

**Myles Ahead, Advancing Child & Youth Mental Health
Financial Statements
with Independent Auditor's Report
December 31, 2021**



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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 accompanying financial statements of the Myles Ahead, Advancing Child & Youth Mental Health (the "Organization"), which comprise the statement of financial position as at December 31, 2021, and the statements of revenues and expenditures and change in fund balance and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at December 31, 2021 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives revenue from contributions and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Organization. Therefore, I was not able to determine whether any adjustments might be necessary to contribution and fund raising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2021 and 2020, current assets as at December 31, 2021 and 2020, and net assets as at January 1 and December 31 for both the 2021 and 2020 years.

The audit opinion on the financial statements for the year ended December 31, 2020 as expressed by the predecessor auditor was similarly modified 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 Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the 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 Charges 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

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 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 my 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 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 my 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.



Toronto, Ontario
September 8, 2022

Thomas A Koger, CPA CA
Licensed Public Accountant

Myles Ahead, Advancing Child & Youth Mental Health

Statement of Financial Position As at December 31, 2021

		2021	2020
ASSETS			
Current			
Cash		\$ 129,052	\$ 138,911
Accounts receivable		11,581	-
HST receivable		5,185	2,777
Prepaid expenses		<u>2,000</u>	<u>2,000</u>
		147,818	143,688
Intangible assets	Note 2	<u>5,198</u>	<u>7,795</u>
		<u>\$ 153,016</u>	<u>\$ 151,483</u>
LIABILITIES			
Current			
Accounts payable		<u>\$ 6,426</u>	<u>\$ 4,420</u>
		<u>6,426</u>	<u>4,420</u>
FUND BALANCE			
Invested in Intangible Assets		5,198	7,795
Unrestricted		<u>141,392</u>	<u>139,268</u>
		<u>146,590</u>	<u>147,063</u>
		<u>\$ 153,016</u>	<u>\$ 151,483</u>

Approved on behalf of the Board:

Founder & Executive Director

Treasurer

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

Myles Ahead, Advancing Child & Youth Mental Health

Statement of Operations and Changes in General Fund Balance For the year ended December 31, 2021

	2021	2020
Revenue		
Corporations and foundations	\$ 62,902	\$ -
Fundraising	51,924	27,470
Donations	33,516	58,776
Interest	429	519
	<u>148,771</u>	<u>86,765</u>
Expenses		
Contract services		
Mental Health Initiatives	48,242	8,918
Communications and Outreach	13,524	14,695
Suicide Prevention/Life promotion	9,587	-
Schools Mental Health	5,071	9,113
External Support:Outside Contract Services	-	529
Salaries and benefits	25,951	-
Administration	12,813	338
Operations	9,691	695
Fundraising	8,697	4,905
Donations	5,650	-
Professional fees	5,474	3,969
Amortization	2,599	2,599
Fees and bank charges	1,297	935
Insurance	648	-
Summer Camp	-	5,607
Shelter Resource	-	1,559
Website costs	-	909
	<u>149,244</u>	<u>54,771</u>
Excess (deficiency) of revenue over expenses	(473)	31,994
General fund balance at beginning of the year	<u>147,063</u>	<u>115,069</u>
General fund balance at end of the year	<u>\$ 146,590</u>	<u>\$ 147,063</u>
Balance comprised as follows:		
Invested in intangible assets	\$ 5,198	\$ 7,795
Unrestricted net assets	<u>141,392</u>	<u>139,268</u>
Balance at end of the year	<u>\$ 146,590</u>	<u>\$ 147,063</u>

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

Myles Ahead, Advancing Child & Youth Mental Health

Statement of Cash Flows For the year ended December 31, 2021

	2021	2020
Operations		
Excess (deficiency) of revenue over expenses	\$ (473)	\$ 31,994
Non-cash items included in Excess		
Amortization	<u>2,599</u>	<u>2,599</u>
	2,126	34,593
Changes in non-cash working capital		
Accounts receivable	(11,581)	-
HST receivable	(2,408)	(1,121)
Prepaid expenses	-	623
Accounts payable	<u>2,004</u>	<u>1,552</u>
	(9,859)	35,647
Cash provided by (used in) operations	<u>(9,859)</u>	<u>35,647</u>
Increase (decrease) in cash during the year	(9,859)	35,647
Cash at beginning of the year	<u>138,911</u>	<u>103,264</u>
Cash at end of the year	<u>\$ 129,052</u>	<u>\$ 138,911</u>

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

Myles Ahead, Advancing Child & Youth Mental Health

Notes to the Financial Statements For the year ended December 31, 2021

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.

1. Significant accounting policies

Basis of presentation

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 financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates include the useful lives of intangible assets and capital assets, if any. Actual results could differ from these estimates.

Myles Ahead, Advancing Child & Youth Mental Health

Notes to the Financial Statements For the year ended December 31, 2021

1. Significant accounting policies (continued)

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.

2. Intangible assets

	Cost	Accumulated Depreciation	2021 Net book value	2020 Net book value
Intangible assets are comprised as follows:				
Logo	\$ 2,599	1,559	\$ 1,040	\$ 1,559
Website	10,394	6,236	4,158	6,236
	<u>\$ 12,993</u>	<u>\$ 7,795</u>	<u>\$ 5,198</u>	<u>\$ 7,795</u>

3. 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.

Myles Ahead, Advancing Child & Youth Mental Health

Notes to the Financial Statements For the year ended December 31, 2021

4. Financial Instruments

Myles Ahead is exposed to and manages various financial risks resulting from operations and does not enter into financial instrument agreements including derivative financial instruments for speculative purposes.

The Organization's main financial risk exposures and its financial risk management policies are as follows:

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. 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.

i) 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.

ii) 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.

iii) 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.