

**Canadian Mental Health  
Association, Simcoe County  
Branch  
Financial Statements  
For the year ended March 31, 2018**

**Canadian Mental Health Association, Simcoe County Branch**  
**Financial Statements**  
For the year ended March 31, 2018

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## Independent Auditor's Report

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### To the Members of Canadian Mental Health Association, Simcoe County Branch

We have audited the accompanying financial statements of Canadian Mental Health Association, Simcoe County Branch, which comprise the statement of financial position as at March 31, 2018 and the statements of operations and general fund balance, operations and capital reserve fund balance 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.

### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



### **Basis for Qualified Opinion**

In common with many not-for-profit organizations, Canadian Mental Health Association, Simcoe County Branch derives revenue from 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 Canadian Mental Health Association, Simcoe County Branch. Therefore, we were not able to determine whether any adjustments might be necessary to donation revenue, excess of revenues over expenses and cash flows from operations for the year ended March 31, 2018 and March 31, 2017, current assets as at March 31, 2018 and March 31, 2017 and general fund balance as at April 1st and March 31 for both the 2018 and 2017 years. Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of this limitation in scope.

### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Mental Health Association, Simcoe County Branch as at March 31, 2018 and the results of its operations and its cash flows for the year ended in accordance with the Canadian accounting standards for not-for-profit organizations.

### **Other Matters**

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 19 to 32 of the Canadian Mental Health Association, Simcoe County Branch's Financial Statements.

**BOO CANADA LLP**

**Chartered Professional Accountants, Licensed Public Accountants**

Barrie, Ontario  
June 11, 2018

**Canadian Mental Health Association, Simcoe County Branch  
Statement of Financial Position**

March 31	2018	2017
<b>Assets</b>		
<b>Current assets</b>		
Cash - general fund (Note 2)	\$ 2,730,984	\$ 1,955,476
Accounts receivable	151,587	417,434
Due to capital reserve fund from general fund	800	1,400
Prepaid expenses	99,544	128,678
	<u>2,982,915</u>	<u>2,502,988</u>
Capital assets (Note 3)	5,188,935	5,429,962
Capital reserve fund		
Cash (Note 4)	31,913	34,991
	<u>\$ 8,203,763</u>	<u>\$ 7,967,941</u>
<b>Liabilities and Fund Balances</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 1,065,653	\$ 1,208,073
Deferred revenue - operations	40,990	45,335
Deferred revenue - grants	140,191	69,946
Payable to capital reserve fund from general fund	800	1,400
Payable to government agencies (Note 10)	727,968	466,160
Current portion of long-term debt (Note 7)	214,170	625,950
Total current liabilities	<u>2,189,772</u>	<u>2,416,864</u>
Long-term debt (Note 7)	2,891,035	2,650,909
Deferred contributions related to capital assets (Note 8)	595,642	675,420
	<u>5,676,449</u>	<u>5,743,193</u>
Commitments (Note 9)		
Contingencies (Note 10)		
<b>Fund balances</b>		
General	2,494,601	2,188,357
Capital Reserve	32,713	36,391
	<u>2,527,314</u>	<u>2,224,748</u>
	<u>\$ 8,203,763</u>	<u>\$ 7,967,941</u>

On behalf of the Board:

Beverly Pearl

Director



Director

## Canadian Mental Health Association, Simcoe County Branch

### Statement of Operations and General Fund Balance

For the year ended March 31	2018	2017
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets (Note 8)	\$ 126,406	\$ 134,511
Donations	146,179	133,953
Grants (Note 11)	17,795,297	17,349,362
Interest income	10,756	4,437
Other income	596,108	607,105
Rental income	837,400	817,729
	<u>19,512,146</u>	<u>19,047,097</u>
<b>Expenses</b>		
Advertising	7,769	17,020
Amortization of capital assets	296,241	312,815
Bank charges	6,990	5,410
Bonding and insurance	35,524	35,956
Books and subscriptions	602	2,626
Christmas gifts	11,462	9,911
Client travel	8,640	16,920
Community education	4,160	608
Computer and vehicle maintenance	68,705	61,639
Contracted out services	206,808	193,949
Employee benefits (Note 12)	2,114,544	2,044,041
Fundraising expenses (Note 13)	58,157	37,101
General, other and sundry	241,104	227,069
Insurance	2,280	1,844
Interest on long-term debt	115,682	118,007
Medical fees	305,060	293,685
Minor equipment and one-time expenses	135,543	274,291
Postage, stationery and other	41,897	47,147
Professional fees	40,827	32,683
Property and equipment rental	793,935	770,932
Property tax	69,314	71,881
Rent supplements	1,312,602	1,180,417
Repairs and maintenance	159,165	171,975
Salaries	11,104,338	10,747,396
Session fees	57,240	57,240
Staff education	43,544	55,876
Supplies	251,869	247,305
Telephone	150,512	147,745
Travel	210,582	204,075
Utilities	113,133	120,282
Volunteer and client needs	2,263	3,622
	<u>17,970,492</u>	<u>17,511,468</u>

