12,366 | 12,366 | 11,991 |
| Deferred income (Note 7) | 34,425 | - | 34,425 | 53,204 |
| Amounts held in trust (Note 3) | 15,633 | - | 15,633 | 15,783 |
| | <u>442,761</u> | <u>12,366</u> | <u>455,127</u> | <u>445,872</u> |
| MORTGAGE PAYABLE (Note 6) | - | 182,223 | 182,223 | 194,611 |
| | <u>442,761</u> | <u>194,589</u> | <u>637,350</u> | <u>640,483</u> |
| FUND BALANCES | | | | |
| Internally restricted – invested in capital assets (Note 8) | - | 3,665,695 | 3,665,695 | 3,811,311 |
| Internally restricted (Note 8) | 111,178 | 623,204 | 734,382 | 716,441 |
| Unrestricted | 1,269,868 | - | 1,269,868 | 925,097 |
| | <u>1,381,046</u> | <u>4,288,899</u> | <u>5,669,945</u> | <u>5,452,849</u> |
| | <u>\$ 1,823,807</u> | <u>\$ 4,483,488</u> | <u>\$ 6,307,295</u> | <u>\$ 6,093,332</u> |

ON BEHALF OF THE BOARD

Nadine Wagner (Chair) Director

Pam Whitnack Director

AVENTA TREATMENT FOUNDATION FOR WOMEN
Statement of Revenues and Expenditures - Operating Fund
Year Ended March 31, 2024

| | 2024 | 2023 |
|--------------------------------------|-------------------|--------------------|
| REVENUES | | |
| Alberta Health Services | \$ 2,708,511 | \$ 2,188,727 |
| Residential Program Fees | 1,447,412 | 1,128,678 |
| Young Adult Treatment Program | 1,281,108 | 1,249,862 |
| Calgary Fetal Alcohol Network Grants | 135,415 | 577,280 |
| Journeys Program Grant | 180,798 | 188,298 |
| Donations and Fundraising | 206,126 | 16,214 |
| Interest Income | 63,469 | 27,035 |
| | <u>6,022,839</u> | <u>5,376,094</u> |
| EXPENDITURES | | |
| Salaries and wages | 4,113,206 | 4,064,091 |
| Rent, maintenance and utilities | 547,027 | 350,771 |
| General client costs | 355,283 | 206,423 |
| Food and small wares | 269,814 | 252,704 |
| Amortization | 209,560 | 204,854 |
| Office expenses | 95,296 | 90,432 |
| Equipment rentals | 88,730 | 64,655 |
| Insurance | 49,470 | 49,434 |
| Promotion and fundraising | 45,170 | 17,761 |
| Staff development | 33,905 | 41,891 |
| Interest and bank charges | 22,136 | 21,309 |
| Laundry | 20,623 | 10,968 |
| Professional fees | 15,200 | 15,600 |
| Travel | 10,195 | 14,909 |
| | <u>5,875,615</u> | <u>5,405,802</u> |
| INCOME (LOSS) FROM OPERATIONS | <u>\$ 147,224</u> | <u>\$ (29,708)</u> |

AVENTA TREATMENT FOUNDATION FOR WOMEN
Statement of Revenues and Expenditures - Capital Fund
Year Ended March 31, 2024

| | <u>2024</u> | <u>2023</u> |
|--|------------------|-------------------|
| REVENUES | | |
| Community Facility Enhancement Program Grant (Note 10) | \$ 42,804 | \$ 123,782 |
| Interest Income | <u>27,068</u> | <u>14,828</u> |
| | <u>\$ 69,872</u> | <u>\$ 138,610</u> |

AVENTA TREATMENT FOUNDATION FOR WOMEN

Statement of Changes in Fund Balances

Year Ended March 31, 2024

| | Operating Fund Unrestricted | Operating Fund Internally Restricted | Capital Fund Internally Restricted Net Assets Invested in Capital Assets | Capital Fund Internally Restricted | 2024 Total | 2023 Total |
|--|--------------------------------|--|---|--|---------------------|---------------------|
| FUND BALANCES - BEGINNING OF YEAR | \$ 925,097 | \$ 111,178 | \$ 3,811,311 | \$ 605,263 | \$ 5,452,849 | \$ 5,343,947 |
| Excess of revenues over expenditures | 147,224 | - | - | 69,872 | 217,096 | 108,902 |
| Interfund transfers (Note 9) | 197,547 | - | (197,547) | - | - | - |
| Acquisition of capital assets (Note 10) | - | - | 51,931 | (51,931) | - | - |
| FUND BALANCES - END OF YEAR | \$ 1,269,868 | \$ 111,178 | \$ 3,665,695 | \$ 623,204 | \$ 5,669,945 | \$ 5,452,849 |

