

CAMINO WELLBEING + MENTAL HEALTH
CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024



INDEPENDENT AUDITOR'S REPORT

To the Directors of Camino Wellbeing + Mental Health

Opinion

I have audited the consolidated financial statements of **Camino Wellbeing + Mental Health**, which comprise the consolidated statement of financial position as at **March 31, 2024**, and the consolidated statement of changes in net assets, the consolidated statement of operations, and the consolidated statement of cash flows, for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of **Camino Wellbeing + Mental Health** as at **March 31, 2024** and its consolidated changes in net assets, results of operations and cash flows, for the year then ended, in accordance with Canadian Accounting Standards for Not-for-profit Organizations.

Basis of Opinion

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 entity in accordance with the ethical requirements that are relevant to my 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 opinion.

Other Matter

The financial statements of St. Monica House for the year ended March 31, 2023 (see note 1), were audited by another auditor who expressed an unqualified opinion on those statements on July 5, 2023.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

E.M. Simon CPA

Waterloo, ON
June 27, 2024

E.M. Simon CPA Professional Corporation

Authorized to practise public accounting by the Chartered Professional Accountants of Ontario
22 King Street South, suite 300 Waterloo, ON N2J 1N8
simon@simoncorp.ca Ph. (519) 744-1650

CAMINO WELLBEING + MENTAL HEALTH

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2024

(With comparative figures as at March 31, 2023)

(The accompanying notes are an integral part of these financial statements)

	<u>2024</u>	<u>2023</u> (combined - see notes 1 and 3)
ASSETS		
CURRENT		
Cash and cash equivalents	1,809,238	2,913,452
Investments (note 4)	10,256,986	8,561,967
Accounts, grants and HST receivable	718,122	980,710
Prepaid expenses	171,418	165,489
	<hr/> 12,955,764	<hr/> 12,621,618
CAPITAL PROPERTY (note 5)	4,964,536	5,268,784
	<hr/> \$17,920,300	<hr/> 17,890,402
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	973,130	1,122,760
Government remittances payable	193,401	121,072
Deferred revenue (note 6)	1,455,475	1,324,546
Current portion of long-term debt (note 8)	63,477	60,868
	<hr/> 2,685,483	<hr/> 2,629,246
LONG-TERM		
Deferred capital contributions (note 7)	3,136,123	3,314,881
Mortgage payable (note 8)	164,634	228,111
	<hr/> 3,300,757	<hr/> 3,542,992
	<hr/> 5,986,240	<hr/> 6,172,238
NET ASSETS		
Internally restricted	8,779,644	6,179,644
Unrestricted	3,154,416	5,538,520
	<hr/> 11,934,060	<hr/> 11,718,164
	<hr/> \$17,920,300	<hr/> 17,890,402

CAMINO WELLBEING + MENTAL HEALTH
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2024

(With comparative figures for the year ended March 31, 2023)

(The accompanying notes are an integral part of these financial statements)

	<u>Unrestricted</u>	<u>Internally Restricted</u>			<u>Working Capital</u>	<u>Total</u>
		<u>Capital Housing</u>	<u>Mental Health Services</u>	<u>Scholarships</u>		
2023:						
OPENING NET ASSETS - pre-merger	7,017,264	182,235	4,216,560	44,985	2,077,839	6,521,619
Adjustment (note 3):	(1,277,274)	-	-	-	-	-
OPENING NET ASSETS - restated	5,739,990	182,235	4,216,560	44,985	2,077,839	6,521,619
EXCESS (DEFICIT) FOR THE YEAR	(259,541)	(40,806)	-	(2,049)	(56,684)	(99,539)
Adjustment (note 3):	-	(141,429)	-	(42,936)	-	(184,365)
Interfund transfers	58,071	-	-	-	(58,071)	(58,071)
CLOSING NET ASSETS 2023	\$ 5,538,520	\$ -	\$ 4,216,560	\$ -	\$ 1,963,084	\$ 6,179,644
EXCESS (DEFICIT) FOR THE YEAR	215,896	-	-	-	-	-
Transfer	(2,600,000)	-	-	-	2,600,000	2,600,000
CLOSING NET ASSETS 2024	\$ 3,154,416	\$ -	\$ 4,216,560	\$ -	\$ 4,563,084	\$ 8,779,644

CAMINO WELLBEING + MENTAL HEALTH

CONSOLIDATED STATEMENT OF OPERATIONS

FOR THE YEAR ENDED MARCH 31, 2024

(With comparative figures for the year ended March 31, 2023)

