Wellness & Emotional Support (WES) For Youth Online
Financial Statements
For the year ended December 31, 2023

Contents

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Independent Auditor's Report

To the Board of Directors of
Wellness & Emotional Support (WES) For Youth Online

Qualified Opinion

We have audited the financial statements of Wellness & Emotional Support (WES) For Youth Online (the Entity), which comprise the statement of financial position as at December 31, 2023, 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, 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 Entity as at December 31, 2023, and its results of 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 Entity derives revenue from donations, fundraising, and cash receipts 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2023 and 2022, current assets as at December 31, 2023 and 2022, and net assets as at January 1 and December 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended December 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

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 Entity 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity's financial reporting process.

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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.

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 Entity'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 Entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw 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 Entity 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Walkerton, Ontario
June 19, 2024

Wellness & Emotional Support (WES) For Youth Online
Statement of Financial Position

December 31	2023	2022
Assets		
Current		
Cash	$ 234,232	$ 371,146
Accounts receivable	22,768	77,212
Prepaid expenses	15,105	13,309
Scotiabank guaranteed investment certificate	-	40,232
	272,105	501,899
Capital assets (Note 2)	861	1,076
Intangible assets (Note 3)	59,448	68,776
	$ 332,414	$ 571,751
Liabilities and Net Assets		
Current		
Accounts payable and accruals (Note 4)	$ 66,044	$ 89,038
CEBA loan	-	40,000
Deferred revenue (Note 5)	17,442	125,965
	83,486	255,003
Net Assets		
Unrestricted	248,928	316,748
	$ 332,414	$ 571,751

On behalf of the Board:

______________________________ Director

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

Wellness & Emotional Support (WES) For Youth Online
Statement of Operations

For the year ended December 31	2023	2022
Revenue		
Donations	$ 197,814	$ 266,376
Fundraising	23,105	-
Grants	108,523	48,715
Interest	1,771	1,301
	331,213	316,392
Expenses		
Advertising	9,497	6,387
Bank charges	1,996	2,006
Consultants	23,075	-
Counselling	93,486	72,167
Fundraising	10,036	1,339
Insurance	7,329	5,193
Office	8,358	11,190
Professional fees	17,893	17,634
Rent	1,616	2,304
Repairs and maintenance	1,882	1,233
Telephone and cable	1,613	1,070
Travel	1,562	1,655
Wages	206,228	165,264
	384,571	287,442
Excess of revenue over expenses (expenses over revenue) from operations before amortization	(53,358)	28,950
Amortization of capital and intangible assets	(14,462)	(14,878)
Excess of revenue over expenses (exoenses over revenue) for the year	$ (67,820)	$ 14,072

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

Wellness & Emotional Support (WES) For Youth Online
Statement of Changes in Net Assets

For the year ended December 31		2023		2022
Unrestricted Net Assets				
Balance, beginning of year	$	316,748	$	302,676
Excess of revenue over expenses (expenses over revenue) for the year		(67,820)		14,072
Balance, end of year	$	248,928	$	316,748

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

Wellness & Emotional Support (WES) For Youth Online
Statement of Cash Flows

For the year ended December 31	2023	2022
Cash provided by (used in)		
Operating activities		
Excess of revenue over expenses (expenses over revenue) for the year	$ (67,820)	$ 14,072
Items not involving cash		
Amortization of capital assets	215	270
Amortization of intangible assets	14,247	14,608
	(53,358)	28,950
Changes in non-cash working capital balances		
Accounts receivable	54,444	(70,233)
Prepaid expenses	(1,796)	(9,919)
Accounts payable and accrued liabilities	(22,994)	10,633
Deferred revenue	(108,523)	125,965
	(132,227)	85,396
Investing activities		
Purchases and reinvestments of investments	-	(40,232)
Sales and maturities of investments	40,232	40,000
Acquisition of capital and intangible assets	(4,919)	(20,680)
	35,313	(20,912)
Financing activities		
Repayment of CEBA loan	(40,000)	-
Increase (decrease) in cash during the year	(136,914)	64,484
Cash, beginning of year	371,146	306,662
Cash, end of year	$ 234,232	$ 371,146

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

December 31, 2023

1. Summary of Significant Accounting Policies

Nature of Business

The organization is a non-profit organization incorporated without share capital under the laws of Ontario. The purpose of the organization is to provide wellness and emotional support for youth through online professional counselling in a safe, secure, and confidential manner for communities across Ontario. The organization is exempt from income tax under the Income Tax Act.

