

**WELLKIN CHILD & YOUTH MENTAL WELLNESS**

**Financial Statements**

**March 31, 2026**

# **WELLKIN CHILD & YOUTH MENTAL WELLNESS**

## **Financial Statements**

**For The Year Ended March 31, 2026**

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## **INDEPENDENT AUDITORS' REPORT**

To the Members of **Wellkin Child & Youth Mental Wellness**:

### **Opinion**

We have audited the financial statements of **Wellkin Child & Youth Mental Wellness**, which comprise the statement of financial position as at March 31, 2026, and the statement of operations, statement of changes in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the organization's financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2026, 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 *Auditors' 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.

### **Auditors' 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 AUDITORS' REPORT (CONTINUED)**

**Auditors' Responsibilities for the Audit of the Financial Statements (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 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.

St. Thomas, Ontario

May 27, 2026

*Graham Scott Enns LLP*

CHARTERED PROFESSIONAL ACCOUNTANTS

Licensed Public Accountants

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Statement of Financial Position As at March 31, 2026

	<u>2026</u>	<u>2025</u>
	<u>\$</u>	<u>\$</u>
<b><u>ASSETS</u></b>		
<b>CURRENT ASSETS</b>		
Cash (Note 2)	1,615,468	1,455,868
Short-term investments (Note 3)	-	100,000
Accounts receivable	21,278	55,559
Government remittances recoverable	106,736	66,644
Receivable from Centre for Addiction and Mental Health - HUB	712	-
Prepaid expenses	-	44,378
	<u>1,744,194</u>	<u>1,722,449</u>
<b>TANGIBLE CAPITAL ASSETS (NOTE 4)</b>	<u>952,214</u>	<u>1,104,687</u>
<b>TOTAL ASSETS</b>	<u>2,696,408</u>	<u>2,827,136</u>
<b><u>LIABILITIES AND NET ASSETS</u></b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	280,353	201,910
Repayable to Ministries (Note 10)	428,389	329,730
Repayable to Centre for Addiction and Mental Health - HUB	-	182,896
Deferred contributions (Note 5)	163,243	189,455
	<u>871,985</u>	<u>903,991</u>
<b>DEFERRED CONTRIBUTIONS - TANGIBLE CAPITAL ASSETS (NOTE 6)</b>	<u>1,515,325</u>	<u>1,636,069</u>
<b>TOTAL LIABILITIES</b>	<u>2,387,310</u>	<u>2,540,060</u>
<b>NET ASSETS</b>	<u>309,098</u>	<u>287,076</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u>2,696,408</u>	<u>2,827,136</u>

On behalf of the Board:

  
Director

  
Director

See accompanying notes to the financial statements.

**WELLKIN CHILD & YOUTH MENTAL WELLNESS**

**Statement of Changes in Net Assets  
For The Year Ended March 31, 2026**

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	<b>2026</b>	2025
	<u>\$</u>	<u>\$</u>
<b>BALANCE, BEGINNING OF YEAR</b>	<b>287,076</b>	229,556
Excess of revenues over expenditures for the year	<u>22,022</u>	<u>57,520</u>
<b>BALANCE, END OF YEAR</b>	<u><b>309,098</b></u>	<u>287,076</u>

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See accompanying notes to the financial statements.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Statement of Operations For The Year Ended March 31, 2026