The accompanying notes are an integral part of these financial statements.

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**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and General Fund Balance**

<u>For the year ended March 31</u>	<u>2018</u>	<u>2017</u>
Excess of revenue over expenses for the year before other expense	1,541,654	1,535,629
Other expense - Paymaster	<u>(1,235,410)</u>	<u>(1,229,249)</u>
Excess of revenue over expenses	306,244	306,380
Fund balance, beginning of year	<u>2,188,357</u>	<u>1,881,977</u>
Fund balance, end of year	<u>\$ 2,494,601</u>	<u>\$ 2,188,357</u>

## Canadian Mental Health Association, Simcoe County Branch Statement of Operations and Capital Reserve Fund Balance

For the year ended March 31	2018	2017
<b>Revenue</b>		
Interest income	\$ 216	\$ 90
Other income	-	8
	<u>216</u>	<u>98</u>
<b>Expenses</b>		
Repairs and maintenance	<u>5,769</u>	<u>-</u>
<b>Excess of expenses over revenue</b>	<b>(5,553)</b>	<b>98</b>
<b>Fund balance, beginning of year</b>	<b>36,391</b>	<b>33,818</b>
<b>Transfer from general fund</b>	<u><b>1,875</b></u>	<u><b>2,475</b></u>
<b>Fund balance, end of year</b>	<b>\$ 32,713</b>	<b>\$ 36,391</b>



## Canadian Mental Health Association, Simcoe County Branch Statement of Cash Flows

For the year ended March 31	2018	2017
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 306,244	\$ 306,380
Items not involving cash		
Amortization of capital assets	296,241	312,815
Amortization of deferred contributions related to capital assets	(126,406)	(134,511)
	476,079	484,684
Net change in non-cash working capital balances		
Accounts receivable	265,847	(235,875)
Prepaid expenses	29,134	(74,067)
Accounts payable and accrued liabilities	(142,420)	21,034
Due to capital reserve fund	(600)	(415)
Deferred revenue - operations	(4,345)	5,281
Deferred revenue - grants	70,245	17,926
	693,940	218,568
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(55,214)	(161,982)
Deferred funding related to capital assets	46,628	83,550
	(8,586)	(78,432)
<b>Cash flows from financing activities</b>		
Increase in payable to Ministry of Health and Long-Term Care	261,808	231,280
Repayment of callable debt	-	(226,511)
Repayment of long-term debt	(171,654)	(161,666)
Proceeds of long-term debt	-	223,376
	90,154	66,479
<b>Net increase in cash during the year</b>	<b>775,508</b>	<b>206,615</b>
Cash, beginning of year	1,955,476	1,748,861
Cash, end of year	\$ 2,730,984	\$ 1,955,476

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# Canadian Mental Health Association, Simcoe County Branch

## Notes to Financial Statements

March 31, 2018

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### 1. Significant Accounting Policies

#### Nature and Purpose of Organization

Canadian Mental Health Association, Simcoe County Branch is a not-for-profit organization incorporated without share capital under the laws of Ontario. The Association promotes the mental health of all and supports the resilience and recovery of people experiencing mental illness.

The Association is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

#### Basis of Accounting

These financial statements were prepared using the accrual basis of accounting under Canadian accounting standards for not-for-profit organizations. The accrual basis of accounting recognizes revenues as they become available and measurable; expenses are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 reported amounts of revenues and expenses during the reporting period. The principal estimates in the preparation of these financial statements are the allowance for doubtful accounts, the valuation and useful life of capital assets and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

#### Interfund Balances

The Association's policies are to not charge interest between funds on the interfund balances and to pay the interfund balances within one year.

