
**SHEENA'S PLACE
(INCORPORATED AS THE HOSPICE
FOR EATING DISORDERS OF
TORONTO)**

FINANCIAL STATEMENTS

DECEMBER 31, 2024

INDEPENDENT AUDITOR'S REPORT

To the Members of Sheena's Place (incorporated as the Hospice for Eating Disorders of Toronto)

Opinion

We have audited the financial statements of Sheena's Place (incorporated as the Hospice for Eating Disorders of Toronto) (the organization), which comprise the statement of financial position as at December 31, 2024, 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, the accompanying financial statements present fairly, in all material respects, the financial position of Sheena's Place (incorporated as the Hospice for Eating Disorders of Toronto) as at December 31, 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.

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 *Auditor's 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.

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.

INDEPENDENT AUDITOR'S REPORT (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 your 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.

Pemylegion Chung LLP

Chartered Professional Accountants
Licensed Public Accountants

April 22, 2025
Toronto, Ontario

SHEENA'S PLACE

STATEMENT OF FINANCIAL POSITION

AS AT DECEMBER 31, 2024

	2024	2023
ASSETS		
Current assets		
Cash	\$ 154,488	\$ 174,890
Accounts receivable	5,982	10,967
HST rebate recoverable	11,680	10,884
Prepaid expenses	<u>1,306</u>	<u>1,306</u>
	<u>173,456</u>	<u>198,047</u>
Long-term assets		
Capital assets (Note 3)	550,594	549,400
Long-term investments (Note 4)	<u>8,474,986</u>	<u>8,219,104</u>
	<u>9,025,580</u>	<u>8,768,504</u>
	<u>\$ 9,199,036</u>	<u>\$ 8,966,551</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 43,050	\$ 38,887
Deferred contributions (Note 5)	<u>40,004</u>	<u>52,946</u>
	83,054	91,833
Long-term liabilities		
Deferred capital contributions (Note 6)	<u>71,715</u>	<u>83,781</u>
	<u>154,769</u>	<u>175,614</u>
Net assets		
Externally restricted endowments (Note 7)	2,771,293	2,594,082
Internally restricted endowments (Note 7)	5,044,004	5,044,004
Unrestricted	<u>1,228,970</u>	<u>1,152,851</u>
	<u>9,044,267</u>	<u>8,790,937</u>
	<u>\$ 9,199,036</u>	<u>\$ 8,966,551</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

SHEENA'S PLACE

STATEMENT OF CHANGES IN NET ASSETS

FOR THE YEAR ENDED DECEMBER 31, 2024

				2024	2023
	Externally Restricted Endowments	Internally Restricted Endowments	Unrestricted	Total	Total
Net assets, beginning of year	\$2,594,082	\$5,044,004	\$1,152,851	\$8,790,937	\$8,628,654
Excess revenue over expenses for the year	-	-	76,119	76,119	37,550
Preservation of capital (Note 7)	<u>177,211</u>	<u>-</u>	<u>-</u>	<u>177,211</u>	<u>124,733</u>
NET ASSETS, END OF YEAR	<u>\$2,771,293</u>	<u>\$5,044,004</u>	<u>\$1,228,970</u>	<u>\$ 9,044,267</u>	<u>\$ 8,790,937</u>

see accompanying notes

SHEENA'S PLACE

STATEMENT OF OPERATIONS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
REVENUE		
Donations and fundraising (Note 8)	\$ 444,676	\$ 498,758
Special events	19,296	7,329
Capital contributions recognized (Note 6)	12,066	12,066
Other	<u>7,155</u>	<u>2,693</u>
	<u>483,193</u>	<u>520,846</u>
EXPENSES		
Personnel	581,997	620,602
Program	322,444	324,136
Administration	33,753	32,415
Occupancy and maintenance	32,218	28,418
Event	16,846	15,853
Fundraising	5,844	8,001
Amortization of capital assets	<u>40,901</u>	<u>40,596</u>
	<u>1,034,003</u>	<u>1,070,021</u>
Excess of expenses over revenue for the year before investment income	(550,810)	(549,175)
Investment income (Note 9)	<u>626,929</u>	<u>586,725</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	<u>\$ 76,119</u>	<u>\$ 37,550</u>

