

EveryMind Mental Health Services

Financial Statements
March 31, 2023



Independent auditor's report

To the Board of Directors of EveryMind Mental Health Services

Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of EveryMind Mental Health Services (the Organization) as at March 31, 2023 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at March 31, 2023;
- the statement of operations for the year then ended;
- the statement of changes in net assets for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include significant accounting policies and other explanatory information.

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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

PricewaterhouseCoopers LLP
465 Richmond Street, Suite 400, London, Ontario, Canada N6A 5P4
T: +1 519 640 8000, F: +1 519 640 8015

"PwC" refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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 not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

PricewaterhouseCoopers LLP

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario
June 13, 2023

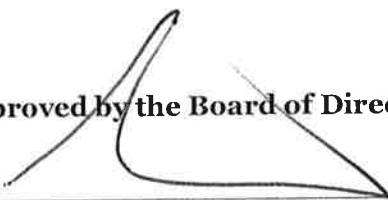
EveryMind Mental Health Services

Statement of Financial Position

As at March 31, 2023

	2023 \$	2022 \$
Assets		
Current assets		
Cash	415,035	7,156,774
Short-term investment	6,000,000	-
Accounts receivable	20,474	20,653
GST/HST recoverable	199,791	179,900
Prepaid expenses	63,988	64,534
	<u>6,699,288</u>	<u>7,421,861</u>
Capital assets (note 3)	<u>1,655,392</u>	<u>1,726,343</u>
	<u>8,354,680</u>	<u>9,148,204</u>
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (note 11)	1,047,917	1,075,274
Deferred contribution grants (note 6)	3,083,447	3,485,870
Mortgages payable (note 4)	12,970	14,844
	<u>4,144,334</u>	<u>4,575,988</u>
Mortgages payable (note 4)	221,430	253,414
Deferred contributions related to capital assets (note 5)	<u>387,098</u>	<u>452,994</u>
	4,752,862	5,282,396
Net Assets		
Internally restricted	<u>3,601,818</u>	<u>3,865,808</u>
	<u>8,354,680</u>	<u>9,148,204</u>
Commitments (note 8)		

Approved by the Board of Directors



Director



Director

The accompanying notes are an integral part of these financial statements.

EveryMind Mental Health Services

Statement of Operations

For the year ended March 31, 2023

	2023 \$	2022 \$
Revenue		
Province of Ontario	20,150,369	19,930,992
Service fees	171,111	147,360
Region of Peel	2,350,211	1,966,330
Fundraising, grants and interest income (note 9)	337,389	287,123
	<hr/> 23,009,080	<hr/> 22,331,805
Operating costs		
Salaries and benefits	18,820,980	17,301,696
Purchased services	1,201,708	2,091,534
Building occupancy (note 4)	1,519,038	1,662,298
Program and operating	1,772,263	1,578,311
HST/GST recoveries	(319,761)	(327,519)
	<hr/> 22,994,228	<hr/> 22,306,320
Excess of revenue over operating costs before the undernoted	14,852	25,485
Amortization of deferred contributions related to capital assets (note 5)	65,896	107,296
Amortization of capital assets	<hr/> (344,738)	<hr/> (383,420)
Deficiency of revenue over operating costs for the year	<hr/> (263,990)	<hr/> (250,639)

The accompanying notes are an integral part of these financial statements.

EveryMind Mental Health Services

Statement of Changes in Net Assets

For the year ended March 31, 2023

	2023		
	Unrestricted \$	Internally restricted \$	Total \$
Balance – Beginning of year	-	3,865,808	3,865,808
Transfer from internally restricted (note 7)	675,000	(675,000)	-
Deficiency of revenue over operating costs	(263,990)	-	(263,990)
Transfer to internally restricted (note 7)	(411,010)	411,010	-
Balance – End of year	-	3,601,818	3,601,818

	2022		
	Unrestricted \$	Internally restricted \$	Total \$
Balance – Beginning of year	-	4,116,447	4,116,447
Transfer from internally restricted (note 7)	675,000	(675,000)	-
Deficiency of revenue over operating costs	(250,639)	-	(250,639)
Transfer to internally restricted (note 7)	(424,361)	424,361	-
Balance – End of year	-	3,865,808	3,865,808

The accompanying notes are an integral part of these financial statements.