AVENTA TREATMENT FOUNDATION FOR WOMEN**Statement of Cash Flows****Year Ended March 31, 2024**

| | 2024 | 2023 |
|--|----------------------------|----------------------------|
| OPERATING ACTIVITIES | | |
| Excess of revenues over expenditures | \$ 217,096 | \$ 108,902 |
| Item not affecting cash: | | |
| Amortization of capital assets | <u>209,560</u> | 204,854 |
| | <u>426,656</u> | <u>313,756</u> |
| Changes in non-cash working capital: | | |
| Accounts receivable | (27,427) | 133,334 |
| Prepaid expenses | 2,115 | 829 |
| Accounts payable and accrued liabilities | 27,808 | 40,488 |
| Deferred income | (18,779) | 53,204 |
| Goods and services tax recoverable | (3,449) | 533 |
| Amounts held in trust | (150) | (1,335) |
| | <u>(19,882)</u> | <u>227,053</u> |
| Cash flow from operating activities | <u>406,774</u> | <u>540,809</u> |
| INVESTING ACTIVITY | | |
| Purchase of capital assets <i>(Note 10)</i> | <u>(51,931)</u> | (96,088) |
| FINANCING ACTIVITY | | |
| Repayment of long term debt | <u>(12,013)</u> | (42,609) |
| (DECREASE) INCREASE IN CASH FLOW | 342,830 | 402,112 |
| Cash and cash equivalents - beginning of year | <u>1,884,647</u> | 1,482,535 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | <u>\$ 2,227,477</u> | <u>\$ 1,884,647</u> |
| CASH AND CASH EQUIVALENTS CONSIST OF: | | |
| Cash | \$ 1,349,185 | \$ 1,044,031 |
| Money market funds | <u>878,292</u> | <u>840,616</u> |
| | <u>\$ 2,227,477</u> | <u>\$ 1,884,647</u> |

AVENTA TREATMENT FOUNDATION FOR WOMEN

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE ORGANIZATION

Aventa Treatment Foundation for Women (the "Foundation") is a not-for-profit organization dedicated to providing counselling and rehabilitation treatment for women who are dealing with drug, alcohol, gambling, and nicotine addictions.

The Foundation is a registered charity exempt from income tax under Section 149(1) (f) of the Income Tax Act (Canada). The Foundation is also registered under the Charitable Fundraising Act of Alberta and has considered all required disclosures under Section 7(2) of the Act in preparing these financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following:

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the Foundation's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Capital Fund reports the assets, liabilities, revenues and expenditures related to the Foundation's capital assets and building expansion campaigns.

Cash and cash equivalents

Cash and cash equivalents consist of cash and money market funds that are readily convertible to a known amount of cash and which are subject to an insignificant risk of change in value. Because of the short term maturity of these investments, their carrying amount approximates fair value.

(continues)

AVENTA TREATMENT FOUNDATION FOR WOMEN
Notes to Financial Statements
Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions. Restricted contributions where there is no related restricted fund are deferred and recognized as revenue of the Operating Fund in the year in which the related expenditures are incurred. Unrestricted contributions are recognized as revenue of the Operating Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted contributions related to capital assets are recognized as revenue of the Capital Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Treatment fees are recognized as revenue of the Operating Fund when the services have been provided and collection is reasonably assured.

The Government of Alberta introduced the Residential Addiction Treatment Allowance effective October 1, 2020. This allowance replaced the prior practice of separate government agencies paying for clients they had referred to The Foundation's programs. As well, Alberta residents who had applied directly to the Foundation's programs would no longer be required to pay daily fees while in an addiction treatment program. The daily rate of \$40 would be paid by the Government of Alberta directly to the addiction treatment facility for each eligible resident in a treatment program.

Restricted investment income is recognized as revenue of the Capital Fund. Unrestricted investment income is recognized as revenue of the Operating Fund when earned.

