
APTUS TREATMENT CENTRE
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2021

APTUS TREATMENT CENTRE
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FOR THE YEAR ENDED MARCH 31, 2021

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ACCOUNTANTS FOR ENTREPRENEURS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Aptus Treatment Centre

Opinion

We have audited the financial statements of Aptus Treatment Centre (the Centre), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, revenue and expenditures for rehabilitation programs and fundraising and other items, 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 Centre as at March 31, 2021, 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 Centre 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 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.

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Chartered Professional Accountants

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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.

Markham, Ontario
July 26, 2021

KRP LLP

Chartered Professional Accountants
Licensed Public Accountants

APTUS TREATMENT CENTRE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021	2020
	\$	\$
ASSETS		
CURRENT		
Cash	1,384,589	1,250,992
Government funding and other receivables <i>(Note 12)</i>	449,164	235,788
HST rebate receivable	329,770	167,035
Prepaid expenses and deposits	120,129	129,395
	2,283,652	1,783,210
PROPERTY AND EQUIPMENT <i>(Notes 3, 4, 5 and 8)</i>	7,786,133	8,167,304
	10,069,785	9,950,514

See accompanying notes.

APTUS TREATMENT CENTRE
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2021

	2021	2020
	\$	\$
LIABILITIES		
CURRENT		
Accounts payable and accruals	894,526	1,194,125
Government remittances payable	22,771	22,861
Mortgages payable (Note 4)	72,070	67,760
Bank term loans (Note 5)	110,487	484,328
Lien notes payable (Note 7)	18,170	23,711
Deferred revenue (Note 9)	634,843	482,109
	1,752,867	2,274,894
MORTGAGES PAYABLE (Note 4)	546,518	618,588
BANK TERM LOANS (Note 5)	1,669,098	1,392,378
LIEN NOTES PAYABLE (Note 7)	19,089	37,259
DEFERRED CONTRIBUTIONS - PROPERTY (Note 10)	684,097	798,021
	4,671,669	5,121,140
NET ASSETS		
Net investment in property and equipment (Note 11)	4,666,604	4,745,259
Unrestricted	731,512	84,115
	5,398,116	4,829,374
	10,069,785	9,950,514

COMMITMENTS (Note 15)

CONTINGENT LIABILITIES (Note 19)

ON BEHALF OF THE BOARD

X  Director

X  Director

See accompanying notes.

APTUS TREATMENT CENTRE
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2021

	Net Investment in Property and Equipment	Unrestricted	2021	2020
	\$	\$	\$	\$
NET ASSETS - BEGINNING OF YEAR	4,745,259	84,115	4,829,374	6,142,836
Excess (deficiency) of revenue over expenditures for the year	(293,189)	861,931	568,742	(1,313,462)
Investment in property and equipment	214,534	(214,534)	-	-
NET ASSETS - END OF YEAR	4,666,604	731,512	5,398,116	4,829,374

See accompanying notes.

APTUS TREATMENT CENTRE**STATEMENT OF REVENUE AND EXPENDITURES FOR REHABILITATION PROGRAMS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
	\$	\$
REVENUE		
Government funding <i>(Note 12)</i>	16,363,888	13,936,462
Sundry income and allocation from fundraising	1,601,061	2,178,183
Amortization of deferred contributions - property <i>(Note 10)</i>	113,924	34,564
	18,078,873	16,149,209
EXPENDITURES		
Salaries and benefits	13,850,015	13,885,221
Office and program supplies	894,711	622,151
Professional services	717,484	687,284
Repairs and maintenance	529,389	461,066
Rent <i>(Note 12)</i>	438,671	512,979
Utilities	320,040	281,972
Transportation and communication	150,403	238,191
Team building and promotional supplies	122,700	40,794
Interest on long term debt	113,499	123,295
Insurance	107,453	92,794
Community programs and other	54,860	51,426
Training	21,809	32,943
Amortization	407,115	433,684
	17,728,149	17,463,800
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FROM REHABILITATION PROGRAMS FOR THE YEAR	350,724	(1,314,591)
EXCESS OF REVENUE OVER EXPENDITURES FROM FUNDRAISING AND OTHER ITEMS FOR THE YEAR (PAGE 7)	218,018	1,129
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES FOR THE YEAR	568,742	(1,313,462)

See accompanying notes.

