

Myles Ahead, Advancing Child & Youth Mental Health
(incorporated without share capital under the laws of Canada)

Financial Statements
December 31, 2020 and 2019

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Myles Ahead, Advancing Child & Youth Mental Health

Qualified Opinion

I have audited the financial statements of **Myles Ahead, Advancing Child & Youth Mental Health** which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of revenues and expenditures and changes in fund balance, and cash flows for the years then ended and a summary of significant accounting policies and other explanatory information.

In my opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of **Myles Ahead, Advancing Child & Youth Mental Health** as at December 31, 2020 and 2019 and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, **Myles Ahead, Advancing Child & Youth Mental Health** derives part of its revenue from contributions and fundraising activities, the completeness of which is not susceptible to my obtaining evidence I considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of **Myles Ahead, Advancing Child & Youth Mental Health**. Therefore, I was not able to determine whether any adjustments might have been found necessary with respect to contributions and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2020 and 2019, current assets as at December 31, 2020 and 2019 and net assets as at January 1 and December 31 for both the 2019 and 2020 year-ends. My conclusion on the financial statements as at and for the years ended December 31, 2020 and 2019 was modified accordingly because of the possible effects of this limitation in scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of my report. I am independent of **Myles Ahead, Advancing Child & Youth Mental Health** in accordance with the ethical requirements that are relevant to my audit of financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 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, managements are responsible for assessing the Organization's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate or 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

My objective is 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement in the financial statement, 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 my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than 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 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 conditions or events that may cast significant doubt on the Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of the 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.

I 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 I identify during my audit.

William Watson CPA, CA

Chartered Accountant, Licensed Public Accountant

August 12, 2021

Toronto, Ontario

Myles Ahead, Advancing Child & Youth Mental Health

Statement of Financial Position

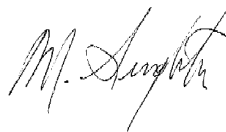
As at December 31, 2020 and 2019

	2020	2019
	\$	\$
Assets		
Cash	138,911	103,264
Recoverable sales tax	2,777	1,655
Prepaid expense	<u>2,000</u>	<u>2,623</u>
Total current assets	143,688	107,542
Intangible capital assets (note 5)		
Logo and website development costs, net of amortization	<u>7,795</u>	<u>10,393</u>
	<u>151,483</u>	<u>117,935</u>
Liabilities		
Accounts payable	<u>4,420</u>	<u>2,868</u>
Total current liabilities and Total liabilities	<u>4,420</u>	<u>2,868</u>
Fund Balance		
General fund	<u>147,063</u>	<u>115,067</u>
	<u>151,483</u>	<u>117,935</u>

Approved on behalf of the Board:



Founder & Executive Director



Treasurer

Myles Ahead, Advancing Child & Youth Mental Health

Statement of Operations and Changes in General Fund Balance

For the years ended December 31, 2020 and 2019

	2020	2019
	\$	\$
Revenue		
Donations	58,776	23,284
Fundraising	27,470	28,017
Interest	<u>519</u>	<u>1,236</u>
	<u>86,765</u>	<u>52,537</u>
Expenditures		
Audit and accounting fees	3,969	1,750
Bank charges and collection	934	840
Fundraising costs	4,905	4,309
Legal	-	2,112
Operations	695	495
Contract services		
Administration	337	-
Communications and outreach	14,695	-
Mental Health Initiatives	8,918	3,247
Schools Mental Health	9,113	1,082
Other outside contract services	529	-
Website costs	909	386
Shelter Resource	1,559	-
Summer Camp	5,607	-
Amortization	<u>2,599</u>	<u>2,599</u>
	<u>54,769</u>	<u>16,820</u>
Excess of revenue over expenditures for the year	31,996	35,717
General fund balance - beginning of the year	<u>115,067</u>	<u>79,350</u>
General fund balance - end of the year	<u>147,063</u>	<u>115,067</u>

Myles Ahead, Advancing Child & Youth Mental Health

Statement of Cash Flows

For the years ended December 31, 2020 and 2019

	2020	2019
	\$	\$
Cash flows from operating activities		
Cash from donations and fundraising	86,246	51,301
Cash paid to suppliers and for sales tax	(51,118)	(15,631)
Interest received	519	1,236
	<u>35,647</u>	<u>36,906</u>
Cash flows used in investing activities		
Intangible assets purchased	<u>-</u>	<u>(12,992)</u>
	<u>-</u>	<u>(12,992)</u>
Net change in cash during the year	35,647	23,914
Cash at the beginning of the year	<u>103,264</u>	<u>79,350</u>
Cash at the end of the year	<u>138,911</u>	<u>103,264</u>

Myles Ahead, Advancing Child & Youth Mental Health

Notes to Financial Statements December 31, 2020 and 2019

1 Nature of operations

Myles Ahead, Advancing Child & Youth Mental Health (“Myles Ahead”) was established in 2018, and incorporated October 31, 2018. Myles Ahead is dedicated to improving access to mental health services and school-based programming for children, youth and their families with the ultimate goal of suicide prevention by working with best practice initiatives to support enhancing and scaling activities.

