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**STELLA'S PLACE ASSESSMENT AND  
TREATMENT CENTRE**

**FINANCIAL STATEMENTS**

**DECEMBER 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

To the Members,  
Stella's Place Assessment and Treatment Centre

We have audited the accompanying financial statements of Stella's Place Assessment and Treatment Centre (the "Organization") , which comprise the statement of financial position as at December 31, 2016, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Organization derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue was limited to the amounts recorded in the records of the Organization, and we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenue over expenses for the year, assets and net assets.

*Qualified Opinion*

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Stella's Place Assessment and Treatment Centre as at December 31, 2016, 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.

*Pemylegion Chung LLP*

Chartered Professional Accountants  
Licensed Public Accountants

February 1, 2017  
Toronto, Ontario

# STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

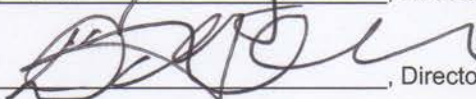
## STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2016

	2016	2015
<b>ASSETS</b>		
Current assets		
Cash	\$ 258,238	\$ 51,148
Short-term investments (note 2)	100,004	37,124
Grant receivable	47,500	41,250
HST recoverable	14,490	24,454
Prepaid expenses	<u>15,393</u>	<u>18,548</u>
	435,625	172,524
Capital assets (note 3)	<u>353,335</u>	<u>7,887</u>
	<u>\$ 788,960</u>	<u>\$ 180,411</u>
<b>LIABILITIES AND NET ASSETS</b>		
Current liabilities		
Accounts payable and accrued liabilities	\$ 11,439	\$ 28,460
Deferred contributions (note 4)	<u>358,760</u>	<u>112,000</u>
	<u>370,199</u>	<u>140,460</u>
Deferred capital contributions (note 5)	<u>347,500</u>	<u>-</u>
	<u>717,699</u>	<u>140,460</u>
Net assets		
Unrestricted	<u>71,261</u>	<u>39,951</u>
	<u>\$ 788,960</u>	<u>\$ 180,411</u>

Approved on behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

see accompanying notes

# STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

## STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>REVENUE</b>		
Donations	\$ 939,318	\$ 575,096
Program grants (note 6)	187,433	166,250
Other	<u>4,239</u>	<u>7,596</u>
	<u>1,130,990</u>	<u>748,942</u>
<b>EXPENSES</b>		
<b>Administration</b>		
Personnel	241,857	199,284
Office and general	24,756	27,143
Communications	36,526	54,697
Occupancy	17,727	26,494
Other operating	<u>29,624</u>	<u>19,142</u>
Total administration expenses	<u>350,490</u>	<u>326,760</u>
<b>Program</b>		
Personnel	520,322	371,107
Occupancy	159,538	17,663
Materials	6,863	82
Other operating	<u>62,467</u>	<u>16,106</u>
Total program expenses	<u>749,190</u>	<u>404,958</u>
	<u>1,099,680</u>	<u>731,718</u>
<b>EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR</b>	31,310	17,224
Net assets, beginning of year	<u>39,951</u>	<u>22,727</u>
<b>NET ASSETS, END OF YEAR</b>	<u>\$ 71,261</u>	<u>\$ 39,951</u>

see accompanying notes

# STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

## STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2016

	2016	2015
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 31,310	\$ 17,224
Add back non-cash items -		
Amortization of capital assets	2,052	2,052
Net change in non-cash working capital items (see below)	<u>236,608</u>	<u>51,346</u>
Net cash generated from operating activities	<u>269,970</u>	<u>70,622</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of short-term investments	(62,880)	(37,124)
Purchase of capital assets	<u>(198,750)</u>	<u>(7,054)</u>
Net cash used for investing activities	<u>(261,630)</u>	<u>(44,178)</u>
<b>FINANCING ACTIVITIES</b>		
Contributions restricted for purchase of capital assets	<u>198,750</u>	<u>-</u>
<b>NET CASH GENERATED IN THE YEAR</b>	207,090	26,444
Cash, beginning of year	<u>51,148</u>	<u>24,704</u>
<b>CASH, END OF YEAR</b>	<u>\$ 258,238</u>	<u>\$ 51,148</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Grant receivable	\$ (6,250)	\$ (41,250)
HST recoverable	9,964	(5,982)
Prepaid expenses	3,155	(18,548)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(17,021)	20,026
Deferred contributions	<u>246,760</u>	<u>97,100</u>
	<u>\$ 236,608</u>	<u>\$ 51,346</u>

see accompanying notes

# STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2016

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Stella's Place Assessment and Treatment Centre (the "Organization") is the first comprehensive, integrated, community-based assessment and treatment centre in Canada developed in collaboration with young adults (age 16 to 29) with mental health challenges. In 2016, our doors opened to young adults and their families and the Organization delivered peer training, clinical services, peer support and wellness programs co-designed with young adults. Stella's Place staff also responded to requests from young adults and their family members to assist with accessing mental health services and supports as well as accepting referrals for services from hospitals and community services. Program staffing was increased in 2016 to increase capacity and allow the delivery of a more robust offering of services. The Stella's Place staff team delivered a range of strength-based individual and group counseling and peer support services to young adults and families at our service location at 18 Camden Street, Toronto.