Basis of Accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Accrual Accounting

The financial statements have been prepared using the accrual method of accounting. Under this method, expenses are recorded in the period in which they are incurred and measureable as a result of a receipt of goods or services and the creation of a legal obligation to pay. Revenues are recorded when they become available and measureable.

Revenue Recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in that subsequent period.

Donations and fundraising revenue are recognized when the amounts are received or receivable if the amounts to be received can be easily estimated and collection is reasonale assured. Interest income is recognized when earned.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and cash are reported at fair value, with any unrealized gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Inventory

Inventories of materials and supplies are valued at the lower of cost and net realizable value. Cost is determined using a weighted average basis.

1. Summary of Significant Accounting Policies (continued)

Capital and Intangible Assets

Purchased capital assets, comprising of furniture and fixtures, computer software and leasehold improvements are stated at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Amortization based on the estimated useful life of the asset is calculated as follows:

Building	- 4% diminishing balance basis
Computer software	- 50% diminishing balance basis
Equipment	- 20% diminishing balance basis
Platform	- 20% diminishing balance basis
Leasehold Improvements	- 4% diminishing balance basis

Leases

Leases are classified as capital or operating leases. A lease that transfers substantially all of the benefits and risks incidental to the ownership of property is classified as a capital lease. At the inception of a capital lease, an asset and an obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair value at the beginning of the lease. All other leases are accounted for as operating leases; wherein, rental payments are expensed as incurred.

Contributed Materials and Services

Contributed materials and services which are used in the normal course of the organization's operations and would otherwise have been purchased are recorded at their fair value at the date of contribution, if fair value can be reasonably estimated.

Volunteers contribute their time to assist the organization in carrying out its activities. Due to the difficulty of determining the fair value, contributed services are not recognized in these financial statements.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the collectability of accounts receivable and estimated useful life of capital and intangible assets. Actual results could differ from management's best estimates as additional information becomes available in the future.

December 31, 2023

2. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	$ 5,650	$ 4,789	$ 5,650	$ 4,574
Net book value		$ 861		$ 1,076

3. Intangible Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer software	$ 15,820	$ 15,759	$ 15,820	$ 15,744
Platform	103,827	44,440	98,908	30,208
	$ 119,647	$ 60,199	$ 114,728	$ 45,952
Net book value		$ 59,448		$ 68,776

During the year, intangible assets amounting to $4,919 (2022 - $20,680) were acquired by the organization.

4. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances payable of $40,289 (2022 - $42,022).

5. Deferred Revenue

		2023		2022
James Goreski Private Foundation grant, opening balance	$	29,380	$	-
James Goreski Private Foundation grant		-		29,380
Counselling platform maintenance fee expenses applied		(11,938)		-
Deferred grant remaining for future expenses	$	17,442	$	29,380
Resilient Communities Fund grant, opening balance	$	96,585	$	-
Resilient Communities Fund grant		-		145,300
Expenses applied		(96,585)		(48,715)
Deferred grant remaining for future expenses	$	-	$	96,585
Total deferred grants	$	17,442	$	125,965

The $29,380 James Goreski Private Foundation grant has been provided for various maintenance fees for the counselling platform.

The $145,300 Resilient Communities Fund grant received through the Ontario Trillium Foundation has been provided to cover personnel costs of $72,800, overhead and administration costs of $7,500, with the remaining $65,000 to cover purchased services, workshops, training and consulting costs.

6. Financial Instrument Risks

The company is exposed to various risks through its financial instruments. The following analysis provides a measure of the company's risk exposure and concentrations at December 31, 2023.

Interest Rate Risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The organization is exposed to interest rate risk arising from its investments.

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. The organization is exposed to interest rate risk arising from its accounts receivable.

Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the company will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accruals.

Market Risk

Market risk is the risk that the organization faces due to fluctuations in the equity markets. The organization is not exposed to significant market risk arising from its financial instruments.

There have been no significant changes from the previous year in the exposure to risk or policies, procedures, and methods used to measure the risk.