#### Deferred Contributions Related to Capital Assets

Grants and contributions for capital assets are recorded at the amounts received, which is not always the full cost of the related capital asset. Amortization is recorded at the same rates used for the capital asset.

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

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#### 1. Significant Accounting Policies (continued)

##### Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets costing less than \$1,000 are expensed in the year purchased in the statements of operations and general fund balance.

Amortization based on the estimated useful life of the asset is calculated as follows:

Buildings - housing	- at an amount equal to the principal reduction on the related long-term debt
Buildings - other	- 5% diminishing balance basis
Leasehold improvements	- straight line basis over the term of the lease
Office furniture and equipment	- 20% straight line basis

##### Impairment of Long Lived Assets

In the event that facts and circumstances indicate that the Association's long lived assets may be impaired, an evaluation of recoverability would be performed. Such an evaluation entails comparing the estimated future undiscounted cash flows associated with the asset to asset's carrying amount to determine if a write down to market value or discounted cash flow value is required. The Association considers that no circumstances exist that would require such an evaluation.

##### Revenue Recognition

The Association follows the deferral method of accounting for contributions which includes grants, donations and government subsidies.

Operating revenue, including grants, and subsidies, is recorded as revenue in the period to which it relates. Revenue earned but not received at the end of an accounting period is accrued as a receivable. Where a portion of revenue received relates to a future period, it is deferred and recognized in that future period.

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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

Unrestricted investment income is recognized as revenue when earned.

Rental income and Back on Track income is recorded when earned on a monthly basis.

Fundraising income is recorded in the period in which the related fundraising activities were performed.

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

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#### 1. Significant Accounting Policies (continued)

##### Fund Accounting

The general fund reports all of the revenues and expenses of the Association's various programs.

The capital reserve fund is maintained to meet the reporting requirements of the Ministry of Health and Long-Term Care ("MOHLTC"). The purpose of the fund is to pay for replacing capital items or for making major renovations or repairs to them, specifically related to housing projects. Minimum annual contributions must be made to the capital reserve fund based on operating agreements/budgets with the MOHLTC. In addition, all special one-time payments for capital replacements provided by MOHLTC must be contributed to the capital reserve fund.

Investments in the capital reserve fund are restricted to deposit accounts, deposit receipts, deposit notes, certificates of deposits, acceptances, term deposits, guaranteed investment certificates and Canadian dollar money market mutual funds. Interest income earned on these investments must be contributed to the capital reserve fund.

##### Pension Plan

The Association accounts for its participation in a registered retirement savings plan as a defined contribution plan. Both the Association and participating employees are required to make plan contributions based on participating employees' contributory earnings. The Association recognizes the expense related to this plan as contributions are made.

##### Contributed Services

Directors, committee members and community members volunteer their time to assist in the Association's activities. While these services benefit the Association considerably, a reasonable estimate of their fair value cannot be made and, accordingly these contributed services are not recorded in the financial statements.

##### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are charged to the financial instrument for those measured at amortized cost.

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

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#### 2. Cash - General Fund

The Association's General Fund bank accounts are held at a chartered bank. The bank accounts earn interest at variable rates depending on the monthly minimum balances.

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#### 3. Capital Assets

	2018		2017	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,629,937	\$ -	\$ 1,629,937	\$ -
Buildings - housing	133,656	123,628	133,656	114,694
Buildings - other	4,805,279	1,382,521	4,774,460	1,202,376
Leasehold improvements	18,767	15,011	71,118	63,609
Office furniture and equipment	3,416,879	3,294,423	3,392,484	3,191,014
	<u>\$ 10,004,518</u>	<u>\$ 4,815,583</u>	<u>\$ 10,001,655</u>	<u>\$ 4,571,693</u>
Net book value		<u>\$ 5,188,935</u>		<u>\$ 5,429,962</u>

During the year, the Association acquired capital assets with an aggregate cost of \$55,214 (2017 - \$161,982).

During the year, the Association disposed of capital assets with a cost of \$52,351 (2017 - \$NIL) and a net book value of \$NIL (2017 - \$NIL) for proceeds of \$NIL.