The Organization was incorporated in Ontario by letters patent on April 19, 2013 and is a registered charitable organization under the Income Tax Act (Canada).

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Outlined below are those policies considered particularly significant:

#### **Revenue recognition**

The Organization follows the deferral method of accounting for contributions, which include grants and donations. Grants and bequests are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

#### **Contributed materials and services**

Contributed materials and services are not recorded in the accounts.

#### **Financial instruments and related financial risks**

The Organization records financial instruments, which include cash, short-term investments, grant receivable, HST recoverable, accounts payable and accrued liabilities, initially at fair value. Subsequently, financial instruments are recorded at cost plus accrued interest and less any provisions for impairment in value.

It is management's opinion that the Organization's financial instruments are not exposed to significant financial risks.

#### **Allocation of expenses**

The Organization allocates a portion of occupancy costs based on the proportionate space used by individual functions.

#### **Capital assets**

Capital assets are initially recorded at cost. Amortization is provided on a straight-line basis over their estimated useful lives as follows:

##### *Tangible*

Computer equipment - 5 years

##### *Intangible*

BeanBagChat webapp - 8 years

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### 2. SHORT-TERM INVESTMENTS

Short-term investments comprise cash held for investing purposes and earning interest at 0.75%.

### 3. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2016 Net	2015 Net
<i>Tangible</i>				
Computer equipment	\$ 10,260	\$ (4,425)	\$ 5,835	\$ 7,887
<i>Intangible</i>				
BeanBagChat webapp (note 6)	<u>347,500</u>	<u>-</u>	<u>347,500</u>	<u>-</u>
	<u>\$ 357,760</u>	<u>\$ (4,425)</u>	<u>\$ 353,335</u>	<u>\$ 7,887</u>

### 4. DEFERRED CONTRIBUTIONS

Deferred contributions represent unspent resources externally restricted for program expenses in future years. Changes in deferred contribution balances are as follows:

	2016	2015
Deferred contributions, beginning of year	\$ 112,000	\$ -
Amounts received during the year	434,193	278,250
Amounts recognized as revenue during the year (note 6)	<u>(187,433)</u>	<u>(166,250)</u>
Deferred contributions, end of year	<u>\$ 358,760</u>	<u>\$ 112,000</u>

### 5. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of contributions received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. Changes in the deferred capital contributions balance are as follows:

	2016	2015
Deferred capital contributions, beginning of year	\$ -	\$ -
Contributions restricted for purchase of capital assets (note 6)	347,500	-
Amounts recognized as revenue during the year	<u>-</u>	<u>-</u>
Deferred capital contributions, end of year	<u>\$ 347,500</u>	<u>\$ -</u>



# STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

## NOTES TO THE FINANCIAL STATEMENTS

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### 6. PROGRAM GRANTS

Grants received to fund specific programs recognized as revenue in the year consist of the following:

	2016	2015
Ministry of Advanced Education and Skills Development	\$ -	\$ 148,750
Ministry of Health and Long-Term Care	35,000	-
Ministry of Tourism, Culture and Recreation	8,915	2,500
Other	<u>143,518</u>	<u>15,000</u>
	<u>\$ 187,433</u>	<u>\$ 166,250</u>

The Ministry of Advanced Education and Skills Development has provided a grant of \$347,500 for BeanBagChat, an online support and resources web based solution. The funds are provided to George Brown College, a project partner, who transfers the funds to the Organization. In 2016, the Organization obtained ownership of the intellectual property rights for BeanBagChat. As a result, the funding of \$198,750 earned in 2016 has been recorded as deferred capital contributions and the expenditures funded by this grant have been recorded as intangible capital assets. The funding earned in 2015 was recorded as revenue since, at that time, the Organization did not have ownership of the intellectual property. Now that the Organization has obtained ownership, \$148,750 recorded as revenue in 2015 has also been recorded as deferred capital contributions and intangible capital assets (notes 3 and 5).

The grant from the Ministry of Health and Long-Term Care funded delivery of Peer Support Training in February and March, 2016. The funds were provided to Reconnect Community Health Services, a project partner, who transferred the funds to the Organization in February 2016.

The grant from the Ministry of Tourism, Culture and Recreation is funding the ONTrack Wellness Program, in partnership with the Miles Nadal Jewish Community Centre. This funding is available to cover expenses incurred in the period from September 2015 to March 31, 2017.

Other grants received in 2016 are from other foundations and donors for designated programs. The largest of these other grants was from the Minto Foundation for peer support (\$100,000) and the Kimmel Foundation for evaluation (\$30,000).

### 7. COMMITMENTS

The Organization rents space under a lease ending September 30, 2018. Minimum lease payments over the term of the lease are as follows:

2017	\$ 161,616
2018	<u>121,212</u>
	<u>\$ 282,828</u>

### 8. PRIOR PERIOD RECLASSIFICATIONS

Certain comparative amounts as at December 31, 2015 and for the year then ended have been reclassified to conform with the current year's financial statement presentation.