



2022

ANNUAL REPORT



shalem

Mental Health Network

TABLE OF CONTENTS

Agenda	3
Minutes of the Annual General Meeting 2022	4
Message from the Chair of the Board and the Executive Director	7
Shalem Board Member Slate	11
2022 at a Glance	13
Financial Statements	15
Auditors Report	
Balance Sheet	
Statement of Changes in Fund Balances	
Statement of Revenues and Expenses	
Statement of Cash Flow	
Notes to the Financial Statements	

"We continue to run a challenging race, serving our community's mental health needs and working to build peace in places of conflict. Join us to celebrate the hope that God instills in us, and that we share with those we serve."

- Jennifer Bowen
EXECUTIVE DIRECTOR

Agenda

61st Annual General Meeting

1000 Main St E, Hamilton, Gage Park Greenhouse

June 1, 2023, 6 pm - 7 pm

1. Welcome and Opening:
Steven Rolfe, Board Chair
2. Approval of the Agenda
3. Minutes of the previous Annual Meeting held on June 1, 2022
Motion: That the minutes of the previous annual meeting held June 1, 2022 be adopted.
4. Board Report:
Steven Rolfe, Board Chair
5. Financial Statements
Matt Steinman, Treasurer
Motion: That the financial statements for the year ending December 31, 2022, made up of a statement of income and equity for such a period and a balance sheet as of the end of such period be approved and adopted.
6. Auditor
Motion: That DBK Accounting Professional Corporation be re-appointed to serve as the auditor for the year 2023.
7. Executive Director's Report:
Jennifer Bowen
8. Election of Board members
Motion: That the slate of Board members presented be elected by the membership.
9. Adjournment



Following this year's AGM, please join us in celebrating Shalem's 60th anniversary with an evening of encouraging stories, marking Shalem's great work since 1963.

This is a ticketed event, for more information and to purchase tickets, please visit: shalemnetwork.org/events/60years

We'd love to have you join us!

Annual General Meeting Minutes 2022

Minutes of the 60th Annual General Meeting

360 James St N, LIUNA Station

June 1, 2022, 5:00 pm - 5:30 pm

Present: 34 individuals were present for the meeting, including Board of Directors and Staff

1. Welcome and Opening

Melanie Vaartjes and Jennifer Bowen opened the meeting. Melanie shared a land acknowledgment and Jennifer opened in prayer.

2. Approval of the Agenda

Motion: That the agenda be accepted as is. Moved by Ken Van Wyk and seconded by Elaine Prinzen. **Motion carried.**

3. June 2, 2021 AGM Minutes

Motion: That the minutes of the previous annual meeting held June 2, 2021 be adopted. Moved by Mark Vander Vennen and seconded by Amila Dreise. **Motion carried.**

4. Board Report

Board Chair, Steven Rolfe, reported on 2021. It was an amazing year. Steve thanked the staff.

The impact of the pandemic has made us tired, and we need a recalibration, but we are here. The work is cut out for us on what recalibration looks like. Our work is in demand and the opportunities to grow are many. There are many who we have not reached out to yet, and we are looking forward to that. We rely on our energy and creativity to look forward to what pandemic recovery looks like.

It was a year of change; Jennifer Bowen was tremendous at leading through this transition. Steve thanked his colleagues on the Board for their work, and Karen Cornies, for her diligent work at board member recruitment.

5. Financial Statements

Steve Rolfe presented the financial statements for the year ended December 31, 2021.

a. Financial Statements

Motion: That the financial statement for the year ending December 31, 2021, made up of a statement of income and equity for such a period and a balance sheet as of the end of such period be approved and adopted. Moved by Ken Van Wyk and seconded by Louisa Drost.

Motion carried.

b. Auditor

Motion: That DBK Accounting Professional Corporation be re-appointed to serve as the auditor for the year 2022. Moved by Amila Dreise and seconded by Matt Steinman. **Motion carried.**

6. Executive Director's Report

Jennifer Bowen shared highlights from 2021. It was a difficult year, the second year of the pandemic. The pandemic hit the mental health field particularly hard. While staff were wrung out, Shalem's numbers for 2021 were incredible as staff worked under significant pressures.

