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

FINANCIAL STATEMENTS

DECEMBER 31, 2020

INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Stella's Place Assessment and Treatment Centre (the Organization), which comprise the statement of financial position as at December 31, 2020, 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 Stella's Place Assessment and Treatment Centre as at December 31, 2020 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 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.

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.

INDEPENDENT AUDITOR'S REPORT (continued)

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 your 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.

Pennylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

June 18, 2021
Toronto, Ontario

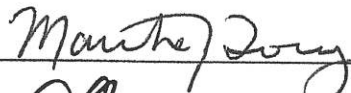
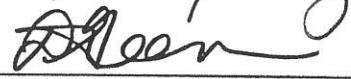
STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2020

	2020	2019
ASSETS		
Current assets		
Cash	\$ 2,101,673	\$ 664,556
Short-term investments	-	32,971
Grants receivable	32,389	87,300
HST rebate recoverable	140,091	64,227
Prepaid expenses	<u>41,247</u>	<u>33,245</u>
	2,315,400	882,299
Capital assets (note 2)	<u>7,477,172</u>	<u>6,460,651</u>
	<u>\$ 9,792,572</u>	<u>\$ 7,342,950</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 420,472	\$ 113,084
Deferred contributions (note 3)	<u>1,168,651</u>	<u>189,594</u>
	1,589,123	302,678
Deferred capital contributions (note 4)	<u>6,458,809</u>	<u>5,318,217</u>
	<u>8,047,932</u>	<u>5,620,895</u>
Net assets		
Invested in land	1,496,702	1,496,702
Unrestricted	<u>247,938</u>	<u>225,353</u>
	<u>1,744,640</u>	<u>1,722,055</u>
	<u>\$ 9,792,572</u>	<u>\$ 7,342,950</u>

Approved on behalf of the Board:

 _____, Director
 _____, Director

see accompanying notes

STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2020

2020	Unrestricted	Invested in land	Total
Net assets, beginning of year	\$ 225,353	\$ 1,496,702	\$ 1,722,055
Excess of revenue over expenses for the year	<u>22,585</u>	<u>-</u>	<u>22,585</u>
NET ASSETS, END OF YEAR	<u>\$ 247,938</u>	<u>\$ 1,496,702</u>	<u>\$ 1,744,640</u>
2019	Unrestricted	Invested in land	Total
Net assets, beginning of year	\$ 214,509	\$ 1,496,702	\$ 1,711,211
Excess of revenue over expenses for the year	<u>10,844</u>	<u>-</u>	<u>10,844</u>
NET ASSETS, END OF YEAR	<u>\$ 225,353</u>	<u>\$ 1,496,702</u>	<u>\$ 1,722,055</u>

see accompanying notes

STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
REVENUE		
Donations - undesignated	\$ 1,080,784	\$ 1,024,896
Government grants (note 5)	737,792	772,080
Donations - designated	652,339	1,276,101
Canada Emergency Wage Subsidy	638,375	-
Deferred capital contributions recognized (note 4)	71,822	139,164
Rental income (note 2)	20,953	119,469
Other	<u>4,827</u>	<u>74,363</u>
	<u>3,206,892</u>	<u>3,406,073</u>
EXPENSES		
Program		
Personnel	1,677,873	1,790,836
Occupancy	149,543	154,993
Information technology	67,625	109,186
Other operating	<u>223,349</u>	<u>233,521</u>
Total program expenses	<u>2,118,390</u>	<u>2,288,536</u>
Non-program		
Personnel	662,542	695,292
Information technology	16,690	32,614
Occupancy	13,630	8,158
Other operating	<u>110,492</u>	<u>102,819</u>
Total non-program expenses	<u>803,354</u>	<u>838,883</u>
Capital campaign	<u>168,202</u>	<u>-</u>
Rental property (note 2)	<u>22,539</u>	<u>128,646</u>
Amortization	<u>71,822</u>	<u>139,164</u>
	<u>3,184,307</u>	<u>3,395,229</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 22,585</u>	<u>\$ 10,844</u>

