

# EveryMind Mental Health Services

Financial Statements  
March 31, 2024



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## Independent Auditor's Report

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To the Board of Directors of EveryMind Mental Health Services

### Opinion

We have audited the financial statements of EveryMind Mental Health Services (the "Organization"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets 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 Organization as at March 31, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Organization 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.

### Other Matter

The financial statements for the year ended March 31, 2023 were audited by another auditor who expressed an unqualified opinion on those financial statements on June 13, 2023.

### Responsibility of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario  
June 6, 2024

# EveryMind Mental Health Services

## Statement of Financial Position

As at March 31, 2024

	2024 \$	2023 \$
<b>Assets</b>		
<b>Current assets</b>		
Cash	1,591,889	415,035
Short-term investment (note 13)	5,500,000	6,000,000
Accounts receivable	268,920	20,474
GST/HST recoverable	176,374	199,791
Prepaid expenses	74,962	63,988
	<u>7,612,145</u>	<u>6,699,288</u>
<b>Capital assets (note 3)</b>	<u>1,484,436</u>	<u>1,655,392</u>
	<u>9,096,581</u>	<u>8,354,680</u>
<b>Liabilities</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (note 11)	625,936	1,047,917
Deferred contribution grants (note 6)	4,417,054	3,083,447
Mortgages payable (note 4)	12,337	12,970
	<u>5,055,327</u>	<u>4,144,334</u>
<b>Mortgages payable (note 4)</b>	210,627	221,430
<b>Deferred contributions related to capital assets (note 5)</b>	<u>307,051</u>	<u>387,098</u>
	5,573,005	4,752,862
<b>Net Assets</b>		
<b>Internally restricted</b>	<u>3,523,576</u>	<u>3,601,818</u>
	<u>9,096,581</u>	<u>8,354,680</u>
<b>Commitments (note 8)</b>		

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, 2024

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	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
<b>Revenue</b>		
Province of Ontario	19,764,945	20,150,369
Service fees	437,425	171,111
Region of Peel	2,870,667	2,350,211
Fundraising, grants and interest income (note 9)	550,476	337,389
	<u>23,623,513</u>	<u>23,009,080</u>
<b>Operating costs</b>		
Salaries and benefits	19,012,044	18,820,980
Purchased services	1,321,210	1,201,708
Building occupancy (note 4)	1,609,410	1,519,038
Program and operating	1,838,067	1,772,263
HST/GST recoveries	(295,160)	(319,761)
	<u>23,485,571</u>	<u>22,994,228</u>
<b>Excess of revenue over operating costs before the undernoted</b>	137,942	14,852
<b>Amortization of deferred contributions related to capital assets</b> (note 5)	80,047	65,896
<b>Amortization of capital assets</b>	<u>(296,231)</u>	<u>(344,738)</u>
<b>Deficiency of revenue over operating costs for the year</b>	<u>(78,242)</u>	<u>(263,990)</u>

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, 2024

	<b>2024</b>		
	<b>Unrestricted \$</b>	<b>Internally restricted \$</b>	<b>Total \$</b>
<b>Balance – Beginning of year</b>	-	3,601,818	3,601,818
Transfer from internally restricted (note 7)	675,000	(675,000)	-
Deficiency of revenue over operating costs	(78,242)	-	(78,242)
Transfer to internally restricted (note 7)	(596,758)	596,758	-
<b>Balance – End of year</b>	-	3,523,576	3,523,576
	<b>2023</b>		
	<b>Unrestricted \$</b>	<b>Internally restricted \$</b>	<b>Total \$</b>
<b>Balance – Beginning of year</b>	-	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	-
<b>Balance – End of year</b>	-	3,601,818	3,601,818

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, 2024

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	2024 \$	2023 \$
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
(Deficiency) of revenue over operating costs for the year	(78,242)	(263,990)
Adjustments of non-cash items		
Amortization of capital assets	296,231	344,738
Amortization of deferred contributions related to capital assets	(80,047)	(65,896)
Net changes in working capital items		
Accounts receivable	(248,446)	179
GST/HST recoverable	23,417	(19,891)
Prepaid expenses	(10,974)	546
Accounts payable and accrued liabilities	(421,981)	(27,357)
Deferred contribution grants	1,333,607	(402,423)
	<u>813,565</u>	<u>(434,094)</u>
<b>Investing activities</b>		
Purchase of capital assets	(125,275)	(273,787)
Purchase of short-term investment	(5,500,000)	(7,000,000)
Proceeds from sale of short-term investment	6,000,000	1,000,000
	<u>374,725</u>	<u>(6,273,787)</u>
<b>Financing activities</b>		
Repayments of mortgages payable	(11,436)	(33,858)
<b>Change in cash during the year</b>	<u>1,176,854</u>	<u>(6,741,739)</u>
<b>Cash – Beginning of year</b>	<u>415,035</u>	<u>7,156,774</u>
<b>Cash – End of year</b>	<u>1,591,889</u>	<u>415,035</u>

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

# EveryMind Mental Health Services

## Notes to Financial Statements

March 31, 2024

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### 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 law 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, 2024

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### 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 financial loss. Financial instruments that potentially subject EveryMind to credit risk consist principally of cash. EveryMind'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, 2024

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### *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, operating costs, and amortization during the reporting period. Actual results could differ from those estimates.