CAP sessions increased 29% in 2021. There are currently 200 service providers across Canada and over 100 CAP churches and schools. Counselling sessions increased 10% in 2021, and Shalem used its network of providers to help manage the increased demand for services. The transition of the WrapAround work to Hamilton Catholic Children's Aid Society was a successful pilot with exciting outcomes. Elske de Visch Eybergen continued to do some training for Shalem through a partnership with the Salvation Army.

There was an increased need for Restorative Practice work during the pandemic with increasing conflicts within organizations and families. It was encouraging to see circles where people were slowing down to listen and ingest a story other than their own. There were 246 lay leaders trained by the Restorative Practices team. REcreate is continuing to flex to offer services during the pandemic. The Art Lottery was a huge success and a wonderful celebration of local art.

As Jennifer completed her first year as Executive Director, she did some deep dives into financial sustainability planning, Human Resources work and Marketing.

Shalem made space for hard conversations in 2021; hearts are broken. There was much diversity and equity work during the past two years. Change is happening, eyes are opening, as Shalem is tuned into a new conversation.

Shalem will host a celebration for Mark Vander Vennen, (former Executive Director), who pointed Shalem north to innovation and took it to a whole new level of services. Shalem is focusing on growing CAP and Restorative Practice through a marketing campaign, offering this service to leaders across Canada.

7. Election of Board members:

Motion: That the slate of Board members presented be elected by the membership. Moved by Megarrah Buxton and seconded by Mark Vander Vennen. **Motion carried.**

8. Adjournment

Steve Rolfe thanked everyone for joining the AGM.



Shalem Board and Staff, October 2022

Message from the Board Chair and the Executive Director

Dear Members and Friends of Shalem,

This year Shalem reflects on six decades of service. As we enter into our seventh decade we recognize all of the builders and visionaries that have guided us through the myriad changes and innovations that make Shalem the responsive and effective service it is. We give thanks for the work of everyone associated with the network as it has responded to changes in mental health care and perceptions in what mental wellness is. As we celebrate our past we are mindful of how our present shapes us and how Shalem continues to grow and respond.

As our community takes stock of the impact and changes post-pandemic, we've collectively identified mental health as a critical issue for many groups. Angus Reid reported in the winter of 2022 that **1 in 3 Canadians** described struggling with mental health symptoms. We've felt that rise at Shalem – from those we serve and those doing to serving. We've worked hard to meet increased demand and to support each other as we do this work. Good things are happening at Shalem!

Parallel to our mental health crisis is a crisis of conflict. Many communities we serve have reached out for support in managing painful conflict between their members, hoping to strategies to help them heal. This is the work that we do, seeking to bring God's hope into these painful situations.

Moving into our **60th year** of operations, Shalem rose to these challenges. Our dedicated staff have delivered outstanding care in each program, seeking to provide support and strategies to mitigate the impacts of depression, anxiety, isolation and conflict with those they work with.

Our board is strong, and we are thankful for the talent and gifts that each director brings us. Each member of our board has shared their passion for mental health and their commitment to serving God through Shalem's vision. This service brought board and staff together to vision together for the future last Fall. We had a dynamic day of conversation, reviewing what is working, where we need to grow, and charting our path forward. We remain committed to excellent care through our programs across

Canada, to growth and learning in our field, to healthy partnerships and to healthy sustainability.

Shalem remains committed to serving God through excellent care in the field of mental health, and to do this, we are committed to continuing to learn. In our hallways, you hear the murmurs of new books, podcasts and insights into what we are learning. In 2022 we had the privilege of welcoming author and trainer Dr. Dan Siegel to Hamilton for a challenging day of study. Also in 2022, we offered training for psychotherapists in clinical supervision, seeking to support the development of new leaders in our field. We did a day of Diversity, Equity and Inclusion learning with our staff last summer, including exercises that highlighted the impact of belonging. Last year we also provided two, four day training workshops for therapists in a counselling modality that supports children and caregivers in forming healing bonds– Dyadic Developmental Psychotherapy.

