
HARD FEELINGS MENTAL HEALTH

FINANCIAL STATEMENTS

UNAUDITED

JUNE 30, 2024

INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members,
Hard Feelings Mental Health

We have reviewed the accompanying financial statements of Hard Feelings Mental Health (the organization) that comprise the statement of financial position as at June 30, 2024, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Practitioner's Responsibility

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which requires us to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the financial statements do not present fairly, in all material respects, the financial position of Hard Feelings Mental Health as at June 30, 2024, 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.



Chartered Professional Accountants
Licensed Public Accountants

October 29, 2024
Toronto, Ontario

HARD FEELINGS MENTAL HEALTH

STATEMENT OF FINANCIAL POSITION

UNAUDITED

AS AT JUNE 30, 2024

	2024	2023
ASSETS		
Current assets		
Operating cash	\$ 16,935	\$ 52,288
Restricted cash (note 3)	2,069	2,045
Guaranteed investment certificate (note 3)	41,886	70,095
Accounts receivable	20,671	-
Inventory	8,776	10,327
Sales tax receivable	<u>653</u>	<u>-</u>
	<u>\$ 90,990</u>	<u>\$ 134,755</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 8,480	\$ 8,262
Deferred contributions (note 5)	6,782	52,509
Deferred revenue	<u>200</u>	<u>1,195</u>
	15,462	61,966
Long-term liabilities		
CEBA loan payable	<u>-</u>	<u>30,000</u>
	<u>15,462</u>	<u>91,966</u>
Net assets		
Unrestricted	<u>75,528</u>	<u>42,789</u>
	<u>\$ 90,990</u>	<u>\$ 134,755</u>

Approved on behalf of the Board:

Maureen Carter-Whitney, Director

M Fitzhenry, Director

see accompanying notes

HARD FEELINGS MENTAL HEALTH

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

UNAUDITED

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
REVENUE		
Contributions (note 6)	\$ 140,485	\$ 59,171
Community of practice membership fees	71,750	59,102
Sales and workshops	32,707	25,051
Interest	<u>2,403</u>	<u>104</u>
	<u>247,345</u>	<u>143,428</u>
COST OF GOODS SOLD	<u>17,133</u>	<u>13,775</u>
EXPENSES		
Salaries and benefits	151,677	85,839
Community of practice and store	26,984	21,090
Occupancy	16,376	2,321
Program	<u>2,436</u>	<u>165</u>
	<u>197,473</u>	<u>109,415</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	32,739	20,238
Net assets, beginning of year	<u>42,789</u>	<u>22,551</u>
NET ASSETS, END OF YEAR	<u>\$ 75,528</u>	<u>\$ 42,789</u>

see accompanying notes

HARD FEELINGS MENTAL HEALTH

STATEMENT OF CASH FLOWS

UNAUDITED

FOR THE YEAR ENDED JUNE 30, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 32,739	\$ 20,238
Net change in non-cash working capital items (see below)	<u>(66,277)</u>	<u>44,918</u>
Net cash generated from (used for) operating activities	<u>(33,538)</u>	<u>65,156</u>
INVESTING ACTIVITIES		
Proceeds from (purchase of) guaranteed investment certificates	<u>28,209</u>	<u>(70,095)</u>
FINANCING ACTIVITIES		
Repayment of CEBA Loan	<u>(30,000)</u>	<u>-</u>
NET DECREASE IN CASH FOR THE YEAR	(35,329)	(4,939)
Cash, beginning of year	<u>54,333</u>	<u>59,272</u>
CASH, END OF YEAR	<u>\$ 19,004</u>	<u>\$ 54,333</u>
Cash comprises of:		
Operating cash	\$ 16,935	\$ 52,288
Restricted cash	<u>2,069</u>	<u>2,045</u>
	<u>\$ 19,004</u>	<u>\$ 54,333</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Accounts receivable	\$ (20,671)	\$ -
Inventory	1,551	(4,113)
Sales tax receivable	(653)	-
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	218	(3,402)
Deferred contributions	(45,727)	52,509
Deferred revenue	<u>(995)</u>	<u>(76)</u>
	<u>\$ (66,277)</u>	<u>\$ 44,918</u>

see accompanying notes

HARD FEELINGS MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

UNAUDITED

FOR THE YEAR ENDED JUNE 30, 2024

Hard Feelings Mental Health (the organization) is incorporated without share capital under the Canada Not-for-profit Corporations Act. The organization is exempt from income tax in Canada as a registered charitable organization under Section 149(1)(F) of the Income Tax Act (Canada).

The organization facilitates the delivery of low cost counselling through an innovative, welcoming community of professional counsellors. The storefront sells carefully curated books and resources to help build and sustain stronger mental health and this space fosters dialogue around mental health.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for 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 principal sources and recognition of revenue for financial statement purposes are as follows:

- i) The organization follows the deferral method of revenue recognition for contributions, which include grants and donations. Unrestricted contributions are recognized as revenue when received. Restricted contributions are initially recorded as deferred contributions and subsequently recognized as revenue in the year in which the related expenses are incurred.
- ii) Contributed materials and services normally purchased by the organization are not recorded in these financial statements.
- iii) Sales revenue from the retail store is recognized when the goods are provided.
- iv) Community of practice membership fee revenue earned from counsellors is recognized when services are rendered.
- v) Interest income recognized as revenue when earned.

Inventory

Inventory is carried at the lower of cost, determined by using the first-in, first-out method, and net realizable value.

2. FINANCIAL INSTRUMENTS

The organization records financial instruments, which include operating cash, restricted cash, guaranteed investment certificates, accounts receivable, accounts payable and accrued liabilities, initially at fair value. Guaranteed investment certificates are subsequently measured at cost plus accrued interest. All other financial instruments are subsequently recorded net of any provisions for impairment in value.

3. RESTRICTED CASH

Restricted cash acts as security for the organization's credit card.

4. GUARANTEED INVESTMENT CERTIFICATES

Guaranteed investment certificates are issued and held by a major Canadian chartered bank, bear interest at a rate of 4.75% and mature in December 2024.

HARD FEELINGS MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

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FOR THE YEAR ENDED JUNE 30, 2024

5. DEFERRED CONTRIBUTIONS

Continuity of deferred contributions for the year is as follows:

	2024	2023
Deferred contributions, beginning of year	\$ 52,509	\$ -
Add contributions received	94,758	111,680
Less contributions recognized as revenue	<u>(140,485)</u>	<u>(59,171)</u>
Deferred contributions, end of year	<u>\$ 6,782</u>	<u>\$ 52,509</u>

6. CONTRIBUTIONS

Contribution revenue is from the following sources:

	2024	2023
Government	\$ 77,880	\$ 5,379
Foundation	40,700	-
Individuals	<u>21,905</u>	<u>53,792</u>
	<u>\$ 140,485</u>	<u>\$ 59,171</u>

7. COMMITMENT

The organization leases space in Toronto, Ontario. Minimum annual payments over the remaining term of the lease are as follows:

2025	<u>\$ 7,769</u>
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