Capital assets

Capital assets recorded at cost less accumulated amortization. Contributed property and equipment are recorded at fair value at the date of contribution.

| | | |
|------------------------|---------------|----------------------|
| Land | | non-depreciable |
| Buildings | 16 - 25 years | straight-line method |
| Computer equipment | 4 years | straight-line method |
| Motor vehicles | 10 years | straight-line method |
| Furniture and fixtures | 10 years | straight-line method |

Artwork is not amortized and is recorded at the lower of cost and net realizable value.

Leasehold improvements are amortized on a straight-line basis over the term of the lease.

Capital assets are tested for impairment when conditions indicate that a capital asset no longer contributes to the Foundation's ability to provide goods and services, or that the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. When conditions indicate that a capital asset is impaired, the net carrying amount of the capital asset is written down to the asset's fair value or replacement cost. The writedowns of capital assets are recognized as expenditures in the statement of revenues and expenditures. Writedowns are not subsequently reversed.

Contributed materials and services

The Foundation recognizes contributions of materials and services when their fair value can be reasonably estimated, the materials and services are used in the normal course of operations, and they would otherwise have been purchased.

(continues)

AVENTA TREATMENT FOUNDATION FOR WOMEN

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, with the exception of related party transactions that are measured at the carrying amount or exchange amount, as appropriate. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs are recognized as an expenditure in the period incurred for all financial instruments subsequently measured at fair value. Financial instruments that are subsequently measured at amortized cost are adjusted by the transaction costs and financing fees that are directly attributable to their organization, issuance or assumption.

All financial assets and financial liabilities are measured at amortized cost, unless otherwise noted.

The Foundation assesses impairment of all its financial assets measured at cost or amortized cost. When there is an indication of impairment, the Foundation determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Foundation reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year statement of operations.

Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenditures
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the Foundation may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, deferred contributions, allowance for doubtful accounts, legal contingencies, and employee compensation plans.

3. FUNDS HELD IN TRUST

The Foundation is the custodian over funds from Alberta Addiction Service Providers (AASP). The Foundation acts as the fiscal agent and maintains the funds and pays for any fees related to the website and to providing administration coverage of meetings of the organization and communications issued on behalf of AASP. The Foundation is not entitled to any of the funding, and there is no benefit to the Foundation for this cash. The funds are included within the cash and cash equivalents balance, with a corresponding liability within accounts payable and accrued liabilities until the funds are disbursed.

AVENTA TREATMENT FOUNDATION FOR WOMEN

Notes to Financial Statements

Year Ended March 31, 2024

4. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2024 Net book value | 2023 Net book value |
|------------------------|---------------------|-----------------------------|---------------------------|---------------------------|
| Land | \$ 1,933,539 | \$ - | \$ 1,933,539 | \$ 1,933,539 |
| Buildings | 5,241,857 | 3,326,677 | 1,915,180 | 2,069,988 |
| Artwork | 10,966 | - | 10,966 | 10,966 |
| Furniture and fixtures | 558,711 | 558,160 | 551 | 2,330 |
| Leasehold improvements | 31,545 | 31,498 | 47 | 139 |
| Computer equipment | 67,215 | 67,215 | - | 950 |
| Motor vehicles | 24,760 | 24,760 | - | - |
| | <u>\$ 7,868,593</u> | <u>\$ 4,008,310</u> | <u>\$ 3,860,283</u> | <u>\$ 4,017,912</u> |

5. OPERATING LINE OF CREDIT

The Foundation has a credit facility agreement to borrow by means of a demand operating line of credit to a maximum of \$2,000,000. The operating loan is due on demand and bears interest at a Canadian Chartered Bank's prime rate plus 0.5% per annum which was 7.20% as at March 31, 2024 (2023 – 7.20%). Security for the facility includes all present and future assets of the Foundation and a collateral mortgage on one of the Foundation's buildings. The facility is subject to certain financial based covenants. As at March 31, 2024, the facility has not been drawn upon and the Foundation is in compliance with its financial covenants.