EveryMind Mental Health Services

Statement of Cash Flows

For the year ended March 31, 2023

	2023 \$	2022 \$
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over operating costs for the year	(263,990)	(250,639)
Adjustments of non-cash items		
Amortization of capital assets	344,738	383,420
Amortization of deferred contributions related to capital assets	(65,896)	(107,296)
Net changes in working capital items		
Accounts receivable	179	(12,231)
GST/HST recoverable	(19,891)	7,629
Prepaid expenses	546	4,939
Accounts payable and accrued liabilities	(27,357)	(235,094)
Deferred contribution grants	(402,423)	771,480
	<u>(434,094)</u>	<u>562,208</u>
Investing activities		
Purchase of capital assets	(273,787)	(175,650)
Purchase of short-term investment	(7,000,000)	-
Proceeds from sale of short-term investment	1,000,000	-
	<u>(6,273,787)</u>	<u>(175,650)</u>
Financing activities		
Repayments of mortgages payable	<u>(33,858)</u>	<u>(18,343)</u>
Change in cash during the year	(6,741,739)	368,215
Cash – Beginning of year	<u>7,156,774</u>	<u>6,788,559</u>
Cash – End of year	<u>415,035</u>	<u>7,156,774</u>

The accompanying notes are an integral part of these financial statements.

EveryMind Mental Health Services

Notes to Financial Statements

March 31, 2023

1 Nature of activities

On April 1, 2020, EveryMind Mental Health Services (the Organization or EveryMind) was incorporated under the laws of the Province of Ontario as a non-share capital corporation. On the same date, Peel Children's Centre, incorporated on December 21, 1984 under the laws of the Province of Ontario as a non-share capital corporation, amalgamated with Nexus Youth Services to become EveryMind Mental Health Services.

Its purpose is to maintain a children's mental health centre under the Child Family Services Act, 1984.

The Organization is designated as a registered charity and accordingly is not subject to income tax and is entitled to issue official income tax receipts in respect of contributions.

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) applied within the framework of the accounting policies summarized below.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include donations from fundraising and government grants from the Province of Ontario and the Region of Peel.

The Organization is funded by the Province of Ontario in accordance with budget arrangements by the Ministry of Health and Ministry of Children, Community and Social Services (the Ministry). Operating grants are recorded as revenue in the period to which they relate. For grants approved and services provided, but for which funds were not received at the end of an accounting period, a receivable is accrued and recorded as revenue. Where a grant has been received and a portion of it relates to a future period or is provided for a specific use, it is deferred and recognized in a subsequent period or when the related expenses are incurred.

Revenue earned from service fees is recognized when the service is performed in accordance with a predetermined arrangement.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital assets. Contributions restricted for the purchase of land are recognized as direct increases in net assets.

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.

EveryMind Mental Health Services

Notes to Financial Statements

March 31, 2023

Contributed services and materials

The work of the Organization is supported by contributions of services and materials. The Organization does not record the value of contributed services unless the fair value can be reasonably estimated and the services are normally purchased by the Organization and would be paid for if not contributed.

The value of the services contributed by volunteers is not reflected in these financial statements.

Financial instruments

Financial instruments are recorded at fair value on initial recognition. Financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instrument at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized on a straight-line basis. Interest expense on financial liabilities is recorded in program and operating costs in the statement of operations.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Organization determines whether there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of, (i) the present value of the expected cash flows; (ii) the amount that could be realized from selling the financial asset; or (iii) the amount the Organization 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. Impairments are recognized through the use of an allowance account, with a corresponding charge in the statement of operations.

It is management's opinion that the Organization is not exposed to significant market rate risk, credit risk and foreign currency risk.

Credit risk

Credit risk refers to the risk a counterparty may default on its contractual obligations, resulting in a financial loss. Financial instruments that potentially subject the Organization to credit risk consist principally of cash. The Organization's cash is maintained at a major financial institution; therefore, the Organization considers the risk of non-performance of this instrument to be remote.

Liquidity risk

Liquidity risk is the risk EveryMind will not be able to meet its financial obligations as they fall due. EveryMind manages its liquidity risk by forecasting cash flows from operations and anticipating activities to ensure it has sufficient available funds to meet current and foreseeable financial requirements.

EveryMind Mental Health Services

Notes to Financial Statements

March 31, 2023

Interest rate risk

Interest on EveryMind's mortgages is variable based on the lender's prime rates. This exposes EveryMind to the risk of changing interest rates that may have an effect on earnings in future years. EveryMind does not use derivative instruments to reduce its exposure to interest rate risk.

Internally restricted amounts

The internally restricted amounts have been restricted by a motion of the Board of Directors (the Board) to be used to fund future period operations and other special projects. Use of this amount is at the discretion of the Board.

On an annual basis, the Board approves the use of the internally restricted amount to fund the operations up to a maximum amount based on the annual budget. Any amounts required in excess of this approved amount or for additional special projects are approved by the Board on an ad hoc basis.