see accompanying notes

SHEENA'S PLACE

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED DECEMBER 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 76,119	\$ 37,550
Add back non-cash items -		
Amortization of capital assets	40,901	40,596
Capital contributions recognized as revenue	(12,066)	(12,066)
Change in unrealized gains on long-term investments	(554,958)	(559,309)
Net change in non-cash working capital items (see below)	<u>(4,590)</u>	<u>16,722</u>
Net cash generated from operating activities	<u>(454,594)</u>	<u>(476,507)</u>
INVESTING ACTIVITIES		
Proceeds from sale of long-term investments, net of sales	299,076	464,958
Preservation of capital on externally restricted endowments	177,211	124,733
Capital assets purchased	<u>(42,095)</u>	<u>(56,498)</u>
Net cash generated from investing activities	<u>434,192</u>	<u>533,193</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(20,402)	56,686
Cash, beginning of year	<u>174,890</u>	<u>118,204</u>
CASH, END OF YEAR	<u>\$ 154,488</u>	<u>\$ 174,890</u>
Net change in non-cash working capital items:		
Decrease (increase) in current assets-		
Accounts receivable	\$ 4,985	\$ 16,217
HST rebate recoverable	(796)	5,942
Prepaid expenses	-	602
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	4,163	17,761
Deferred contributions	<u>(12,942)</u>	<u>(23,800)</u>
	<u>\$ (4,590)</u>	<u>\$ 16,722</u>

see accompanying notes

SHEENA'S PLACE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

Sheena's Place (incorporated as the Hospice for Eating Disorders of Toronto) (the "organization") is incorporated without share capital in the Province of Ontario. The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The purposes of the organization are as follows:

- i) to establish, maintain and operate a non-residential, community based centre that provides support programs and services for people living with eating disorders, their families, caregivers and community service providers; and
- ii) to develop and promote education and community understanding regarding eating disorders.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for the 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 organization's principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) The organization follows the deferral method of revenue recognition for contributions, which includes donations and grants. Contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions, except for endowments, are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expense are incurred. Externally restricted endowment contributions are recognized as direct increases in net assets when recorded in the accounts. Externally restricted contributions related to the purchase of capital assets are recorded as revenue in the same period, and on the same basis, as the related capital assets are amortized.
- ii) Donated materials and services which are purchased on behalf of the organization are not recorded in the accounts.
- iii) Special events revenue, which includes sponsorships, is recognized when the event takes place.
- iv) Investment income, which consists of interest, dividends, realized gains and losses and changes in unrealized gains and losses, is recorded in the statement of operations, except to the extent that it is earned on externally restricted endowments. In years where investment income earned on externally restricted endowments is in excess of the amount made available for spending, the excess is recorded as a direct increase in externally restricted endowment net assets. In years where investment income earned on externally restricted endowments is below the amount made available for spending, the shortfall is recorded as a direct decrease in externally restricted endowment net assets.

SHEENA'S PLACE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Capital assets

Capital asset purchases are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives using the straight-line method as follows:

Building and building improvements	- 10 - 40 years
Healing garden	- 20 years
Computer equipment	- 5 years

2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The organization records financial instruments, which include cash, accounts receivable, long-term investments, accounts payable and accrued liabilities, and mortgage payable, initially at fair value. Investments are subsequently measured at fair value. All other financial instruments are subsequently recorded at amortized cost and net of any provisions for impairment in value.

The following are those financial instruments and related financial risks considered particularly significant:

- i) The organization buys and sells investments denominated in foreign currencies, and is therefore exposed to foreign currency risk as the fair value and future cash flows will fluctuate due to changes in the relative value of foreign currencies against the Canadian dollar.
- ii) The organization holds fixed-income investments which may be subject to unfavourable market interest rate fluctuations.
- iii) The organization is exposed to other price risk through changes in market prices (other than changes arising from interest rate or currency risks) in connection with its investments in equity securities.

3. CAPITAL ASSETS

Capital assets are as follows:

	Cost	Accumulated Amortization	2024 Net	2023 Net
Building	\$ 420,526	\$ (300,499)	\$ 120,027	\$ 130,540
Building improvements	571,211	(153,935)	417,276	264,317
Healing garden	150,012	(136,837)	13,175	20,675
Computer equipment	33,472	(33,356)	116	2,217
Construction in progress	-	-	-	131,651
	<u>\$ 1,175,221</u>	<u>\$ (624,627)</u>	<u>\$ 550,594</u>	<u>\$ 549,400</u>

SHEENA'S PLACE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

4. LONG-TERM INVESTMENTS

Long-term investments comprise the following:

	2024	2023
International equities	\$ 2,487,149	\$ 2,390,145
Canadian bonds	2,286,495	2,307,810
Canadian equities	902,813	886,999
Cash and cash equivalents	188,956	139,753
Other	<u>2,609,573</u>	<u>2,494,397</u>
	<u>\$ 8,474,986</u>	<u>\$ 8,219,104</u>

Other long-term investments include investments in a real estate fund, private alternative investments and impact investments.