see accompanying notes

STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 22,585	\$ 10,844
Add back non-cash items -		
Amortization of capital assets	71,822	139,164
Deferred capital contributions recognized	(71,822)	(139,164)
Net change in non-cash working capital items (see below)	<u>923,565</u>	<u>(726,015)</u>
Net cash generated from (used for) operating activities	<u>946,150</u>	<u>(715,171)</u>
INVESTING ACTIVITIES		
Short-term investments redeemed (purchased)	32,971	(32,971)
Purchase of capital assets	<u>(754,418)</u>	<u>(225,732)</u>
Net cash used for investing activities	<u>(721,447)</u>	<u>(258,703)</u>
FINANCING ACTIVITIES		
Capital contributions received	<u>1,212,414</u>	<u>580,000</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	1,437,117	(393,874)
Cash, beginning of year	<u>664,556</u>	<u>1,058,430</u>
CASH, END OF YEAR	<u>\$ 2,101,673</u>	<u>\$ 664,556</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Grants receivable	\$ 54,911	\$ 2,547
HST rebate recoverable	(75,864)	747
Prepaid expenses	(8,002)	4,974
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	(26,537)	(36,139)
Deferred contributions	<u>979,057</u>	<u>(698,144)</u>
	<u>\$ 923,565</u>	<u>\$ (726,015)</u>

see accompanying notes

STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

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. 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). Since 2016, the Organization has delivered peer training, evidence-based clinical services, peer support and wellness programs.

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. Externally restricted contributions received towards the acquisition of depreciable capital assets are deferred when initially recorded in the accounts and amortized to revenue on the same basis as the related capital assets are amortized. Externally restricted contributions received towards the acquisition of non-depreciable capital assets are recognized as a direct increase to net assets.

Canada Emergency Wage Subsidy is recognized in revenue in the period to which it relates to.

Contributed materials and services

Contributed materials and services are not recorded in the accounts.

Financial instruments

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

Allocation of expenses

The Organization allocates 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:

<i>Tangible</i>	
Building	- 50 years
Furniture and fixtures	- 3 years
<i>Intangible</i>	
BeanBagChat webapp	- 8 years

STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

2. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2020 Net	2019 Net
<i>Tangible</i>				
Land	\$ 1,496,702	\$ -	\$ 1,496,702	\$ 1,496,702
Building	4,489,462	(205,767)	4,283,695	4,306,143
Construction in progress	1,447,249	-	1,447,249	365,671
Furniture and fixtures	<u>6,766</u>	<u>-</u>	<u>6,766</u>	<u>-</u>
	<u>7,440,179</u>	<u>(205,767)</u>	<u>7,234,412</u>	<u>6,168,516</u>
<i>Intangible</i>				
BeanBagChat webapp	<u>395,000</u>	<u>(152,240)</u>	<u>242,760</u>	<u>292,135</u>
	<u>\$ 7,835,179</u>	<u>\$ (358,007)</u>	<u>\$ 7,477,172</u>	<u>\$ 6,460,651</u>

The Organization is currently in the process of renovating the building for future programming and administrative purposes. During the year, parts of the building were rented prior to the commencement of renovations.

3. DEFERRED CONTRIBUTIONS

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

	2020	2019
Deferred contributions, beginning of year	\$ 189,594	\$ 887,738
Contributions for restricted purposes	2,369,188	1,350,037
Amounts recognized as revenue during the year	<u>(1,390,131)</u>	<u>(2,048,181)</u>
Deferred contributions, end of year	<u>\$ 1,168,651</u>	<u>\$ 189,594</u>

STELLA'S PLACE ASSESSMENT AND TREATMENT CENTRE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020

4. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unrecognized 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:

	2020	2019
Deferred capital contributions, beginning of year	\$ 5,318,217	\$ 4,877,381
Contributions restricted for purchase of capital assets	1,212,414	580,000
Amounts recognized as revenue during the year	<u>(71,822)</u>	<u>(139,164)</u>
Deferred capital contributions, end of year	<u>\$ 6,458,809</u>	<u>\$ 5,318,217</u>

5. GOVERNMENT GRANTS

Government grants, received to fund specific programs, recognized as revenue in the year consist of the following:

	2020	2019
City of Toronto	\$ 547,183	\$ 412,585
Ministry of Economic Development, Job Creation and Trade	185,040	-
Government of Canada	5,569	32,025
Ministry of Health and Long-Term Care	<u>-</u>	<u>327,470</u>
	<u>\$ 737,792</u>	<u>\$ 772,080</u>

6. COMMITMENT

The Organization rents space under a lease expiring on December 31, 2021. Minimum annual lease payments for 2021 are \$176,047.