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#### 4. Cash - Capital Reserve Fund

The Association's Capital Reserve Fund bank accounts are held at a chartered bank. The bank accounts earn interest at variable rates depending on the monthly minimum balances.

Cash held in the capital reserve fund account is not available to pay operating expenses and therefore has been classified as a long-term asset.

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#### 5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances totalling \$211,959 (2017 - \$509,873).

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

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#### 6. Credit Facilities

The Association has a \$200,000 (2017 - \$200,000) demand revolving operating loan available through TD Bank with an interest rate of prime, which is available for general corporate purposes. The balance drawn on this overdraft facility as at March 31, 2018 was \$NIL (March 31, 2017 - \$NIL).

The Association has a \$225,000 demand revolving operating loan available through TD Bank with an interest rate of prime, which is to allow for equity withdrawals against real-estate equity. The balance drawn on this credit facility as at March 31, 2018 was \$NIL (March 31, 2017 - \$NIL).

The Association has Visa Business card(s) available through TD Bank with a maximum credit limit of \$45,000 available to assist in financing day-to-day operations. The balance drawn on this credit facility as at March 31, 2018 was \$NIL (March 31, 2017 - \$NIL).

All of the credit facilities available through TD Bank, including the mortgages disclosed in note 7, are secured by: a general security agreement representing a third charge on all the Association's present and after acquired personal property; a continuing collateral mortgage, representing a first charge, on real property located at 128 Anne Street, Barrie, Ontario in the principal amount of \$725,000; a continuing collateral mortgage, representing a blanket first charge, on real property located on 4 residential properties (60 Shanty Bay Road, Barrie, Ontario; 76 Nottawasaga Street, Orillia, Ontario; 286 Georgian Drive, Barrie, Ontario; 50 Nottawasaga Street, Orillia, Ontario) in the principal amount of \$1,000,000; a continuing collateral mortgage, representing a first charge, on real property located at 88/90 Mulcaster Street, Barrie, Ontario in the principal amount of \$1,800,000; a continuing collateral mortgage, representing a first charge, on real property located at 134 Anne Street and 140 Tiffin Street, Barrie, Ontario in the principal amount of \$670,000; and assignment of fire insurance in the amount of \$3,795,780.

In addition, the Association shall not, without TD Bank's prior written consent: permit subsequent encumbrances of any of the subject properties; acquire additional advances or provide further security to Bank of Nova Scotia / Scotia Mortgage Corporation; incur any other indebtedness or guarantee the debts of any other person; merge, consolidate, or acquire a subsidiary; dispose of any of its now owned or hereafter acquired assets, except for inventory disposed of in the ordinary course of business; terminate any lease of any property mortgaged; cease to carry on the business; or permit any change of ownership.

The credit facility agreement contains a financial covenant that at all times the Association must maintain a debt service coverage ratio of not less than 100%.

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

#### 7. Long-term Debt

	2018	2017
TD Bank mortgage payable, interest at prime plus 0.75%, principal payments of \$2,824 plus interest due monthly, maturing May 1, 2029, secured by land and buildings with a carrying amount of approximately \$759,000 (2017 - \$782,000)	\$ 378,427	\$ 412,315
TD Bank mortgage payable, interest at 3.79%, blended payments of \$3,377 due monthly, maturing October 19, 2020 (2017 - interest at prime plus 0.75%, blended payments of \$3,356 due monthly, maturing October 19, 2017), secured by land and building with a carrying amount of approximately \$625,000 (2017 - \$650,000)	454,301	478,065
TD Bank mortgage payable, interest at 3.54%, blended payments of \$9,115 due monthly, maturing February 22, 2020, secured by land and buildings with a carrying amount of approximately \$1,693,000 (2017 - \$1,762,000)	1,453,633	1,510,453
TD Bank mortgage payable, interest at prime plus 0.75%, fixed principal payments of \$2,779 due monthly, maturing April 30, 2020, secured by land and buildings with a carrying amount of approximately \$934,000 (2017 - \$966,000)	569,729	603,079
TD Bank mortgage payable, interest at prime plus 0.75%, fixed principal payments of \$1,241 due monthly, maturing August 17, 2031, secured by land and building with a carrying amount of approximately \$284,000 (2017 - \$292,000)	199,794	214,692
ScotiaBank mortgage payable, interest at 2.04%, blended payments of \$836 due monthly, maturing June 1, 2018, secured by land and building with a carrying amount of approximately \$51,000 (2017 - \$59,000)	49,321	58,255
	3,105,205	3,276,859
Less: Current portion of long-term debt	214,170	625,950
Long-term debt	\$ 2,891,035	\$ 2,650,909