Myles Ahead registered as a charity effective January 2, 2019 under Section 149(1)(f) of the Income Tax Act (Canada) and as such is exempt from income taxes and is able to issue charitable donation tax receipts to donors.

2 Summary of significant accounting policies

The accounting policies followed by the organization are in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies followed in the preparation of these financial statements are set out below.

Revenue recognition

Myles Ahead follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions designated by the donors as relating to future periods, or received after program delivery for the year is complete, are deferred and are recognized as revenue in the future period.

The value of pledged donations is not recorded in these financial statements unless the amount and terms have been specifically agreed and receipt is reasonably assured.

Interest and other revenue are recorded on an accrual basis.

Cash

Cash includes cash on hand, and deposits with chartered banks. The organization does not hold cash equivalents.

Intangible capital assets

Intangible assets include a logo and website development costs. These assets are amortized on a straight-line basis over five years.

Contributed goods and services

Myles Ahead accepts donations in kind. The value of contributed goods is recognized when received if a fair value can be reasonably estimated and the goods are used in the normal course of operations and would otherwise have been purchased. Goods contributed for resale at fundraising events are not recognized in these statements, as the fundraising revenues are recognized. Volunteers are critical for the operations of Myles Ahead and contribute significantly to its activities; due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Use of estimates

The preparation of these financial statements required management to make estimates that affect the recognition, measurement and disclosure of amounts reported in the financial statements and accompanying notes. The reported amounts and disclosures are determined using management’s best estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Such estimates include the useful lives of the capital assets, if any. Actual results could differ from those estimates.

3 Pre-incorporation activity

The financial statements reflect transactions prior to the date of incorporation. These transactions include revenues of \$88,391 and expenses of \$2,814.

Myles Ahead, Advancing Child & Youth Mental Health

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4 Financial instruments

Myles Ahead initially measures its financial assets and liabilities at fair value, and subsequently measures all its financial assets and financial liabilities at amortized cost, except for its cash, which is measured at fair value. Changes in fair value are recognized in the statement of operations.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Myles Ahead recognizes its transaction costs in the excess of revenues over expenditures in the period incurred.

5 Intangible capital assets

Intangible capital assets consist of the following:

	2020			2019	
	Cost	Accumulated amortization	Net book value	Net book value	
Logo	\$ 2,598	\$ 1,039	\$ 1,559	\$ 2,078	
Website	10,394	4,158	6,236	8,315	
	\$ 12,992	\$ 5,197	\$ 7,795	\$ 10,393	

	2019			2018	
	Cost	Accumulated amortization	Net book value	Net book value	
Logo	\$ 2,598	\$ 520	\$ 2,078	\$ -	
Website	10,394	2,079	8,315	-	
	\$ 12,992	\$ 2,599	\$ 10,393	\$ -	

6 Capital management

The organization's objective, when managing capital, is to have sufficient liquid resources available for operations and to safeguard the entity's ability to continue as a going concern, so that it can continue to achieve its main purpose described in note 1 above. The organization defines its capital as cash and fund balances.

7 Financial instruments

Myles Ahead is exposed to various risks through its financial instruments. The following analysis provides a measure of Myles Ahead's risk exposure and concentrations. The financial instruments and the nature of the risks to which they may be subject are as follows:

Financial instrument	Risks				
	Credit	Liquidity	Currency	Market risk	
				Interest rate	Other Price
Cash	X				
Amounts receivable	X			X	
Amounts payable and accrued charges		X			
Credit risk					

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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. Myles Ahead is exposed to credit risk through cash and recoverable sales tax balances. While amounts receivable are generally unsecured, management does not think that it is exposed to significant credit risk because of the nature of the counter-parties.

Liquidity risk

Liquidity risk is the risk that Myles Ahead will not be able to meet a demand for cash or fund its obligations as they come due. Myles Ahead meets its liquidity requirements by preparing and monitoring forecasts of cash flows from its activities, preparing budgets, anticipating investing and financing activities, and holding cash or assets that can be readily converted into cash. Management does not think that Myles Ahead is exposed to significant liquidity risk.

Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk reflects the risks that Myles Ahead's revenues will decline due to fluctuations in foreign currency exchange rates. Myles Ahead does not have assets or liabilities expressed in foreign currencies. As a result, Myles Ahead is not subject to currency risk.

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 exposure of Myles Ahead to interest rate risk arises from its interest-bearing cash equivalents. Fluctuations in market rates of interest are not expected to have a significant impact on Myles Ahead's operations.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments in the market. Fluctuations in such price are not expected to have a significant impact on Myles Ahead's operations.

Changes in risk

Management does not think that the organization's exposure to risk has changed from the prior year.

8 Significant event

As a consequence of COVID-19 measures, the annual "Run Myles Ahead" fundraiser held through the Scotiabank Toronto Waterfront Marathon was held on a virtual basis. Myles Ahead revised procedures which permit staff to continue their work responsibilities on a remote basis. The extent of any future impact on revenues and expenditures has not been determined.

9 Comparative figures

Comparative figures for prior years were audited for purposes of the current audit, and have been reclassified to conform to the current format. Restatements as at December 31, 2019 include an increase in prepaid expense of \$623 and an increase in accounts payable of \$1,118, and a reduction in the general fund balance of \$495.