(The accompanying notes are an integral part of these financial statements)

	<u>2024</u>	<u>2023</u> (combined - see notes 1 and 3)
REVENUES:		
Government grants:		
Federal	1,747,214	1,656,055
Provincial	7,560,655	7,375,689
Regional	674,927	746,170
Contracted services	2,995,679	2,762,386
Service fees	774,694	871,356
Fundraising	4,141,486	4,379,201
Other	348,986	423,012
	<hr/> 18,243,641	<hr/> 18,213,869
EXPENSES:		
Salaries and benefits	14,680,856	13,992,474
Community partner contracted services (note 9)	585,646	679,743
Professional development and travel	194,885	269,181
Occupancy	938,699	1,223,700
Purchased professional services	702,808	327,696
Equipment, software, IT services	636,935	803,530
Program supplies	383,511	583,358
Administration, promotion and publicity	278,607	308,351
Amortization of capital assets	304,248	297,253
	<hr/> 18,706,195	<hr/> 18,485,286
EXCESS (DEFICIT) FROM OPERATIONS	(462,554)	(271,417)
OTHER INCOME		
Investment gains (losses)	678,450	(87,663)
	<hr/>	<hr/>
EXCESS (DEFICIT) FOR THE YEAR	<hr/> \$215,896	<hr/> (\$359,080)

CAMINO WELLBEING + MENTAL HEALTH

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2024

(With comparative figures for the year ended March 31, 2023)

(The accompanying notes are an integral part of these financial statements)

	<u>2024</u>	<u>2023</u> (combined - see notes 1 and 3)
CASH PROVIDED BY (USED IN):		
OPERATING ACTIVITIES		
Excess (deficit) of revenues over expenses	215,896	(359,080)
Items not affecting cash:		
Amortization of capital assets	304,248	297,253
	520,144	(61,827)
Change in non-cash current items:		
Investments (note 4)	(1,695,019)	(629,975)
Accounts, grants and HST receivable	262,588	(360,927)
Prepaid expenses	(5,929)	(3,545)
Accounts payable and accrued liabilities	(149,630)	(587,713)
Government remittances payable	72,329	44,621
Deferred revenue (note 6)	(47,829)	(81,385)
	(1,043,346)	(1,680,751)
INVESTING ACTIVITIES		
Capital property sold (purchased)	-	(198,631)
FINANCING ACTIVITIES		
Mortgage payable (note 8)	(60,868)	(59,331)
CHANGE IN CASH AND CASH EQUIVALENTS	(1,104,214)	(1,938,713)
CASH AND EQUIVALENTS - beginning of year	2,913,452	4,852,165
CASH AND EQUIVALENTS - end of year	\$1,809,238	\$2,913,452

CAMINO WELLBEING + MENTAL HEALTH

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

MARCH 31, 2024

1. NATURE AND PURPOSE OF THE ORGANIZATION

On April 1, 2023, Carizon Family and Community Services, Kitchener-Waterloo Counselling Services Incorporated and Saint Monica House merged to become one organization called Camino Wellbeing + Mental Health ("Camino"). The unification occurred to improve services for the community, simplify access, and use the collective resources of the three legacy organizations more efficiently. Camino Wellbeing + Mental Health is an income-tax-exempt registered charity and is incorporated without share capital under the laws of Ontario. Camino's mission is to support individuals, families and communities as they work to strengthen their wellbeing and mental health and its vision is a connected community where all people thrive.

2. SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

These financial statements have been prepared using Canadian Accounting Standards for Not-for-profit Organizations. These financial statements reflect the consolidated assets, liabilities, revenues and expenses of Camino Wellbeing + Mental Health and Notre Dame Assets Inc., a wholly owned subsidiary of Camino. Notre Dame Assets Inc. owns some of the real estate used by Camino in carrying out its programs, and has directors in common with Camino. All revenue and expense transactions, and inter-organizational debts between the entities have been eliminated in these consolidated financial statements.

Cash and cash equivalents

Cash includes cash on hand plus cash held at banks and other financial institutions.

Capital property

Capital property is reflected at cost which is amortized on a straight-line basis over the estimated life of the asset as follows:

Buildings	40 years
Outdoor improvements	10 years
Leasehold improvements	5 years

Financial instruments

A financial instrument is a contract that creates a financial asset for one entity and a financial liability or equity instrument of another. Financial assets and liabilities are initially measured at fair value. The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equity instruments with quoted fair values in an active market, which are measured at fair value. Changes in fair value are recognized in net income. Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down is recognized on the statement of operations and changes in net assets. Any previously recognized impairment losses may be reversed and reflected in income to the extent of improvement, provided they are no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously.

Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that may affect the reported amount of assets and liabilities at the financial statement date and the reported revenues and expenses reported for the year. In these financial statements, amortization of property and equipment requires estimates and assumptions related to the useful life of the related assets. Actual results could differ from those estimates.

Internally restricted net assets

Mental Health Services - to provide wellbeing and mental health services related to the ongoing impact of the Covid-19 pandemic.

Working Capital - to maintain financial stability in times of revenue uncertainty

CAMINO WELLBEING + MENTAL HEALTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024

2. ACCOUNTING POLICIES (continued)

Revenue recognition

Camino uses the deferral method for recognizing revenues. Externally restricted grants and donations are reflected as deferred revenue and only recognized as revenue when the related expenses have been incurred and the required services or other deliverables have been rendered. Unrestricted grants and donations are reflected as revenue when received or receivable. Revenues are only recognized when amounts are measurable and collection is reasonably assured.

Camino benefits from many hours of service provided by volunteers. The financial value of these contributions is not measurable and is therefore not reflected in these financial statements.

3. MERGER OF ENTITIES AND CHANGE IN ACCOUNTING POLICY

As outlined in note 1, on April 1, 2023 three entities were combined to form Camino Wellbeing + Mental Health. The combination of entities was accounted for as a merger in accordance with section 4449 of the Canadian Accounting Standards for Not-for-Profit Organizations whereby the carrying value of the Assets, Liabilities and Net assets subject to the combination became the combined carrying value of the Assets, Liabilities and Net assets of Camino. Camino Wellbeing + Mental Health adopted the deferral method of revenue recognition. This required a restatement of comparative figures for Carizon Family and Community Services to align the accounting policies of the three entities, wherein, amounts previously reflected as net assets in restricted funds needed to be restated, and a corresponding amount for deferred capital contributions recorded to reflect unrecognized capital contributions from prior years. Amounts previously reflected as Internally Restricted Net Assets by all three legacy entities, are reflected as Internally Restricted Net Assets in the opening balances reflected on the Statement of Changes in Net Assets.

The prior year comparative figures reflect the aggregated results for the three entities when they operated independently. The aggregated results include adjustments made to the comparative balances of the entities to align the prior year accounting policies with those of the combined organization. The adjustments are as follows:

Aggregate Statement of Financial Activities for the year ended March 31, 2023

	<u>Carizon</u>	<u>K-W Counselling</u>	<u>Saint Monica House</u>	<u>Adjustments</u>	<u>Total</u>
Total revenue and other income	13,752,333	2,959,618	1,718,258	(304,003)	18,126,206
Total expenses	13,881,181	3,334,848	1,655,840	(386,583)	18,485,286
Surplus (deficit)	(\$128,848)	(\$375,230)	\$62,418	\$82,580	(\$359,080)

Aggregate Statement of Financial Position as at March 31, 2023

Total assets	11,738,195	3,851,293	2,300,914	-	17,890,402
Total liabilities	1,957,985	2,048,948	786,246	1,379,059	6,172,238
Net assets	\$9,780,210	\$1,802,345	\$1,514,668	(\$1,379,059)	\$11,718,164

	<u>Revenues & Other Income</u>	<u>Expenses</u>	<u>Assets</u>	<u>Liabilities</u>	<u>Net Assets</u>
Adjustments:					
Carizon:					
Reallocate restricted net assets upon adoption of deferral method	-	-	-	1,277,274	(1,277,274)
Recognized capital donations upon adoption of the deferral method	82,580	-	-	(82,580)	-
Elimination of inter-organization transactions	(214,655)	(257,301)	42,646	-	-
KW Counselling:					
Elimination of inter-organization transactions	(171,928)	(37,285)	(134,643)		
Saint Monica House					
Elimination of inter-organization transactions	-	(91,997)	91,997	-	-
Reallocation of amounts reported as a Restricted Fund to deferred income	-	-	-	184,365	(184,365)
	(\$304,003)	(\$386,583)	\$0	\$1,379,059	(\$1,461,639)

CAMINO WELLBEING + MENTAL HEALTH
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
MARCH 31, 2024

4. FINANCIAL ASSETS	<u>2024</u>	<u>2023</u> <small>(combined - see notes 1 and 3)</small>
Investments:		
Reflected at fair value - equities	3,637,409	3,498,642
Reflected at amortized cost - fixed term investments	6,619,577	5,063,325
	10,256,986	8,561,967
Other financial assets reflected at amortized cost (cash and receivables, excluding HST)	2,414,481 -	3,708,675
	\$ 12,671,467	\$ 12,270,642

Fixed term investments bear interest from 1.61% to 5.71% (2023 - 1.47% to 4.74%) and mature between April 2024 and August 2027.