	<u>2026</u>	<u>2025</u>
	<u>\$</u>	<u>\$</u>
<b>REVENUES</b>		
Ministry of Health funding	4,355,011	3,912,307
Ministry of Children, Community and Social Services funding	607,739	578,482
Centre for Addiction and Mental Health - HUB funding	180,755	270,699
Amortization of deferred contributions tangible capital assets (Note 6)	92,917	83,634
Recoveries and other funding	60,254	73,075
York Hills - Complex Transition funding	47,775	33,273
Donations and fundraising	11,712	23,066
Other HUB funding	5,143	-
Interest	1,198	4,229
	<u>5,362,504</u>	<u>4,978,765</u>
<b>EXPENDITURES</b>		
Salaries, wages and benefits	3,881,708	3,640,461
Purchased services - non-client related	438,195	104,691
Building occupancy	345,412	361,297
Centre for Addiction and Mental Health - HUB expenses	180,594	270,699
Office administration	152,718	168,337
Other programs and services	113,655	121,086
Amortization	81,046	85,940
Promotion and publicity	45,257	52,739
Travel and communication	33,058	28,661
Health and related expenses	19,395	12,327
Membership fees and dues	18,351	24,244
Training, education and conferences	16,542	8,551
Purchased services - client related	8,463	42,212
	<u>5,334,394</u>	<u>4,921,245</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES BEFORE OTHER ITEMS</b>	<b>28,110</b>	<b>57,520</b>
<b>OTHER ITEMS</b>		
Loss on sale of tangible capital assets	<u>(6,088)</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENDITURES FOR THE YEAR</b>	<b><u>22,022</u></b>	<b><u>57,520</u></b>

See accompanying notes to the financial statements.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Statement of Cash Flows For The Year Ended March 31, 2026

	2026	2025
	<u>\$</u>	<u>\$</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenues over expenditures for the year	22,022	57,520
Adjustments for non-cash items:		
Amortization of tangible capital assets	81,046	85,940
Amortization of deferred capital contributions	(92,917)	(83,634)
Loss on sale of tangible capital assets	<u>6,088</u>	<u>-</u>
	<u>16,239</u>	<u>59,826</u>
Changes in non-cash working capital:		
Accounts receivable	34,281	46,767
Prepaid expenses	44,378	(37,557)
Accounts payable and accrued liabilities	78,443	(60,035)
Repayable to Ministries	98,659	168,348
Repayable to Centre for Addiction and Mental Health	(183,608)	35,879
Government remittances recoverable	(40,092)	14,039
Deferred contributions	<u>(26,212)</u>	<u>18,284</u>
	<u>5,849</u>	<u>185,725</u>
	<u>22,088</u>	<u>245,551</u>
<b>CASH FLOWS FROM (USED IN) INVESTMENT ACTIVITIES</b>		
Proceeds from short-term investments	100,000	-
Proceeds from the sale of tangible capital assets	97,826	-
Purchase of tangible capital assets	(32,487)	(154,093)
	<u>-</u>	<u>-</u>
	<u>165,339</u>	<u>(154,093)</u>
<b>CASH FLOWS (USED IN) FROM FINANCING ACTIVITIES</b>		
Increase in deferred contributions - tangible capital assets	29,857	848,654
Decrease in deferred contributions - tangible capital assets returned	<u>(57,684)</u>	<u>-</u>
	<u>(27,827)</u>	<u>848,654</u>
<b>NET CHANGE IN CASH</b>	<b>159,600</b>	<b>940,112</b>
<b>CASH, BEGINNING OF YEAR</b>	<u><b>1,455,868</b></u>	<u><b>515,756</b></u>
<b>CASH, END OF YEAR</b>	<u><b>1,615,468</b></u>	<u><b>1,455,868</b></u>

See accompanying notes to the financial statements.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Notes to the Financial Statements For The Year Ended March 31, 2026

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### NATURE OF THE ORGANIZATION

Wellkin Child & Youth Mental Wellness (the "organization") is a social services agency providing a range of high quality, comprehensive mental health services for children and youth and their families who reside in Oxford and Elgin Counties. The organization was incorporated under the Business Corporations Act (Ontario) without share capital and is a registered charity that is exempt from income taxes under paragraph 149(1)(f) of the Income Tax Act of Canada.

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

#### Accounting Estimates

The preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenditures during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in excess of revenues over expenditures in the period in which they become known.