5. DEFERRED CONTRIBUTIONS

Deferred contributions are composed of the following:

	2024	2023
RBC Foundation	\$ 24,755	\$ 33,054
Healing garden maintenance	12,203	14,607
Echo Foundation	3,046	-
Bell Let's Talk Community Fund	<u>-</u>	<u>5,285</u>
	<u>\$ 40,004</u>	<u>\$ 52,946</u>

Continuity of deferred contributions for the year is as follows:

	2024	2023
Deferred contributions, beginning of year	\$ 52,946	\$ 76,746
Restricted contributions received	25,000	13,500
Less restricted contributions recognized as revenue	<u>(37,942)</u>	<u>(37,300)</u>
Deferred contributions, end of year	<u>\$ 40,004</u>	<u>\$ 52,946</u>

SHEENA'S PLACE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

6. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions are for the following:

	2024	2023
Building improvements	\$ 58,545	\$ 63,110
Healing garden	<u>13,170</u>	<u>20,671</u>
	<u>\$ 71,715</u>	<u>\$ 83,781</u>

Continuity of deferred capital contributions for the year is as follows:

	2024	2023
Deferred capital contributions, beginning of year	\$ 83,781	\$ 95,847
Less capital contributions recognized as revenue	<u>(12,066)</u>	<u>(12,066)</u>
Deferred capital contributions, end of year	<u>\$ 71,715</u>	<u>\$ 83,781</u>

7. ENDOWMENT NET ASSETS

Endowment net assets include internally restricted and externally restricted endowed net assets. Externally restricted endowments are amounts that must be maintained on a permanent basis as required by the donor. Internally restricted endowments are amounts designated by the Board of Directors to be used for endowment purposes. These funds provide a dependable and sustainable source of income to support the organization's mandate.

The organization established a preservation of capital policy with the objective of protecting the real value of externally restricted endowments by limiting the amount of income made available for spending. The amount made available for spending recognized in the statement of operations is limited to the dividend and interest income earned on externally restricted endowments. The amount not made available for spending is recognized as a direct increase (decrease) to externally restricted endowments and is reinvested for future years. All investment income earned on internally restricted endowments is recognized in the statement of operations.

	2024	2023
Externally restricted endowments		
Investment income earned on externally restricted endowments, net of management fees	\$ 255,670	\$ 217,642
Amount made available for spending	<u>(78,459)</u>	<u>(92,909)</u>
Preservation of capital recognized as a direct increase (decrease) to externally restricted endowments	<u>\$ 177,211</u>	<u>\$ 124,733</u>

SHEENA'S PLACE

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2024

8. DONATIONS AND FUNDRAISING

Donations and fundraising revenue was from the following sources:

	2024	2023
Foundations	\$ 221,869	\$ 259,028
Individuals	210,021	220,308
Corporations	<u>12,786</u>	<u>19,422</u>
	<u>\$ 444,676</u>	<u>\$ 498,758</u>

9. INVESTMENT INCOME

a) Total investment income is calculated as follows:

	2024	2023
Realized gains (losses)	\$ 82,551	\$ (72,352)
Interest and dividends	248,883	301,914
Change in unrealized gains	<u>554,958</u>	<u>559,309</u>
	886,392	788,871
Less: Management fees	<u>(82,252)</u>	<u>(77,413)</u>
	<u>\$ 804,140</u>	<u>\$ 711,458</u>

b) Total investment income recorded in the statement of operations is calculated as follows:

	2024	2023
Total investment income	\$ 804,140	\$ 711,458
Preservation of capital of externally restricted endowments (Note 7)	<u>(177,211)</u>	<u>(124,733)</u>
	<u>\$ 626,929</u>	<u>\$ 586,725</u>

c) Sources of investment income (loss), net of investment management fees, as recorded in the statement of operations is as follows:

	2024	2023
Operating	\$ 51,872	\$ (9,981)
Internally restricted endowments	496,598	503,797
Externally restricted endowments (Note 7)	<u>78,459</u>	<u>92,909</u>
	<u>\$ 626,929</u>	<u>\$ 586,725</u>