Management believes the organization does face some market and interest rate risk in that changes in investment markets could impact the value of investments held. Management also believes the organization does not face any significant credit, currency or liquidity risk with respect to its financial instruments. Management's assessment of these risks has not changed from the prior year.

5. CAPITAL PROPERTY	<u>2024</u>			<u>2023</u> <small>(combined - see notes 1 and 3)</small>
	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	<u>Net Book Value</u>
Land	855,873	-	855,873	855,873
Buildings	9,934,400	5,949,513	3,984,887	4,237,669
Outdoor improvements	178,317	54,541	123,776	158,772
Leasehold improvements	124,565	124,565	-	16,470
	\$ 11,093,155	\$ 6,128,619	\$ 4,964,536	\$ 5,268,784

6. DEFERRED REVENUE

Deferred revenue consists of fundraised donations and grants which have been restricted by the donor in some manner, and have yet to be spent as designated.

7. DEFERRED CAPITAL CONTRIBUTIONS	<u>Opening Balance</u>	<u>Additions (Repayments)</u>	<u>Recognized as Revenue</u>	<u>Closing Balance</u>
Capital contributions	\$ 3,314,881 <small>(combined - see notes 1 and 3)</small>	\$ -	\$ (178,758)	\$ 3,136,123

Deferred capital contributions reflects grants and donations from donors and from funders who have restricted the use of the contributions to capital related expenditures. The closing balance reflects those contributions which will be recognized consistently with the amortization of the funded assets.

8. MORTGAGE PAYABLE	<u>2024</u>	<u>2023</u> <small>(combined - see notes 1 and 3)</small>
The mortgage payable bears interest at 4.09% requires monthly principal and interest payments of \$5,964, is secured by the land and building at 150 Ainslie St., Cambridge, ON, and matures in August 2027.	228,111	288,979
Due in the coming year	63,477	60,868
	\$164,634	\$228,111

Projected principal payments:	<u>Fiscal Year</u>	<u>Payments</u>
	2025	63,477
	2026	66,102
	2027	68,836
	2028	29,696
		\$228,111

CAMINO WELLBEING + MENTAL HEALTH

ADDITIONAL DISCLOSURES

MARCH 31, 2024

The following disclosures have been requested by the funders noted, but are not required for fair presentation of the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations

GOVERNMENT GRANTS

Camino has ongoing service contracts with several government ministries. These ministries require the filing of annual reconciliation reports summarizing by service or program, all revenues and expenditures, and identifying any resulting surplus or deficit. Surpluses (deficits) by service or program for the current fiscal year are as follows:

	<u>Surplus</u> <u>(deficit)</u>
Ministry of Health	
Brief Services	-
Counselling and Therapy Services	-
Family Capacity Building and Support	(21,807)
Intensive Treatment Services	40,264
Specialized Consultation and Assessment	(18,457)
Targeted Prevention	-
Small Water Works	-
	<hr/>
	-
	<hr/>
Ministry of Children, Community and Social Services	
Child Welfare	-
Autism	-
Violence Against Women	-
Broader Public Sector - Adult	-
Broader Public Sector - Developmental Services	-
Broader Public Sector - Child	-
Young Parent	-
Dedicated Supportive Housing	-
	<hr/>
	-
	<hr/>
Ontario Health	
Abuse Services - Sexual Assault Counselling	-
Abuse Services - FASD Clinic	-
Clinic Programs - MH Counselling and Treatment	-
	<hr/>
	-
	<hr/>

Camino allocates certain expenditures to these programs using the guidelines mandated by the respective Ministry.

PATHWAYS CANADA

	<u>2023</u>	<u>2022</u>
Funding received related to prior year	-	-
Funding received and / or accrued from Pathways Canada for current year	1,652,824	1,507,134
Total program income recognized and expended in the year	\$ 1,652,824	\$ 1,507,134