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## Canadian Mental Health Association, Simcoe County Branch Notes to Financial Statements

March 31, 2018

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### 7. Long-term Debt (continued)

See Note 6 for details regarding security and credit facility terms for TD Bank mortgages.

Principal repayments on long-term debt for the next five years and thereafter are as follows:

2019	\$ 214,170
2020	1,812,271
2021	453,985
2022	48,248
2023	48,248
Thereafter	<u>528,283</u>
	<u>\$ 3,105,205</u>

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### 8. Deferred Contributions Related to Capital Assets

Deferred contributions related to capital assets represent the unamortized amount of donations and grants received for the capital assets. These contributions are amortized and recorded as revenue in the statement of operations on the same basis as the amortization of the related asset.

	2018	2017
Balance, beginning of year	\$ 675,420	\$ 726,381
Capital assets funded in the current year	46,628	83,550
Less: amount amortized to revenue in the year	<u>(126,406)</u>	<u>(134,511)</u>
	<u>\$ 595,642</u>	<u>\$ 675,420</u>

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### 9. Commitments

The Association has various operating leases for its premises, expiring at various times.

The minimum annual lease payments for the next fiscal year are \$100,701.

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

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#### 10. Contingencies

- i) The Association receives funding from the Local Health Integration Network ("LHIN"), and is economically dependant upon them. The amount of funding provided to the Association is subject to final review and approval by the LHIN. As at the date of these financial statements, funding for the fiscal years 2017 and 2018 has not been subject to this review process. Any future adjustments required as a result of a review will be accounted for at that time as an adjustment to the excess of revenues over expenses for the year on the Statement of Operations and General Fund Balance.

The Association also receives funding from the Ministry of Health and Long-Term Care. The amount of funding provided to the Association is subject to final review and approval by the Ministry. As at the date of these financial statements, funding for the fiscal years 2017 and 2018 has not been subject to this review process. Any future adjustments required as a result of a review will be accounted for at that time as an adjustment to the excess of revenues over expenses for the year on the Statement of Operations and General Fund Balance.

As at March 31, 2018, there is \$727,968 (2017 - \$466,160) included in current liabilities for amounts owing to the above government agencies for the years subject to review, of which \$426,646 is payable to the Ministry of Health and Long-Term Care and \$301,322 is payable to the LHIN.

- ii) The Association has been named the defendant in a wrongful dismissal claim. Based on management's assessment of the facts of the claim, in conjunction with consultation with legal counsel, management proposed a settlement offer of \$50,000. This offer was rejected by the claimant and the ultimate resolution remains uncertain. Accordingly, no amounts have been included in the financial statements related to this claim.
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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

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#### 11. Grant Revenue

The Association received grant revenue during the year from the following sources:

	2018	2017
Local Health Integration Network	\$ 13,672,545	\$ 13,106,577
Ministry of Health and Long-term Care	3,252,771	3,054,118
County of Simcoe	434,381	430,740
Other agencies	267,918	344,545
Health Canada	-	231,947
Ministry of Children and Youth Services	167,682	181,435
	<u>\$ 17,795,297</u>	<u>\$ 17,349,362</u>

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#### 12. Pension Plan

The Association contributes to a registered retirement savings plan for participating full time employees at a rate of 4% of the employees' regular gross earnings. The amounts are contributed each payroll period.

The total cost recorded for the Association's defined contribution plan is as follows:

	2018	2017
Current service cost	<u>\$ 336,701</u>	<u>\$ 309,010</u>

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#### 13. Related Party Transactions

The Association and Mental Health Programs Barrie ("MHPB") are related as the board of directors of the Association has the ability to influence the decisions made by MHPB by virtue of two of the three members of the board of directors of MHPB also being board members of the Association.

During the year, the Association contributed \$2,610 (2017 - \$2,610) to MHPB. All transactions are in the normal course of operations and are measured at the exchange value (the amount of consideration established and agreed to by the related parties).