In particular, the organization uses significant estimates when accounting for certain items, including:

- Useful lives of tangible capital assets
- Revenues and deferred revenues

#### Revenue Recognition

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Donations which have been specifically contributed for the purpose of offsetting current expenses incurred in the course of the care of individuals are recognized as current operating revenue. Investment income includes interest and is recognized when earned. Contributions for tangible capital assets are deferred and recognized as revenue on the same basis as amortization is recorded.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Notes to the Financial Statements For The Year Ended March 31, 2026

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Contributed Materials and Services

Volunteers contribute an indeterminable number of hours per year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### Tangible Capital Assets

Tangible capital assets consist of land, building and equipment and are recorded at cost. When an asset is sold or otherwise disposed of, the original cost and related accumulated amortization are removed from the accounts, and any gain or loss is recognized in excess of revenues over expenditures. The cost, less residual value, of the tangible capital assets, excluding land, are amortized on a straight line basis over their estimated useful lives as follows:

Building	Straight-line over 40 years
Office equipment	Straight-line over 20 years
Computers	Straight-line over 5-10 years
Leasehold improvements	Straight-line over 5 years
Vehicle	Straight-line over 5 years

Amortization begins the first month of the year following the year the asset is placed in service and up to the year of disposal. Assets under construction are not amortized until the asset is available for productive use.

#### Disclosure of Allocated Expenses

The organization engages in various programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The organization also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The organization allocates its expenses according to management's best estimate based upon a reasonable and consistent basis of the time, space, and other resources utilized.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Notes to the Financial Statements For The Year Ended March 31, 2026

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

#### Financial Instruments

##### *Initial measurement of financial instruments*

The organization initially measures its financial assets and liabilities originated or exchanged in arm's length transactions at fair value. Financial assets and liabilities originated or exchanged in related party transactions, except for those that involve parties whose sole relationship with the organization is in the capacity of management, are initially measured at cost.

The cost of a financial instrument in a related party transaction depends on whether the instrument has repayment terms. If repayment terms are present, the cost is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. Otherwise, the cost is determined using the consideration transferred or received by the organization in the transaction.

##### *Subsequent measurement of financial instruments*

The organization subsequently measures all its financial assets and liabilities at cost or amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in excess of revenues over expenditures.

Financial assets measured at fair value include cash and short-term investments.

Financial assets measured at amortized cost include accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, repayable to Ministries and repayable to Centre for Addiction and Mental Health - HUB.

##### *Impairment*

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in revenue and expenditures in the year of write down. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in revenue and expenditures in the year of reversal.

### 2. CREDIT FACILITY

The organization has an authorized line of credit of \$75,000, of which \$75,000 (2025 - \$75,000) remained unused at year end. The is due on demand with interest at Royal Bank prime plus 1.0%. The organization has provided a registered general security agreement over all property of the organization as security for the line of credit.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Notes to the Financial Statements For The Year Ended March 31, 2026

### 3. SHORT-TERM INVESTMENTS

	<b>2026</b>	<b>2025</b>
	<u>\$</u>	<u>\$</u>
RBC GIC, non-redeemable, 3.04% interest, matured	<u>-</u>	<u>100,000</u>

### 4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Amortization	<b>2026</b>	<b>2025</b>
	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>
Land	146,303	-	<b>146,303</b>	146,303
Building	716,091	162,160	<b>553,931</b>	571,834
Furniture and fixtures	351,554	246,762	<b>104,792</b>	122,370
Computer	306,350	201,562	<b>104,788</b>	138,339
Leasehold improvements	100,858	94,004	<b>6,854</b>	18,708
Furniture and fixtures - HUB	3,220	161	<b>3,059</b>	-
Computer - HUB	29,857	-	<b>29,857</b>	-
Vehicle	-	-	-	40,789
Assets under construction	<u>2,630</u>	<u>-</u>	<u><b>2,630</b></u>	<u>66,344</u>
	<u><b>1,656,863</b></u>	<u><b>704,649</b></u>	<u><b>952,214</b></u>	<u><b>1,104,687</b></u>

### 5. DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted operating funding received in the current and prior periods that was not fully utilized in the current year. These contributions are deferred and recognized as revenue in the year in which the related program expenses are incurred.