# EveryMind Mental Health Services

## Notes to Financial Statements

March 31, 2024

### 3 Capital assets

			<b>2024</b>	<b>2023</b>
	<b>Cost</b>	<b>Accumulated</b>	<b>Net</b>	<b>Net</b>
	<b>\$</b>	<b>amortization</b>	<b>\$</b>	<b>\$</b>
		<b>\$</b>		
Land	472,763	-	472,763	472,763
Buildings	3,734,378	3,151,860	582,518	642,986
Furniture and equipment	1,280,235	1,182,739	97,496	167,349
Computer hardware and software	1,511,780	1,442,056	69,724	56,343
Automobile	159,671	120,590	39,081	54,895
Leasehold improvements	1,098,591	875,737	222,854	261,056
	<b>8,257,418</b>	<b>6,772,982</b>	<b>1,484,436</b>	<b>1,655,392</b>

### 4 Mortgages payable

	<b>2024</b>	<b>2023</b>
	<b>\$</b>	<b>\$</b>
Mortgage payable on property in Brampton, Ontario, repayable in monthly instalments of \$2,102 principal and interest combined, bearing a variable interest rate of prime (2023 – prime), due April 2025; total interest paid on the mortgage during fiscal 2024 was \$ 16,309 (2023 – \$12,628)	222,964	234,400
Less: Current portion	12,337	12,970
	<b>210,627</b>	<b>221,430</b>

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:

	<b>\$</b>
2025	12,337
2026	210,627

# EveryMind Mental Health Services

## Notes to Financial Statements

March 31, 2024

### 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.

	<b>2024</b> \$	<b>2023</b> \$
Balance – Beginning of year	387,098	452,994
Amounts amortized to revenue	(80,047)	(65,896)
	<hr/>	<hr/>
Balance – End of year	<b>307,051</b>	<b>387,098</b>

### 6 Deferred contribution grants

Changes in deferred contribution grants are as follows:

	<b>2024</b> \$	<b>2023</b> \$
Balance – Beginning of year	3,083,447	3,485,870
Less: Amounts recognized as revenue in the year	(440,985)	(1,024,288)
Add: Amounts received	1,684,592	621,865
Add: Ministry of Attorney General Grant Amount	90,000	-
	<hr/>	<hr/>
Balance – End of year	<b>4,417,054</b>	<b>3,083,447</b>

### 7 Transfers

The Organization's Board approved a transfer from internally restricted net assets to unrestricted net assets in the amount of \$675,000 (2023 – \$675,000) and a transfer from unrestricted net assets to internally restricted net assets in the amount of \$ 596,758 (2023 – \$411,010).

### 8 Commitments

#### a) Operating leases

	<b>Real property \$</b>	<b>Other \$</b>	<b>Total \$</b>
2025	586,795	13,061	599,856
2026	586,795	13,061	599,856
2027	586,795	4,354	591,149
2028	647,643	-	647,643
2029	653,175	-	653,175
Thereafter	2,013,956	-	2,013,956
	<hr/>	<hr/>	<hr/>
	<b>5,075,159</b>	<b>30,476</b>	<b>5,105,635</b>

# EveryMind Mental Health Services

## Notes to Financial Statements

March 31, 2024

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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 (2023 – \$500,000). It bears interest at the prime rate. As at March 31, 2024, \$ nil (2023 – \$nil) of this line was utilized. All assets of the Organization are pledged as security.

## 9 Brampton Bingo

Included in fundraising, grants and interest income is \$18,240 (2023 – \$2,847) from Brampton Bingo.

## 10 Pension plans

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

During the year, the Organization made required contributions under this plan of \$907,378 (2023 – \$827,365).

## 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, \$18,710 (2023 – \$261,039) 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 4, 2024 (2023 – March 6, 2023).

## 13 Short-term investments

Short-term investments consist of a non-redeemable GIC that earns interest at 5.42%, maturing October 2024 (2023 – 4.48%, maturing October 2023), and a prime-linked cashable GIC maturing October 2024 (2023 – prime linked cashable GIC, maturing October 2023).