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2018

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#### 14. Financial Instrument 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. Credit risk typically arises due to significant concentrations of accounts receivable from a particular industry, geographic region or limited number of customers. Management believes that credit risk is limited as the Association's accounts receivable is not made up of a limited number of counterparties and includes several balances from government agencies.

The Association's cash is all held at a major institution. The Association has cash deposits in financial institutions in excess of the amount insured by agencies of the federal government in the amounts of \$100,000 at March 31, 2018 (2017 - \$100,000).

##### 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 Association is exposed to this risk through long-term debt which bears interest at a variable rate. Fluctuations in the banks' prime interest rates will result in fluctuations in the cash flow requirements of this financial instrument via increases or decreases in the related interest expense. The association is also exposed to interest rate risk through fixed rate long-term debt that matures during the next fiscal year and will be refinanced.

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#### 15. Comparative Figures

Certain of the 2017 comparative figures have been reclassified to conform to the financial presentation adopted in 2018.

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**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**

**General**  
(unaudited)

**For the year ended March 31**

**2018**

**2017**

**Revenue**

Amortization of deferred contributions related to capital assets	\$ 1	\$ 984
Donations	146,179	133,953
Grants	5,844	6,712
Interest income	242	71
Other income	338,892	317,182
Rental income	808,857	796,455
	<u>1,300,015</u>	<u>1,255,357</u>

**Expenses**

Amortization of capital assets	156,031	165,032
Bank charges	1,736	1,081
Christmas gifts	11,462	9,911
Community education	4,160	608
Employee benefits	51,855	49,202
Fundraising expenses	58,157	37,101
General, other and sundry	17,511	9,983
Interest on long-term debt	114,588	116,734
Minor equipment and one-time expenses	4,742	6,491
Professional fees	2,610	-
Property and equipment rental	-	402
Property tax	52,456	55,116
Repairs and maintenance	96,981	99,567
Salaries	286,336	263,127
Staff education	904	63
Supplies	92,517	98,192
Telephone	3,945	2,217
Travel	1,477	908
Utilities	77,181	81,509
Volunteer and client needs	2,263	3,622
	<u>1,036,912</u>	<u>1,000,866</u>

**Excess of revenue over expenses for the year**

**263,103 254,491**

**Fund balance, beginning of year**

**1,619,491 1,365,000**

**Fund balance, end of year**

**\$ 1,882,594 \$ 1,619,491**

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
Ministry of Health and Long-Term Care  
(unaudited)

For the year ended March 31	2018	2017
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 118,011	\$ 122,047
Grants	13,672,545	13,106,577
Interest income	9,336	3,863
Other income	130,572	156,330
	<u>13,930,464</u>	<u>13,388,817</u>
<b>Expenses</b>		
Advertising	4,909	14,139
Amortization of capital assets	118,011	122,047
Bank charges	5,254	4,329
Bonding and insurance	35,524	35,956
Books and subscriptions	602	2,626
Client travel	7,551	15,420
Computer and vehicle maintenance	68,705	61,639
Contracted out services	121,000	100,000
Employee benefits	1,695,082	1,602,184
General, other and sundry	113,271	106,942
Minor equipment and one-time expenses	118,465	160,647
Postage, stationery and other	41,510	45,731
Professional fees	34,267	29,058
Property and equipment rental	721,762	666,737
Property tax	16,858	16,765
Repairs and maintenance	48,107	58,970
Salaries	8,949,136	8,562,656
Session fees	57,240	57,240
Staff education	39,756	49,235
Supplies	144,404	106,140
Telephone	134,615	132,212
Travel	189,418	175,173
Utilities	29,607	33,722
	<u>12,695,054</u>	<u>12,159,568</u>
Excess of revenue over expenses for the year before other expense	1,235,410	1,229,249
Other expense - Paymaster	<u>(1,235,410)</u>	<u>(1,229,249)</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	<u>220,492</u>	<u>220,492</u>
Fund balance, end of year	<u>\$ 220,492</u>	<u>\$ 220,492</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Housing Program**  
(unaudited)