We do not do this work alone. God has supported us through the faithfulness of our donors and supporters. Each gift or story of impact inspires our team to push forward, signaling to us that the work we do is needed and making a difference. Please accept our sincere thanks.

We remain committed serving God through this challenging work. It is with deep thanks that we offer this report to our community. Deep thanks to our committed staff, volunteers and students, who pour themselves into the work. Deep thanks to our board members who volunteer their time and wisdom to guide and support Shalem's vision. Deep thanks to our supporters, God's gift to us, enabling us to bring God's hope to our community. Finally, deep thanks to God, for His wisdom and His blessing on Shalem.

As we celebrate
our past we are
mindful of how our
present shapes us
and how Shalem
continues to grow
and respond.



Steven Rolfe
RN, BScN,
MEd, CHE
BOARD CHAIR



Jennifer Bowen,
MDiv, RP, RMFT
EXECUTIVE
DIRECTOR

Our Programs:

Across Canada

CAP is helping our community, equipping churches, schools and non-profits to respond to mental health distress with those they serve. We offered 5,292 sessions to 104 organizations in 2022 in this unique program, which now stretches across Canada. Using a strong network of Christian Psychotherapists, this program is making mental health services available to people in our community who might not otherwise consider psychotherapy. The program offers needed support to pastors and leaders who have reported the steep challenge in keeping up with the needs of our community in this challenging time. It also offers connections with Christian, trained and licensed Masters' level therapists, able to integrate faith into the healing process.

Restorative Practice is equipping communities to find a way forward through painful conflict. This program, run by our Faithcare team, created a restorative Listening Circle program which allows churches to listen to each other well, creating understanding in stuck situations, has been beneficial to many congregations. In 2022, the Faithcare team trained 756 people and offered 50

workshops and restorative circles in North America.

In Hamilton

Our **Counselling Centre** is filling a gap in our community. We served 1,057 individual couples and families in 2022, and 2,079 of those sessions were offered on a 'pay what you can' agreement with clients. Many in Hamilton reach out to our office when they are unable to wait for funded care in the city. Others reach out to us hoping to include their faith in their recovery process. Committed to Christ's value of compassion, Shalem ensures that finances are not a barrier to service. This subsidized care was made possible in 2022 by the very generous grants from ArcelorMittal Dofasco Employee Fund, Voortman Foundation, the Hamilton Community Foundation and Canada Post Community Foundation. We remain deeply thankful for these partners, who care deeply for our community and supporting the provision of excellent mental health care to those on the margins.

Our **WrapAround** Program continues to bring hope to those with complex needs. WrapAround served 16 families at the Catholic Children's Aid Society of Hamilton in 2022.

We were delighted this March when CCAS decided to renew this program for another fiscal year, providing care for another group of families seeking support to navigate their challenges. 61% families in this program have accomplished goals.

RE-create Outreach Art Studio

continues to give a voice to youth downtown Hamilton. It regained its momentum from before the pandemic, serving 209 youth last year, giving each an opportunity to increase their resiliency, and find

their voice through art. This program hosted a very successful Live art event in Battle of the Brushes, engaging many new members of our community passionate about art and youth wellness. We had 120 in attendance that night, enjoying live art and braving the year's first snow storm.

This program was possible with the support of 13 volunteers and the generous support of local foundations and the Burton Foundation have both offered generous support to this program.



Artist competing at Battle of the Brushes, 2022

Board Member Slate

April 28, 2023

The Board is presenting to Shalem’s membership the name of three people for election, Shane Pennells, Shawn Ventura-Stovell and Chris Wignall. The new Board members will join other current Board members (shown in non-italics). Terms and term lengths are shown below.