Capital assets

Capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expenses. Betterments that extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its net realizable value. Amortization is based on a straight-line basis as follows:

Buildings	20 years
Buildings – Kitchen, roof	15 years
Buildings – Bathroom, driveway, flooring, furnace	10 years
Furniture and equipment	5 years
Computer hardware and software	3 years
Automobile	5 years
Leasehold improvements	over the lease term

Use of estimates

The preparation of financial statements in accordance with ASNPO requires management to make estimates and assumptions that may affect the reported amounts of certain assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and operating costs during the reporting period. Actual results could differ from those estimates.

EveryMind Mental Health Services

Notes to Financial Statements

March 31, 2023

3 Capital assets

			2023	2022
	Cost	Accumulated	Net	Net
	\$	amortization	\$	\$
		\$		
Land	472,763	-	472,763	472,763
Buildings	3,684,025	3,041,039	642,986	695,094
Furniture and equipment	1,280,235	1,112,886	167,349	195,788
Computer hardware and software	1,436,858	1,380,515	56,343	82,555
Automobile	159,671	104,776	54,895	29,790
Leasehold improvements	1,098,591	837,535	261,056	250,353
	<u>8,132,143</u>	<u>6,476,751</u>	<u>1,655,392</u>	<u>1,726,343</u>

4 Mortgages payable

	2023	2022
	\$	\$
Mortgage payable on property in Brampton, Ontario, repayable in monthly instalments of \$2,109 principal and interest combined, bearing a variable interest rate of prime (2022 – prime), due April 2025; total interest paid on the mortgage during fiscal 2023 was \$12,628 (2022 – \$6,882)	234,400	268,258
Less: Current portion	<u>12,970</u>	<u>14,844</u>
	<u>221,430</u>	<u>253,414</u>

The mortgages are secured by the related properties. Interest expense has been included in building occupancy costs. Scheduled principal repayments on mortgages payable in the future are as follows:

	\$
2024	12,970
2025	208,460

5 Deferred contributions related to capital assets

Deferred contributions related to capital assets represent the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	2023	2022
	\$	\$
Balance – Beginning of year	452,994	560,290
Amounts amortized to revenue	<u>(65,896)</u>	<u>(107,296)</u>
Balance – End of year	<u>387,098</u>	<u>452,994</u>

EveryMind Mental Health Services

Notes to Financial Statements

March 31, 2023

6 Deferred contribution grants

Changes in deferred contribution grants are as follows:

	2023 \$	2022 \$
Balance – Beginning of year	3,485,870	2,714,390
Less: Amounts recognized as revenue in the year	(1,024,288)	(887,421)
Add: Amounts received	621,865	1,658,901
	<hr/>	<hr/>
Balance – End of year	3,083,447	3,485,870

7 Transfers

The Organization's Board approved a transfer from internally restricted net assets to unrestricted net assets in the amount of \$675,000 (2022 – \$675,000) and a transfer from unrestricted net assets to internally restricted net assets in the amount of \$411,010 (2022 – \$424,361).

8 Commitments

a) Operating leases

	Real property \$	Other \$	Total \$
2024	586,795	24,782	611,577
2025	586,795	11,558	598,353
2026	586,795	10,110	596,905
2027	586,795	3,129	589,924
2028	647,643	-	647,643
Thereafter	2,667,132	-	2,667,132
	<hr/>	<hr/>	<hr/>
	5,661,955	49,579	5,711,534

The above-stated amounts represent operating lease obligations currently in existence. As termination dates for various leases occur, it is anticipated the Organization will enter into new lease arrangements.

b) Line of credit

The Organization has access to a line of credit with the Royal Bank of Canada in the amount of \$500,000 (2022 – \$500,000). It bears interest at the prime rate. As at March 31, 2023, \$nil (2022 – \$nil) of this line was utilized. All assets of the Organization are pledged as security.

9 Brampton Bingo

Included in the fundraising, grants and interest income is \$2,847 (2022 – \$28,994) from Brampton Bingo.

EveryMind Mental Health Services

Notes to Financial Statements

March 31, 2023

10 Pension plan

The Organization maintains a defined contribution pension plan for its employees.

During the year, the Organization made required contributions under this plan of \$827,365 (2022 – \$786,569).

11 Government remittances

Government remittances consist of payroll withholding taxes required to be paid to government authorities and are recognized when the amounts come due. In respect of government remittances, \$261,039 (2022 – \$226,868) is included in accounts payable and accrued liabilities. There are no statutory remittances in arrears.

12 Public sector salary disclosure

As required by the Public Sector Salary Disclosure Act, the Organization filed salary disclosure forms with the Ministry on March 6, 2023 (2022 – March 7, 2022).