APTUS TREATMENT CENTRE

STATEMENT OF REVENUE AND EXPENDITURES FOR FUNDRAISING AND OTHER ITEMS FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
	\$	\$
FUNDRAISING		
Donations (<i>Note 14</i>)	389,833	186,462
Golf tournament (<i>Note 14</i>)	-	265,129
Other fundraising programs	15,605	22,378
	405,438	473,969
EXPENDITURES		
Administration	53,521	100,981
Golf tournament expenses	-	51,793
Other fundraising programs	-	7,886
	53,521	160,660
	351,917	313,309
NET CONTRIBUTION DEFERRED	32,116	85,068
EXCESS OF REVENUE OVER EXPENDITURES FROM FUNDRAISING BEFORE UNDERNOTED	319,801	228,241
ALLOCATION TO REHABILITATION PROGRAMS	(101,783)	(227,112)
EXCESS OF REVENUE OVER EXPENDITURES FROM FUNDRAISING AND OTHER ITEMS FOR THE YEAR	218,018	1,129

See accompanying notes.

APTUS TREATMENT CENTRE
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021

	2021 \$	2020 \$
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenditures for the year	568,742	(1,313,462)
Items not affecting cash:		
Amortization of property and equipment	407,115	433,684
Amortization of deferred contributions - property	(113,924)	(34,564)
	861,933	(914,342)
Changes in non-cash working capital:		
Government funding and other receivables	(213,376)	58,243
HST rebate receivable	(162,735)	242,053
Prepaid expenses and deposits	9,266	1,625
Accounts payable and accruals	(299,599)	327,851
Government remittances payable	(90)	22,861
Deferred revenue	152,734	60,766
	(513,800)	713,399
Cash flow from (used by) operating activities	348,133	(200,943)
INVESTING ACTIVITY		
Purchase of property and equipment	(25,944)	(50,678)
FINANCING ACTIVITIES		
Mortgages payable	(67,760)	(63,709)
Bank term loans	(97,121)	(94,456)
Lien notes	(23,711)	-
Cash flow used by financing activities	(188,592)	(158,165)
INCREASE (DECREASE) IN CASH	133,597	(409,786)
CASH - BEGINNING OF YEAR	1,250,992	1,660,778
CASH - END OF YEAR	1,384,589	1,250,992

See accompanying notes.

APTUS TREATMENT CENTRE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

1. NATURE OF OPERATIONS

Aptus Treatment Centre (the "Centre") was incorporated under The Corporations Act as a non-profit without share capital and is a charitable organization. Accordingly, it is exempt from the payment of income tax under Section 149(1) of the Income Tax Act, Canada.

The Centre specializes in supporting children, teens and adults who have a developmental disability, including those with a dual diagnosis mental health disorder. It has school supports, clinical services, community programs and supported homes impacting over 2,700 people of all ages and abilities in Greater Toronto Area. The rehabilitation programs are primarily funded by the Ministry of Children, Community and Social Services ("MCCSS") and further supported by the Centre's fundraising programs.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Revenue recognition

The Centre follows the deferral method of accounting for contributions which are mainly comprised of government funding for various programs, cash donations and donations-in-kind. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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.

Revenue from fundraising activities are recognized in the period in which these events are performed or completed. Fundraising revenue received for a future period is recorded as deferred revenue in these financial statements.

Property and equipment

Property and equipment purchased are recorded at cost. Contributed property and equipment are recorded at fair value at the date of the contribution. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
Greenhouse and landscaping	5 years	straight-line method
Automobiles	30%	declining balance method
Computer equipment	30%	declining balance method
Furniture and fixtures	20%	declining balance method
Leasehold improvements	10 years	straight-line method

All additions made during the year are amortized at 50% of the above rates.

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APTUS TREATMENT CENTRE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

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

Donations-in-kind

Contributions of materials are recognized when a fair value can be reasonably estimated and when the materials are used in the normal course of the Centre's operations and would otherwise have been purchased. While the Centre also benefits from volunteer time, the value of this volunteer time has not been reflected in these statements.

