
**M.I.N.D PROGRAM MOVING IN NEW
DIRECTIONS INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2022**

INDEX

- Page 1-2. Independent Auditor's Report**
- 3. Statement of Financial Position**
- 4. Statement of Changes in Net Assets**
- 5. Statement of Revenues and Expenditures**
- 6. Statement of Cash Flows**
- 7-8. Notes to Financial Statements**

INDEPENDENT AUDITOR'S REPORT

To the Members of
M.I.N.D. Program Moving in New Directions Inc.

Qualified Opinion

I have audited the accompanying financial statements of M.I.N.D. Program Moving in New Directions Inc., which comprise the statement of financial position as at December 31, 2022 and 2021 and the statement of changes in net assets, statement of revenues and expenditures and 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, except for the effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of M.I.N.D. Program Moving in New Directions Inc. as at December 31, 2022 and 2021, 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 Qualified Opinion

In common with many charitable organizations, M.I.N.D. Program Moving in New Directions Inc. derives revenue from programs and donations 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 M.I.N.D. Program Moving in New Directions Inc. Therefore, I was not able to determine whether any adjustments might be necessary to programs and donation revenue, excess of revenues over expenditures, cash flows from operations for the years ended December 31, 2022 and 2021, current assets as at December 31, 2022 and 2021, and net assets as at January 1 and December 31 for both the 2022 and 2021 years. The audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this scope limitation.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of M.I.N.D. Program Moving in New Directions Inc. 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 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 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 M.I.N.D. Program Moving in New Directions Inc.'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 M.I.N.D. Program Moving in New Directions Inc. or cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing M.I.N.D. Program Moving in New Directions Inc.'s financial reporting process.

Auditor's Responsibility 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 generally accepted auditing standards, I exercise professional judgement and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatements 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 my 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 M.I.N.D. Program Moving in New Directions Inc.'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 M.I.N.D. Program Moving in New Directions Inc.'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 M.I.N.D. Program Moving in New Directions Inc. 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.



PETER W. HOGG, CPA, PROFESSIONAL CORPORATION
Authorized to practice public accounting by the Chartered Professional Accountants of Ontario

Toronto, Ontario
May 13, 2023

M.I.N.D. PROGRAM MOVING IN NEW DIRECTIONS INC.

STATEMENT OF FINANCIAL POSITION

As at December 31,

2022

2021

ASSETS

Current

Cash	\$ 106,316	\$ 85,982
Investments	2,105	2,094
Prepaid expenses	<u>286</u>	<u>667</u>
	<u>\$ 108,707</u>	<u>\$ 88,743</u>

LIABILITIES

Current

Accounts payable and accrued liabilities	\$ _____ -	\$ _____ -
	_____ -	_____ -

NET ASSETS

General fund	<u>108,707</u>	<u>88,743</u>
	<u>\$ 108,707</u>	<u>\$ 88,743</u>

Approved by the Board:



Director



Director

M.I.N.D. PROGRAM MOVING IN NEW DIRECTIONS INC.**STATEMENT OF CHANGES IN NET ASSETS**For the year ended December 31, 2022

	Opening Balance	Revenue	Expenses	Transfers	Closing Balance
	\$	\$	\$	\$	\$
CURRENT YEAR TOTAL	<u>88,743</u>	<u>112,492</u>	<u>92,528</u>	<u>-</u>	<u>108,707</u>
PRIOR YEAR TOTAL	<u>54,603</u>	<u>131,809</u>	<u>97,669</u>	<u>-</u>	<u>88,743</u>

M.I.N.D. PROGRAM MOVING IN NEW DIRECTIONS INC.

STATEMENT OF REVENUES AND EXPENDITURES

For the year ended December 31,

2022

2021

REVENUES

Grants	\$ 71,468	\$ 73,265
Donations - Organizations	24,078	33,683
Donations - Individuals	7,402	6,532
Canada Summer Jobs Grant	4,758	9,002
Meal programs	4,445	9,262
Interest income	<u>341</u>	<u>65</u>
	<u>112,492</u>	<u>131,809</u>

EXPENDITURES

Salaries and benefits	52,558	67,910
Meal program costs	27,313	11,104
Professional fees	8,678	9,871
Trustee fees	2,767	6,827
Communication	524	443
Insurance	447	416
Travel	112	1,000
Bank charges	88	77
Office expenses	<u>41</u>	<u>21</u>
	<u>92,528</u>	<u>97,669</u>

EXCESS OF REVENUES OVER EXPENDITURES

	<u>\$ 19,964</u>	<u>\$ 34,140</u>
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M.I.N.D. PROGRAM MOVING IN NEW DIRECTIONS INC.

STATEMENT OF CASH FLOWS

For the year ended December 31,

2022

2021

OPERATING ACTIVITIES

Excess of revenues over expenditures	\$ 19,964	\$ 34,140
Net changes in non-cash working capital:		
Prepaid expenses	381	(613)
Accounts payable and accrued liabilities	<u>-</u>	<u>-</u>
NET INCREASE IN CASH	20,345	33,527
CASH - BEGINNING	<u>88,076</u>	<u>54,549</u>
CASH - ENDING	<u>\$ 108,421</u>	<u>\$ 88,076</u>
CASH CONSISTS OF:		
Cash	\$ 106,316	\$ 85,982
Investments	<u>2,105</u>	<u>2,094</u>
	<u>\$ 108,421</u>	<u>\$ 88,076</u>

M.I.N.D. PROGRAM MOVING IN NEW DIRECTIONS INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

1. PURPOSE OF THE ORGANIZATION

M.I.N.D. Program Moving in New Directions Inc. (the organization) is a not-for-profit organization incorporated provincially under the Not-for-profit Corporations Act of Ontario. As a registered charity the organization is exempt from the payment of income tax under subsection 149(1) of the Income Tax Act.

The purpose of the organization is to provide low-cost, nutritious meals every day on-site at two Toronto Community Housing Corp. buildings. In addition, the organization assists the buildings' tenants in accessing medical services, substance use harm reduction programs, diabetes education, and bed-bug eradication equipment.

2. SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions.

Restricted contributions and grants are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions and grants are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(b) Financial Instruments

Financial Instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expenses when incurred.

(c) Contributed Services

Volunteers contribute numerous hours per year to assist the organization in carrying out its operations. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

(e) Use of Estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. In the opinion of management, these financial statements reflect, within reasonable limits of materiality, all adjustments necessary to fairly present the results for the years presented. Actual results could differ from these estimates.

M.I.N.D. PROGRAM MOVING IN NEW DIRECTIONS INC.

NOTES TO FINANCIAL STATEMENTS

December 31, 2022

3. CAPITAL MANAGEMENT

The organization's capital consists of cash and unrestricted net assets. The organization's capital structure is intended to meet or exceed internally set capital targets while addressing the need to meet a demand for cash or fund its obligations as they come due. It monitors its capital by preparing annual budgets and monitoring actual results in comparison to budgeted amounts at regularly held Board meetings and is not subject to any externally imposed capital requirements.

4. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's significant risk exposures and concentrations as of December 31, 2022.

Fair Values

The carrying values of cash and accounts payable and accrued liabilities approximate their fair value due to the relatively short periods to maturity of the instruments.

Interest Rate Risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities.. The organization has cash balances and no interest bearing debt.

Liquidity Risk

Liquidity risk relates to the risk the organization will encounter difficulties meeting obligations associated with financial liabilities. The financial liabilities on its balance sheet consist of accounts payable and accrued liabilities. Management closely monitors cash flow requirements to ensure that it has sufficient cash on demand to meet operational and financial obligations.