AVENTA TREATMENT FOUNDATION FOR WOMEN

Notes to Financial Statements

Year Ended March 31, 2024

6. MORTGAGE PAYABLE

| | <u>2024</u> | <u>2023</u> |
|--|-------------------|-------------------|
| TD Canada Trust loan bearing interest at 3.08% compounded monthly, repayable in monthly blended payments of \$1,515. The first 5 year term of the loan matures on September 15, 2026 and is secured by property located at 1910 - 12 Ave SW. Amounts payable within one year | \$ 194,589 | \$ 206,602 |
| | <u>(12,366)</u> | <u>(11,991)</u> |
| | <u>\$ 182,223</u> | <u>\$ 194,611</u> |

Principal repayment terms are approximately:

| | |
|---------------------|-------------------|
| 2025 | \$ 12,366 |
| 2026 | 12,752 |
| 2027 | 13,150 |
| 2028 and thereafter | <u>156,321</u> |
| | <u>\$ 194,589</u> |

7. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources subject to externally imposed restrictions requiring that funds be used for specific purposes, and comprise the following:

| | <u>2024</u> | <u>2023</u> |
|------------------------------------|--------------------|--------------------|
| Balance, beginning of year | \$ 53,204 | \$ - |
| Contributions received in the year | 3,700,247 | 3,662,221 |
| Amounts recognized as revenue | <u>(3,719,026)</u> | <u>(3,609,017)</u> |
| Balance, end of year | <u>\$ 34,425</u> | <u>\$ 53,204</u> |

8. INTERNALLY RESTRICTED FUNDS

The internally restricted fund balances in the Operating Fund are amounts that were restricted by resolution of the Board of Directors for the purpose of establishing an operating reserve for future years.

The internally restricted fund balances of the Capital Fund are amounts that were restricted by resolution of the Board of Directors for the purpose of future capital expenditures.

9. INTERFUND TRANSFERS

| | <u>2024</u> | <u>2023</u> |
|----------------------------------|-------------------|-------------------|
| Amortization Expense | \$ 209,560 | \$ 204,854 |
| Repayment of long term financing | <u>(12,013)</u> | <u>(42,610)</u> |
| | <u>\$ 197,547</u> | <u>\$ 162,244</u> |

AVENTA TREATMENT FOUNDATION FOR WOMEN

Notes to Financial Statements

Year Ended March 31, 2024

10. CAPITAL ACQUISITIONS

During the year funds were received from the Community Facility Enhancement Program (CFEP) to assist the Foundation's efforts in upgrading and repairing its existing facilities. In accordance with the terms of the Foundation's fund, the amounts received were recorded as income in the capital fund - internally restricted. Any amounts expended in the year have been capitalized where appropriate, and treated as transfers from the capital fund - internally restricted to the capital fund - internally restricted invested in capital assets. Any remaining amounts not expended are maintained in the net assets of the capital fund - internally restricted.

| | <u>2024</u> | <u>2023</u> |
|------------------------------|------------------|------------------|
| Balance, start of the year | \$ 27,694 | \$ - |
| Amounts received by CFEP | 42,804 | 123,782 |
| Amounts utilized in the year | <u>(51,931)</u> | <u>(96,088)</u> |
| Balance, end of the year | <u>\$ 18,567</u> | <u>\$ 27,694</u> |

The balance at year end is to be expended in the following fiscal year.

11. RELATED PARTY TRANSACTIONS

During the year ended March 31, 2018, the Foundation entered into an agreement with immediate family members of management to provide facility renovation and maintenance services.

During the year ended March 31, 2024, \$82,743 (2023 - \$73,035) were paid to these individuals for the services provided. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

AVENTA TREATMENT FOUNDATION FOR WOMEN

Notes to Financial Statements

Year Ended March 31, 2024

12. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Foundation is exposed to credit risk from customers. In order to reduce its credit risk, the foundation monitors its collections procedures on accounts receivable. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Foundation has primarily gathered its revenues from government supported grants and contracts which inherently reduces the credit risk.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Foundation is exposed to this risk mainly in respect of its receipt of funds from its contributors, and deferred contributions subject to external spending restrictions.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Foundation manages exposure through its normal operating and financing activities. The Foundation is exposed to interest rate risk primarily through its short-term investments.

Unless otherwise noted, it is management's opinion that the Foundation is not exposed to other significant risks arising from these financial instruments.

13. ADDITIONAL INFORMATION

As required under Section 7(2) of the Alberta Charitable Fundraising Regulation, the following amounts are disclosed:

| | <u>2024</u> | <u>2023</u> |
|--|------------------|------------------|
| Amounts paid during the year as remuneration to employees whose principal duties involve fundraising | <u>\$ 35,946</u> | <u>\$ 35,946</u> |