For the year ended March 31	2018	2017
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 1,220	\$ 4,077
Grants	1,775,818	1,605,963
Rental income	8,285	6,904
	<u>1,785,323</u>	<u>1,616,944</u>
<b>Expenses</b>		
Advertising	504	250
Amortization of office furniture and equipment	1,220	4,077
Amortization of buildings	8,934	8,026
Employee benefits	48,844	40,341
General, other and sundry	48,735	39,159
Insurance	504	250
Interest on long-term debt	1,094	1,273
Minor equipment and one-time expenses	1,213	98,207
Professional fees	950	950
Property and equipment rental	18,000	13,500
Rent supplements	1,312,602	1,180,417
Repairs and maintenance	6,831	7,192
Salaries	315,191	203,144
Staff education	590	420
Supplies	4,251	6,494
Telephone	4,673	2,338
Travel	4,842	5,855
Utilities	6,345	5,051
	<u>1,785,323</u>	<u>1,616,944</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	(193,360)	(193,360)
Fund balance, end of year	<u>\$ (193,360)</u>	<u>\$ (193,360)</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Family Health Team**  
(unaudited)

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 1,102	\$ 995
Grants	1,375,327	1,322,027
	<u>1,376,429</u>	<u>1,323,022</u>
<b>Expenses</b>		
Advertising	-	917
Amortization of capital assets	1,102	995
Employee benefits	170,312	168,290
General, other and sundry	18,733	18,876
Medical fees	294,999	283,624
Minor equipment and one-time expenses	3,655	1,915
Property and equipment rental	-	25,795
Repairs and maintenance	2,496	2,496
Salaries	880,449	815,616
Staff education	1,131	2,780
Telephone	796	1,021
Travel	2,756	697
	<u>1,376,429</u>	<u>1,323,022</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
Ministry of Children and Youth Services  
(unaudited)

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 230	\$ 566
Grants	167,682	152,838
	<u>167,912</u>	<u>153,404</u>
<b>Expenses</b>		
Amortization of capital assets	230	566
Client travel	1,089	1,500
Contracted out services	32,681	41,438
Employee benefits	16,952	13,148
Insurance	900	1,000
Minor equipment	1,892	312
Professional fees	1,000	1,000
Property and equipment rental	4,000	4,000
Repairs and maintenance	3,000	3,000
Salaries	95,790	69,928
Staff education	163	2,095
Supplies	2,522	9,995
Telephone	5,457	4,779
Travel	2,236	643
	<u>167,912</u>	<u>153,404</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>



**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
The United Way of Barrie/South Simcoe  
(unaudited)

For the year ended March 31	2018	2017
<b>Revenue</b>		
Grants	\$ -	\$ 30,379
<b>Expenses</b>		
Employee benefits	-	2,596
Salaries	-	27,254
Supplies	-	431
Travel	-	98
	-	30,379
<b>Excess of revenue over expenses for the year</b>	-	-
<b>Fund balance, beginning of year</b>	-	-
<b>Fund balance, end of year</b>	\$ -	\$ -

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Ontario Works**  
(unaudited)

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Grants	\$ 364,700	\$ 361,034
<b>Expenses</b>		
Employee benefits	67,680	64,754
General, other and sundry	80	20
Postage, stationery and other	387	510
Salaries	273,255	289,713
Staff education	705	376
Supplies	-	283
Telephone	790	1,399
Travel	4,044	2,695
	<u>346,941</u>	<u>359,750</u>
<b>Excess of revenue over expenses for the year</b>	17,759	1,284
<b>Fund balance, beginning of year</b>	<u>(3,377)</u>	<u>(4,661)</u>
<b>Fund balance, end of year</b>	<u>\$ 14,382</u>	<u>\$ (3,377)</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**

**Back on Track**  
(unaudited)

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Interest income	\$ 1,178	\$ 503
Other income	126,644	133,593
	<u>127,822</u>	<u>134,096</u>
 <b>Expenses</b>		
Amortization of capital assets	4,871	6,230
Employee benefits	12,442	11,950
General, other and sundry	889	438
Minor equipment and one-time expenses	979	3,359
Salaries	71,021	74,601
Staff education	6	217
Supplies	717	516
Travel	542	629
	<u>91,467</u>	<u>97,940</u>
 Excess of revenue over expenses for the year	 36,355	 36,156
Fund balance, beginning of year	<u>534,138</u>	<u>497,982</u>
Fund balance, end of year	<u>\$ 570,493</u>	<u>\$ 534,138</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Ministry of Children and Youth Services - Addiction Services**  
(unaudited)