Government assistance

Government assistance received or receivable is recognized when there is reasonable assurance that the Centre has complied, and will continue to comply, with all the necessary conditions to obtain the assistance.

Subsidies towards operating expenses are deferred and offset against the corresponding expense when the expenses are incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the period. Such estimates include useful lives of property and equipment, the allowance for doubtful accounts, accruals, deferred revenue, amounts receivable from or payable to MCCSS, allocation of expenditures, and valuation of donations-in-kind. Estimates are periodically reviewed and any adjustments necessary are reported in the excess (deficiency) of revenue over expenditures in the period in which they become known. Actual results could differ from these estimates.

In March 2020, the World Health Organization declared the COVID-19 virus a global pandemic. The ongoing pandemic may adversely affect the Centre's normal operations. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Centre as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. Given the outcome and time-frame to a recovery from the current pandemic is highly unpredictable, it is not practicable to estimate and disclose its financial effect on future operations at this time.

Non-monetary transactions

Non-monetary transactions are those when there is an exchange of non-monetary assets or services for little or no monetary consideration. The Centre accounts for the transactions at the more reliably measurable of the fair value of the asset or service given up and the fair value of the asset or service received. Any gains or losses on such transactions are recognized in the excess (deficiency) of revenue over expenditures. Non-monetary transactions that are not reciprocal in nature are not included in the accounting records.

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APTUS TREATMENT CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments

Measurement

The Centre initially measures its financial assets and liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate, and subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and government funding and other receivables.

Financial liabilities measured at amortized cost include accounts payable and accruals, bank term loans, lien notes payable and mortgages payable.

Impairment

Financial assets measured at cost are tested for impairment when there are indicators of such. The amount of write-down is recognized in the excess (deficiency) of revenue over expenditures. A previously recognized impairment loss may be reversed to the extent of a recovery in value, directly or by adjusting the allowance account. The amount of reversal is recognized in net results.

Impairment of long-lived assets

Long-lived assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when their carrying value exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of impairment loss is determined as the excess of the carrying value of the asset over its fair value. There were no significant indications of impairment of the carrying values on the Centre's long-lived assets as at March 31, 2021.

3. PROPERTY AND EQUIPMENT

	Cost \$	Accumulated amortization \$	2021 Net book value \$	2020 Net book value \$
Land	3,403,280	-	3,403,280	3,403,280
Buildings	6,241,987	2,529,615	3,712,372	3,867,059
Greenhouse and landscaping	458,343	412,508	45,835	137,503
Automobiles	605,036	528,082	76,954	109,935
Computer equipment	723,252	684,900	38,352	54,791
Furniture and fixtures	1,397,436	1,040,234	357,202	417,315
Leasehold improvements	2,876,906	2,724,768	152,138	177,421
	15,706,240	7,920,107	7,786,133	8,167,304

APTUS TREATMENT CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

4. MORTGAGES PAYABLE

	2021	2020
	\$	\$
Secured by the property located at 64 Lorraine Drive, matures on December 1, 2023, bears interest at 6.145% per annum and is repayable in blended monthly payments of \$3,135	232,155	254,936
Secured by the property located at 379 Brooke Avenue, matures on December 1, 2025, bears interest at 6.672% per annum and is repayable in blended monthly payments of \$3,053	199,247	221,954
Secured by the property located at 17 Westdale Drive, matures on November 1, 2023, bears interest at 5.967% per annum and is repayable in blended monthly payments of \$2,836	187,186	209,458
	618,588	686,348
Less: Current portion	(72,070)	(67,760)
	546,518	618,588

The Ontario Ministry of Housing is contractually obligated to arrange financing for the above-noted properties, for a period of 35 years, beginning on the commencement date (date of completion of project) for each property.

Principal repayments for the next five years and thereafter on the outstanding mortgages are as follows:

	\$
2022	72,070
2023	76,656
2024	348,404
2025	29,524
2026	91,934
	618,588

The net book value of properties secured (Note 3) is summarized in Note 6.