NAME	TERM EXPIRY	FIRST OR SECOND TERMS	LOCATION
Steven Rolfe	2023	First Term	Brantford
Karen Cornies	2024	First Term	Kitchener
Amila Dreise	2024	First Term	Hamilton
Matt Steinman	2025	First Term	Kitchener
Louisa Drost	2025	First Term	Brantford
Shane Pennells	2026	First Term	Hamilton
Shawn Ventura-Stovell	2026	First Term	Hamilton
Chris Wignall	2026	First Term	Hamilton



BOARD MEMBER NOMINEE BIOGRAPHY:

Shane Pennells is a filmmaker and writer and has worked with at-risk and marginalized populations for more than 20 years, using the arts to bring attention to their voices and stories. He has also done extensive work in the area of media advisory and media theory education, for which he has received both provincial and federal commendations. When not being a media mogul he enjoys baseball, all things computer-related, and figuring out where to put his latest book store finds on increasingly overcrowded shelves. He lives in Hamilton with his wife and their two cats, who love her but merely tolerate him.

Shawn Ventura-Stovell is the Registrar & Director of Enrolment Management at Knox College at the University of Toronto. Shawn has been a frontline student services professional and academic administrator for over thirty years, having served in undergraduate and graduate institutions in Canada and France. In addition to service on the Shalem Board of Directors, Shawn serves as the Chair of the Board of Directors for the Ecumenical Chaplaincy at the University of Toronto. Shawn insists that his students cannot bribe him with coffee and chocolate, but that they are welcome to try.

Chris Wignall is returning to the Shalem Board after a year’s absence. He works with charity leaders locally, nationally, and internationally through his consulting business Lead With Catalyst. A long time friend of Shalem, Chris brings experience in board governance, strategy, and leadership development, along with a keen interest in how organizations, churches, and families can better support mental health needs. He lives with his family in Greensville, ON and enjoys all kinds of outdoor activities.

2022 at a glance

Program measures	2021	2022
Across Canada		
CAP		
Sites (churches and schools)	97	104
Sessions	4,795	5,292
Restorative Practice		
Circles	23	27
Trainings	47	50
Participants	722	756
In Hamilton		
Counselling Centre		
Sessions	6,554	6,537
WrapAround		
Families	12	16
RE-create		
Youth attending studio	95	209

trainings and workshops offered through Shalem
65

of counselling sessions offered through Shalem:
11,829

The WrapAround collaboration with Shalem has significantly contributed to positive outcome for families, children and youth receiving services from the Catholic Children's Aid of Hamilton. WrapAround has assisted in returning children to their caregivers and contributed to the success of youth transitioning out of care. These outcomes may not have been possible without WrapAround.

Trevor Allen, Director of Service, Protection
Catholic Children's Aid Society, Hamilton



SHALEM MENTAL HEALTH NETWORK

Financial Statements
for the year ended
December 31, 2022

INDEPENDENT AUDITOR'S REPORT

To the Directors of
Shalem Mental Health Network

Qualified Opinion

We have audited the financial statements of Shalem Mental Health Network (the "organization"), which comprise the balance sheet as at December 31, 2022, and the statement of revenue and expenses, statement of changes in fund balances 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, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at December 31, 2022, 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 (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities, 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 organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and December 31, 2021, current assets and net assets as at December 31, 2022 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

In common with many not-for-profit organizations, the organization derives revenue from fundraising activities, 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 organization. Therefore, we were unable to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended December 31, 2022 and December 31, 2021, current assets and net assets as at December 31, 2022 and December 31, 2021. Our audit opinion on the financial statements for the year ended December 31, 2021 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 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 qualified 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 ASNPO, 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.

INDEPENDENT AUDITOR'S REPORT, continued

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 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.