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Grants	\$ -	\$ 28,597
<b>Expenses</b>		
Advertising	-	50
Employee benefits	-	5,123
Insurance	-	50
Professional fees	-	175
Property and equipment rental	-	378
Salaries	-	22,162
Supplies	-	500
Telephone	-	159
	-	28,597
<b>Excess of revenue over expenses for the year</b>	-	-
<b>Fund balance, beginning of year</b>	-	-
<b>Fund balance, end of year</b>	\$ -	\$ -

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**STACD Youth Project**  
(unaudited)

For the year ended March 31	2018	2017
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 312	\$ 312
Grants	-	231,947
	<u>312</u>	<u>232,259</u>
<b>Expenses</b>		
Amortization of capital assets	312	312
Employee benefits	-	29,459
General, other and sundry	-	13,238
Postage, stationery and other	-	906
Property and equipment rental	-	10,000
Salaries	-	146,015
Staff education	-	28
Supplies	-	18,702
Telephone	-	3,216
Travel	-	10,383
	<u>312</u>	<u>232,259</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Transitional Rehabilitation Housing Program**  
(unaudited)

For the year ended March 31	2018	2017
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 4,994	\$ 4,994
Grants	243,062	252,798
Rental income	20,258	14,370
	<u>268,314</u>	<u>272,162</u>
<b>Expenses</b>		
Advertising	500	-
Amortization of capital assets	4,994	4,994
Contracted out services	53,127	52,511
Employee benefits	21,729	23,350
General, other and sundry	37,363	36,799
Minor equipment and one-time expenses	-	919
Professional fees	1,000	500
Property and equipment rental	45,173	45,120
Repairs and maintenance	1,000	-
Salaries	100,420	103,285
Supplies	555	990
Travel	2,453	3,694
	<u>268,314</u>	<u>272,162</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Nurse Practitioner**  
(unaudited)

<b>For the year ended March 31</b>	<b>2018</b>	<b>2017</b>
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 536	\$ 536
Grants	101,626	126,128
	<u>102,162</u>	<u>126,664</u>
<b>Expenses</b>		
Advertising	-	618
Amortization of capital assets	536	536
Employee benefits	15,288	15,662
General, other and sundry	2,433	1,614
Insurance	876	544
Medical expenses	10,061	10,061
Minor equipment and one-time expenses	-	1,794
Professional fees	1,000	1,000
Property and equipment rental	5,000	5,000
Repairs and maintenance	750	750
Salaries	63,587	85,162
Supplies	2,370	3,636
Travel	261	287
	<u>102,162</u>	<u>126,664</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Crisis Aftercare and Recovery Enhancement (CARE) Project**  
(unaudited)

For the year ended March 31	2018	2017
Revenue		
Grants	\$ 69,681	\$ 69,707
Expenses		
Employee benefits	12,862	14,871
General, other and sundry	421	-
Salaries	51,232	51,601
Staff education	6	662
Travel	2,352	1,905
	<u>66,873</u>	<u>69,039</u>
Excess of revenue over expenses for the year	2,808	668
Fund balance, beginning of year	<u>(2,808)</u>	<u>(3,476)</u>
Fund balance, end of year	\$ -	\$ (2,808)



**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**

Trillium  
(unaudited)

For the year ended March 31	2018	2017
<b>Revenue</b>		
Grants	\$ 19,012	\$ 54,655
<b>Expenses</b>		
Advertising	1,856	1,046
Employee benefits	1,498	3,111
General, other and sundry	1,668	-
Minor equipment and one-time expenses	4,597	647
Salaries	17,921	33,132
Staff education	283	-
Supplies	4,533	1,426
Telephone	236	404
Travel	201	1,108
	<u>32,793</u>	<u>40,874</u>
<b>Excess of revenue over expenses for the year</b>	<b>(13,781)</b>	<b>13,781</b>
<b>Fund balance, beginning of year</b>	<b>13,781</b>	<b>-</b>
<b>Fund balance, end of year</b>	<b>\$ -</b>	<b>\$ 13,781</b>