APTUS TREATMENT CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

5. BANK TERM LOANS

	2021 \$	2020 \$
Secured by the property located at 111 Anthony Road, matures December 2023, bears interest at 4.30% per annum and is repayable in blended monthly payments of \$6,329	684,148	729,593
Secured by the property located at 22 Cherry Hills Road, matures December 2024, bears interest at 4.17% per annum and is repayable in blended monthly payments of \$1,680	150,056	163,981
Secured by the property located at 60 Disera Court, Suite 104, matures April 2026, bears interest at 2.75% per annum and is repayable in blended monthly payments of \$1,927	282,640	299,547
Secured by the property located at 55 Rockview Gardens, matures October 2026, bears interest at 2.75% per annum and is repayable in blended monthly payments of \$630	104,549	105,103
Secured by the property located at 60 Disera Court, Suite 307, matures February 2024, bears interest at 4.31% per annum and is repayable in blended monthly repayments of \$3,735	558,192	578,482
Subtotal	1,779,585	1,876,706
Less: Current portion	(110,487)	(484,328)
	1,669,098	1,392,378

The net book value of the property secured (Note 3) for the term loan and for the line of credit (Note 7) as at March 31, 2021 is summarized in Note 6.

Principal repayments for the next five years and thereafter on the bank term loans are as follows:

	\$
2022	110,487
2023	111,529
2024	1,139,614
2025	126,789
2026	22,793
Thereafter	268,373
	1,779,585

APTUS TREATMENT CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

6. NET BOOK VALUE OF PROPERTY SECURED

Corresponding net book value of property secured (Note 3) as described in Notes 4 and 5 are as follows:

	2021 \$	2020 \$
NOTE 4		
64 Lorraine Drive	458,190	466,354
379 Brooke Avenue	355,058	360,114
17 Westdale Drive	427,469	435,105
	1,240,717	1,261,573
NOTE 5		
111 Anthony Road	2,780,195	2,919,128
22 Cherry Hills Road	450,559	462,990
60 Disera Court, Suite 104	400,722	415,381
55 Rockview Gardens	292,253	300,300
60 Disera Court, Suite 307	576,256	597,629
	4,499,985	4,695,428

7. LIEN NOTES PAYABLE

	2021 \$	2020 \$
Lien note, 6.14% repayable \$679 monthly, due May 2023, secured by a vehicle	16,480	23,380
Lien note, 6.14% repayable \$690 monthly, due June 2023, secured by a vehicle	17,369	24,353
Lien note, 5.98% repayable \$863 monthly, due July 2021, secured by a vehicle	3,410	13,237
	37,259	60,970
Less: Current portion	(18,170)	(23,711)
	19,089	37,259

Principal repayment terms are approximately:

	\$
2022	18,170
2023	15,692
2024	3,397
	37,259

Total carrying value of the assets that are secured (Note 3) is \$42,509 (2020 - \$60,727).

APTUS TREATMENT CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

8. LINE OF CREDIT

The Centre has an operating line of credit available up to a maximum of \$350,000, bearing interest at the bank's prime rate plus 0.5% and expires on August 31, 2021. At year end, the amount utilized is \$Nil (2020 - \$Nil). The line of credit is secured by a general security agreement and first ranking collateral charge/mortgage on property located at 111 Anthony Road, Toronto. The net book value of property secured is disclosed in Note 6.

9. DEFERRED REVENUE

Deferred revenue consists of the following:

	2021 \$	2020 \$
Funds earmarked towards events, projects and programs		
Balance, beginning of year	450,522	378,681
Amounts received or receivable	1,005,646	501,809
Amounts recognized as revenue	(859,873)	(429,968)
Balance, end of year	596,295	450,522
	-	-
Funds earmarked towards three housing units*		
Balance, beginning of year	31,587	42,662
Amounts received or receivable	6,961	-
Amounts recognized as revenue	-	(11,075)
Balance, end of year	38,548	31,587
	634,843	482,109

* The funds are earmarked towards the cost of repairs of 64 Lorraine Drive, 379 Brooke Avenue and 17 Westdale Drive.

10. DEFERRED CONTRIBUTIONS - PROPERTY

	2021 \$	2020 \$
Balance, beginning of year	798,021	832,585
Amortization of deferred contributions - property	(113,924)	(34,564)
Balance, end of year	684,097	798,021

Deferred contributions consists of contributed capital assets and restricted contributions with which two of the Centre's buildings were originally acquired, and funding received from MCCSS earmarked towards Partner Facility Firecode project to seven of the Centre's buildings.