DBK Accounting Professional Corporation
Chartered Professional Accountants
Authorized to practice public accounting by the Chartered
Professional Accountants of Ontario

Hamilton, Ontario
April 3, 2023

SHALEM MENTAL HEALTH NETWORK
BALANCE SHEET
as at December 31, 2022

	ASSETS	
	2022	2021
Current Assets		
Cash	\$ 142,310	\$ 141,863
Accounts receivable	77,574	84,127
Government remittances	18,970	18,586
Prepaid expenses	11,067	54,347
	<u>249,921</u>	<u>298,923</u>
Capital Assets (Note 3)	84,686	39,768
Due from counselling assistance fund	63,098	1,544
	<u>\$ 397,705</u>	<u>\$ 340,235</u>

	LIABILITIES	
Current Liabilities		
Accounts payable and accrued liabilities	\$ 151,522	\$ 131,042
Due to General Fund	63,098	1,544
Deferred Revenue (Note 4)	123,773	130,607
Deferred Expenses (Note 5)	6,881	—
	<u>345,274</u>	<u>263,193</u>

FUND BALANCES

General Fund	(10,667)	75,498
Counselling Assistance Fund	63,098	1,544
	<u>52,431</u>	<u>77,042</u>
	<u>\$ 397,705</u>	<u>340,235</u>

See the accompanying notes to these financial statements

SHALEM MENTAL HEALTH NETWORK
STATEMENT OF CHANGES IN FUND BALANCES
for the year ended December 31, 2022

	General Fund 2022	Counselling Assistance Fund 2022	2022 Total	2021 Total
Balance, beginning of the year	\$ 75,498	\$ 1,544	\$ 77,042	\$ 115,298
Excess (deficiency) of revenues over expenses	(24,611)	—	(24,611)	(38,256)
Interfund transfers (Note 6)	(61,544)	61,544	—	—
Balance, ending of year	<u>\$ (10,667)</u>	<u>\$ 63,098</u>	<u>\$ 52,431</u>	<u>\$ 77,042</u>

See the accompanying notes to these financial statements

SHALEM MENTAL HEALTH NETWORK
STATEMENT OF REVENUES AND EXPENSES

	<i>Head Office 2022</i>	<i>Clinic 2022</i>	<i>Programs 2022</i>	December 31 2022	December 31 2021
REVENUE					
Program income	\$ -	\$ -	\$ 756,363	\$ 756,363	\$ 715,716
Counselling Services	-	502,460	-	502,460	462,712
Grants from other charities	120,000	98,253	64,349	282,602	200,954
Donations	-	145,504	47,834	193,338	38,482
Seminar and consulting fees	-	81,784	-	81,784	21,625
Grants - Federal	24,962	-	13,966	38,958	192,619
Other	13,607	-	-	13,607	13,568
Amortization of deferred contributions	-	3,436	-	3,436	-
	<u>158,569</u>	<u>831,437</u>	<u>882,542</u>	<u>1,872,548</u>	<u>1,645,676</u>
EXPENSES					
Advertising and promotion	13,792	-	-	13,792	16,906
Amortization	11,272	-	-	11,272	3,246
Bad debts	-	17,944	-	17,944	9,494
Bank charges and interest	7,199	-	-	7,199	8,447
Business taxes	37,215	-	-	37,215	15,471
Contract services	-	-	427,737	427,737	391,655
Equipment lease	-	2,813	-	2,813	10,632
Insurance	13,882	-	-	13,882	12,055
Office, postage and general	14,361	31,970	39,277	85,608	73,275
Professional dues	10,671	5,755	-	16,426	14,618
Professional fees	9,621	-	-	9,621	11,335
Rent	12,318	16,260	31,051	59,629	50,084
Rent and custom work	-	-	49,000	49,000	47,138
Seminar expenses	-	87,619	-	87,619	13,341
Staff expenses	4,014	-	-	4,014	3,133
Telecommunications	1,606	535	1,402	3,543	2,753
Travel and meals	527	-	-	527	146
Wages and benefits	178,212	612,515	258,591	1,049,318	1,000,233
	<u>314,690</u>	<u>775,411</u>	<u>807,058</u>	<u>1,897,159</u>	<u>1,683,932</u>
Excess (deficiency) of revenue over expense	<u>\$ (156,121)</u>	<u>\$ 56,026</u>	<u>\$ 75,484</u>	<u>\$ (24,611)</u>	<u>\$ (38,256)</u>

See accompanying notes to the financial statements

SHALEM MENTAL HEALTH NETWORK
STATEMENT OF CASH FLOWS
for the year ended December 31, 2022