	<b>2026</b>	<b>2025</b>
	<u>\$</u>	<u>\$</u>
Deferred contributions - beginning of year	<b>189,455</b>	171,171
Add: Other amounts received related to future years	<b>27,000</b>	18,284
Less: Amount recognized as revenue during the year	<u><b>(53,212)</b></u>	<u>-</u>
Deferred contributions - end of year	<u><b>163,243</b></u>	<u><b>189,455</b></u>

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Notes to the Financial Statements For The Year Ended March 31, 2026

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### 6. DEFERRED CONTRIBUTIONS RELATED TO TANGIBLE CAPITAL ASSETS

Deferred contributions related to tangible capital assets represent externally restricted contributions to be used towards the purchase of tangible capital assets. Deferred contributions related to tangible capital assets are amortized on the same basis as the tangible capital assets to which they relate.

The changes during the year in deferred contributions related to tangible capital assets are as follows:

	<u>2026</u>	<u>2025</u>
	<u>\$</u>	<u>\$</u>
Deferred contributions - capital assets, beginning of year	1,636,069	871,049
Add: Contributions received in the year	29,857	848,654
Less: Recognized in revenue during the year	(92,917)	(83,634)
Less: Contributions returned to funder during the year	<u>(57,684)</u>	<u>-</u>
Deferred contributions - capital assets, end of year	<u>1,515,325</u>	<u>1,636,069</u>

### 7. PENSION PLAN

The organization offers a defined contribution benefit plan where the organization will contribute 5.5% of each employee's gross salary after three months of service. During the year, the organization paid approximately \$150,111 (2025 - \$152,280) in pension costs.

### 8. COMMITMENTS

The minimum annual lease payments required in each of the next four years in respect of operating leases for equipment and premises are as follows:

	<u>\$</u>
2027	159,044
2028	120,911
2029	118,493
2030	118,493

On March 2026, the organization signed a letter of intent to lease a premise. This was not included in the commitment schedule above as an official lease agreement has not been signed as of the audit report date.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Notes to the Financial Statements For The Year Ended March 31, 2026

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### 9. FINANCIAL INSTRUMENT RISKS

#### Risks and Concentrations

The organization is exposed to various risks through its financial instruments. The following analysis provides a measure of the organization's risk exposure and concentrations at the statement of financial position date. There were no changes in these risk assessments from the prior year.

#### Liquidity Risk

Liquidity risk is the risk that an organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, repayable to Ministries and repayable to Centre for Addiction and Mental Health - HUB. No financial liabilities of the organization were in default during the period. Management does not consider liquidity risk to be a significant risk.

#### 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's main credit risk relates to its accounts receivable. Management does not consider credit risk to be a significant risk.

#### 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 organization is subject to interest rate risk as its short-term investments have a fixed interest rate. Management does not consider interest rate risk to be a significant risk.

### 10. RECONCILIATION OF SURPLUS REPAYABLE TO MINISTRIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, which has differences in accounting requirements when compared to the Ministry of Children, Community and Social Services ("MCCSS") or Ministry of Health, (the "Ministries"), funding reporting submissions. Some differences include the treatment of tangible capital assets and related amortization and self-funded programs. Any surpluses are repayable to the Ministries and any deficits are the responsibility of the organization. At year end, the organization estimates that \$96,046 is repayable to the Ministry of Health for the 2026 fiscal year, \$188,478 for the 2025 fiscal year, \$140,724 for the 2024 fiscal year, and \$3,142 repayable to MCCSS for the 2022 fiscal year. These amounts have not been assessed as repayable by the Ministries, but have been estimated as a liability and have been accrued in the financial statements.

# WELLKIN CHILD & YOUTH MENTAL WELLNESS

## Notes to the Financial Statements For The Year Ended March 31, 2026

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### 11. SUBSEQUENT EVENT

Subsequent to year end, the organization became involved in a legal matter related to an employment claim. As at the audit report date, the outcome of this matter is uncertain, and the amount of any potential loss cannot be reasonably estimated. Due to the inherent uncertainty of litigation, it is not possible to predict the final resolution of this matter or the potential financial impact on the organization. Accordingly, no provision has been recorded in the financial statements related to this claim.