11. NET ASSETS

The segregated balance of investment in property and equipment represents the amortized cost of property and equipment less mortgages, bank term loans, lien notes and deferred contributions relating to these assets.

APTUS TREATMENT CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

12. GOVERNMENT ASSISTANCE

During the year, to help businesses during the COVID-19 pandemic, the government of Canada and government of Ontario announced a series of relief measures.

COVID-19 Residential Relief Fund

The COVID-19 Residential Relief Fund ("CRRF") is a fund established to support residential service providers by helping them manage costs related to eligible residential services and other programming. Agencies have financial flexibility to shift the funding within their organization and across program areas to focus on critical services and needs in relation to COVID-19.

During the year, the Centre applied for the CRRF to the extent it met the requirements to receive the subsidy. The Centre's total CRRF funding amounted to \$795,641 which is included as a component of government funding in the statement of revenue and expenditures for rehabilitation programs at the time they are incurred.

Included in government funding and other receivables are CRRF subsidies of \$222,128 remaining to be received as at March 31, 2021.

Canada Emergency Rent Subsidy

The Canada Emergency Rent Subsidy ("CERS") is a subsidy for eligible businesses, non-profit organizations, or charities to cover eligible commercial rent or property expenses.

During the year, the Centre applied for the CERS to the extent it met the requirements to receive the subsidy and, received CERS in the amount of \$111,286 and has included the amount as an offset to rent in the statement of revenue and expenditures for rehabilitation programs at the time they are incurred.

13. MINISTRY OF CHILDREN, COMMUNITY AND SOCIAL SERVICES

The Centre's final amount to be received from or repayable to the MCCSS for the year ended March 31, 2021 will not be determined until MCCSS have reviewed the Centre's financial and statistical returns for that period.

14. DONATIONS

Due to COVID-19 the Centre's annual golf tournament was not carried out. However, the Centre ran a fundraising campaign in the name of the golf tournament and raised \$183,550, which is included as a component of donations.

APTUS TREATMENT CENTRE
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2021

15. COMMITMENTS

The Centre is committed to leases for its premises at 150 Rivermede Road, Concord, Ontario and 40 Samor Road, Toronto, Ontario. The leases expire October 31, 2021 and April 30, 2022, respectively.

The minimum annual rent under these agreements is as follows:

	\$
2022	355,531
2023	27,300
	382,831

16. RELATED PARTY TRANSACTION

The Centre is in a ten-year lease agreement for a group home located at 31 Beaton Avenue, Maple, at a nominal amount, which is the exchange amount agreed to by the parties. The landlord of the group home is related to a former director of the Centre's Board whose term was completed during the year. The lease expires May 15, 2029.

17. ECONOMIC DEPENDENCE

The future viability of the Centre is dependent upon continued support from the MCCSS.

The Centre receives a substantial amount of funding from the MCCSS, pursuant to a Service Contract entered into by both parties.

18. FINANCIAL INSTRUMENTS

The Centre 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 Centre's risk exposure and concentration as of March 31, 2021.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Centre is exposed to credit risk on its cash and government funding and other receivable balances. The Centre's receivable bear minimal credit risk as majority of balances are due from MCCSS.

To manage its credit risk from cash balances the Centre maintains its amounts with credit worthy financial institutions.

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APTUS TREATMENT CENTRE

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2021

18. FINANCIAL INSTRUMENTS *(continued)*

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Centre is exposed to interest rate risk on its fixed and floating interest rate financial instruments. The Centre's line of credit, as described in Note 8, bears interest at the bank's prime rate plus 0.5% and has a balance of \$Nil (2020 - \$Nil) at year end.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Centre has a comprehensive plan in place to meet its obligations as they become due, primarily from cash flow from government funding of various programs.

19. CONTINGENT LIABILITIES

As at March 31, 2021, numerous claims with respect to employment grievances were filed with the Human Rights Tribunal of Ontario against the Centre with the claimants seeking damages of \$200,000 in aggregate. An amount has been provided in the financial statements. The Centre will vigorously defend these claims.