	<u>2022</u>	<u>2021</u>
Operating activities		
Excess (deficiency) of revenue over expenses	\$ (24,611)	\$ (38,256)
Adjustments for		
Amortization of capital assets	11,272	3,246
Amortization of deferred capital contributions	(3,436)	-
	<u>(16,775)</u>	<u>(35,010)</u>
Change in non-cash working capital balances		
Accounts receivable	6,553	42,265
Prepaid expenses	43,280	(27,486)
Accounts payable and accrued liabilities	20,481	13,063
Government remittances	(385)	(2,020)
Due from general fund	61,544	(40,499)
Due to restricted fund	(61,544)	40,499
	<u>53,154</u>	<u>(9,188)</u>
Investing activities		
Purchase of capital assets	(56,190)	(2,733)
Financing activities		
Repayment of loan	-	30,000
Deferred revenue	(6,834)	24,405
Increase in deferred capital contributions	10,317	-
	<u>3,483</u>	<u>(5,595)</u>
Increase (decrease) in cash	447	(17,516)
Cash, beginning of year	141,863	159,379
Cash, end of year	<u>\$ 142,310</u>	<u>\$ 141,863</u>

Notes to the Financial Statements
Year ended December 31, 2022

1. CORPORATE ORGANIZATION AND OBJECTIVE

Shalem Mental Health Network (the "organization") (Shalem) is a provincial organization which supplies mental health services to individuals, communities and churches. Consultation is also provided on abuse, mental illness and conflict management. The organization was incorporated as a corporation without share capital by letters patent issued under the Ontario Corporations Act on August 19, 1963. It is a not-for-profit organization and a registered charity under the Income Tax Act.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant policies are detailed as follows:

(a) Revenue recognition

The organization follows the deferral method of accounting for contributions. Unrestricted donations 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.

Investment income is recognized as revenue when earned.

Counselling services, program income, and seminar fees are recognized as revenue when the services have been performed.

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

Externally restricted contributions for the purchase of capital assets that will be amortized are recorded as deferred capital contributions and recognized as revenue on the same basis as the amortization expense related to the acquired capital assets.

(b) Capital Assets

Capital assets are recorded at cost. The organization provides for amortization using the following methods at rates designed to amortize the cost of capital assets over their estimated useful lives. The annual amortization rates and methods are as follows:

Leasehold improvements	Straight-line	5 years
Computer Equipment	Straight-line	3 years
Computer Software	Straight-line	10 years

(c) Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles 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 amounts of revenues and expenses during the reporting year. Actual results could differ from management's best estimates, as additional information becomes available in the future.

(d) Volunteer Services

Because the hours of service by volunteers are not normally purchased by the organization and the difficulty in determining their fair market value, contributed services are not recognized in the financial statements.

**Notes to the Financial Statements
for the Year ended December 31, 2022**

(e) Financial Instruments

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measured at amortized cost include cash, government remittances receivable and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

At the end of reporting period, the organization assesses whether there are any indications that a financial asset may be impaired. When there is an indication of impairment, the carrying amount of the asset is reduced and the amount of the reduction is recognized as an impairment loss in the statement of revenues and expenses.

3. CAPITAL ASSETS

	2022 Cost	2022 Accumulated Amortization	2022 Net Book Value	2021 Net Book Value
Leasehold improvements	\$ 46,668	\$ 11,057	\$ 35,611	\$ 37,946
Computer Equipment	13,050	5,261	7,789	1,822
Computer Software	45,873	4,587	41,286	-
	<u>\$ 105,591</u>	<u>\$ 20,905</u>	<u>\$ 84,686</u>	<u>\$ 39,768</u>

4. DEFERRED REVENUE

	2022	2021
CAP	\$ 21,035	\$ 2,510
WRAP	-	24,071
RE-Create (WV)	13,740	22,732
Hamilton Community Foundation	62,000	35,000
Deferred Revenue - other	12,318	21,123
DDP	4,680	5,568
Recreate	10,000	19,603
	<u>\$ 123,773</u>	<u>\$130,607</u>

5. DEFERRED CAPITAL CONTRIBUTIONS

The organization received a grant which was used to purchase capital assets. This grant is being recognized as revenue at an annual rate of 33.3% using the straight line method.

The changes in the deferred capital contributions balance are as follows:

	December 31 2022
Capital grant	\$ 10,317
Less: amounts amortized to revenue	(3,436)
	<u>\$ 6,881</u>

**Notes to the Financial Statements
for the Year ended December 31, 2022**

6. RESTRICTED FUND BALANCES

Donations have been received, and designated for the Counselling Assistance Fund. The Counselling Assistance Fund assists clients to pay for counselling services. The excess of donations over assistance provided to date is shown as restricted funds and shown as an Interfund transfer.

7. SHALEM MENTAL HEALTH FOUNDATION

The organization has the ability to appoint two of the seven Shalem Foundation's board of directors and it has an economic interest in the Shalem Foundation (the "Foundation"). The Foundation was established to raise funds for the use of Shalem and it is incorporated as a corporation without share capital by letters patent issued under the Ontario Corporations Act. The accounts of the Foundation have not been included in these financial statements.

Included in grants from other charities on the statement of revenues and expenses is the below income from the Foundation.

	2022	2021
Foundation Contributions	\$ 120,000	\$ -
Foundation Purchase of Services	13,313	13,248
Total	<u>\$ 133,313</u>	<u>\$ 13,248</u>

The Foundation has made a commitment to grant \$170,000 to Shalem in 2023. \$90,000 of this amount will be designated to cover the salary of a development director position.

8. COMMITMENTS

Under the terms of a property lease agreement, the organization will be required to make future annual minimum rental payments of the following:

2023	\$ 49,630
2024	50,623
2025	51,635
2026	52,668
2027	53,721
	<u>\$ 258,277</u>

9. COMPARATIVE AMOUNTS

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year revenues and expenses.

10. SUBSEQUENT EVENTS

Subsequent to year end, the organization received a grant of \$35,000 designated for the Counselling Assistance Fund. This grant will be spent during 2023.

Subsequent to the year end, the organization signed a new lease for the rental of their current premises. The future rental commitment has been disclosed in the Note 8. The new lease does not include the option to purchase the property.

**Notes to the Financial Statements
for the Year ended December 31, 2022**

11. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit Risk

The organization does have a credit risk in accounts receivable. In the normal course of operations, the organization is exposed to credit risk from its clients. These accounts receivable are subject to normal credit risks but the risk is reduced by assistance from the Counselling Assistance Fund.

(b) Liquidity Risk

Liquidity risk is the risk the company may not be able to meet its obligations. The organization has a comprehensive plan in place to meet their obligations as they come due which is primarily from cash flow from operations.

OUR DREAM (VISION)

Every person is thriving in healthy relationships in strong communities, regardless of circumstances.

OUR PART (MISSION)

The Shalem Mental Health Network accompanies persons and communities as they journey towards emotional health and mental wellness.

We do so through our unique contributions of:

- Serving and advocating for clients
- Strengthening communities to meet the needs of their most vulnerable members
- Developing effective partnerships between communities and professional mental health supports
- Discovering and sharing best practices with others.

OUR DNA (VALUES):

As followers of Jesus Christ, grounded in His ministry of compassion and healing for all, we value:

- **HOPE** – We *believe* that hope, emerging in the midst of lament, can enable every person to embrace the fullness of life.
- **COMMUNITY FOR ALL** – We *understand* that healing flourishes through healthy supportive relationships.
- **PARTNERSHIP** – We *network* and work collaboratively with communities that contribute to emotional health and mental wellness.
- **STEWARDSHIP** – We are *faithful* to the purpose for which resources are given and manage them with transparency and accountability.
- **PROFESSIONALISM** – We *adhere* to professional ethics and best practices.
- **CREATIVITY** – We *contribute* to community-based research and practice through our innovation and resourcefulness.



SHALEM MENTAL HEALTH NETWORK

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Shalem Mental Health Network is a non-profit,
charitable organization.
RN 130566011 RR00011