

**Canadian Mental Health  
Association, Simcoe County Branch  
Financial Statements  
For the year ended March 31, 2021**

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**Financial Statements**  
For the year ended March 31, 2021

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## Independent Auditor's Report

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

We have audited the accompanying financial statements of Canadian Mental Health Association, Simcoe County Branch (the "Organization"), which comprise the statement of financial position as at March 31, 2021, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization 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 the Organization. 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 years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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 audit opinion.

### Other Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedules on pages 19 to 31 of the Organization's Financial Statements.

### Responsibilities of Management and Those Charged with Governance 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.

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.

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.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Barrie, Ontario  
June 21, 2021

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

March 31	2021	2020
<b>Assets</b>		
Current assets		
Cash - general fund (Note 2)	\$ 5,340,422	\$ 3,831,929
Accounts receivable	363,409	221,916
Prepaid expenses	144,789	92,149
	<u>5,848,620</u>	<u>4,145,994</u>
Capital assets (Note 3)	5,250,016	5,185,062
Capital reserve fund		
Cash (Note 4)	125,524	124,302
	<u>\$ 11,224,160</u>	<u>\$ 9,455,358</u>

**Liabilities and Fund Balances**

Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 1,355,020	\$ 1,114,438
Deferred revenue - operations	193,163	37,790
Deferred revenue - grants	147,923	158,278
Payable to government agencies (Note 10)	2,454,986	1,365,213
Current portion of long-term debt (Note 7)	184,578	559,178
	<u>4,335,670</u>	<u>3,234,897</u>
Long-term debt (Note 7)	2,390,613	2,196,189
Deferred contributions related to capital assets (Note 8)	1,103,652	888,125
	<u>7,829,935</u>	<u>6,319,211</u>
Commitments (Note 9)		
Contingencies (Note 10)		
Fund balances		
General	3,268,701	3,011,845
Capital Reserve	125,524	124,302
	<u>3,394,225</u>	<u>3,136,147</u>
	<u>\$ 11,224,160</u>	<u>\$ 9,455,358</u>

On behalf of the Board:



Director



Director

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

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

For the year ended March 31	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets (Note 8)	\$ 176,933	\$ 115,449
Donations	89,768	154,178
Grants (Note 11)	20,333,219	18,700,209
Interest income	4,893	46,271
Other income	980,104	1,387,876
Rental income	799,717	806,707
	<u>22,384,634</u>	<u>21,210,690</u>
<b>Expenses</b>		
Advertising	13,565	54,931
Amortization of capital assets	327,506	271,118
Bank charges	6,474	6,532
Books and subscriptions	31	1,202
Christmas gifts	9,970	14,696
Client travel	9,996	14,507
Community education	766	46
Computer and vehicle maintenance	71,092	69,575
Contracted out services	472,882	451,367
Employee benefits (Note 12)	2,422,367	2,394,335
Fundraising expenses	3,788	31,769
General, other and sundry	273,866	195,195
Insurance	54,720	44,504
Interest on long-term debt	94,449	114,402
Management fees	137,675	158,938
Medical fees	139,008	239,015
Minor equipment and one-time expenses	971,432	112,133
Postage, stationery and other	28,785	37,929
Professional fees	59,114	56,836
Property and equipment rental	851,234	865,190
Property tax	84,305	64,660
Rent supplements	1,894,485	1,703,974
Repairs and maintenance	214,444	205,206
Salaries	13,265,920	12,815,576
Session fees	36,760	53,704
Staff education	18,780	62,754
Supplies	161,404	243,104
Telephone	179,845	174,445
Travel	72,566	217,276
Utilities	98,783	120,190
Volunteer and client needs	518	2,686
	<u>21,976,530</u>	<u>20,797,795</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**

For the year ended March 31	2021	2020
Excess of revenue over expenses for the year before other expense	408,104	412,895
Other expense - Paymaster	<u>(151,248)</u>	<u>(151,248)</u>
Excess of revenue over expenses	256,856	261,647
Fund balance, beginning of year	<u>3,011,845</u>	<u>2,750,198</u>
Fund balance, end of year	<u>\$ 3,268,701</u>	<u>\$ 3,011,845</u>



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

For the year ended March 31	2021	2020
Revenue		
Interest income	\$ 147	\$ 1,803
Expenses		
Repairs and maintenance	-	-
Excess of revenue over expenses	147	1,803
Fund balance, beginning of year	124,302	121,424
Transfer from general fund	1,075	1,075
Fund balance, end of year	\$ 125,524	\$ 124,302



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

For the year ended March 31	2021	2020
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses for the year	\$ 256,856	\$ 261,647
Items not involving cash		
Amortization of capital assets	327,506	271,118
Amortization of deferred contributions related to capital assets	(176,933)	(115,449)
	407,429	417,316
Net change in non-cash working capital balances		
Accounts receivable	(141,493)	201,894
Prepaid expenses	(52,640)	47,951
Accounts payable and accrued liabilities	240,582	(666,651)
Due to capital reserve fund	-	(242)
Deferred revenue - operations	155,373	1,400
Deferred revenue - grants	(10,355)	39,358
	598,896	41,026
<b>Cash flows from investing activities</b>		
Purchase of capital assets	(392,460)	(248,395)
Deferred contributions related to capital assets	392,460	244,875
	-	(3,520)
<b>Cash flows from financing activities</b>		
Increase in payable to Ministry of Health and Long-Term Care	1,089,773	570,899
Repayment of long-term debt	(180,176)	(176,762)
	909,597	394,137
<b>Net Increase in cash during the year</b>	<b>1,508,493</b>	<b>431,643</b>
<b>Cash, beginning of year</b>	<b>3,831,929</b>	<b>3,400,286</b>
<b>Cash, end of year</b>	<b>\$ 5,340,422</b>	<b>\$ 3,831,929</b>

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

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2021

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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, 2021

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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
Vehicles	- 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, 2021

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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. The Association makes contributions based on a percentage of gross wages and the participating employees have an option 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, 2021

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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

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,629,937	\$ -	\$ 1,629,937	\$ -
Buildings - housing	133,656	133,656	133,656	133,656
Buildings - other	5,117,997	1,920,497	5,046,238	1,741,975
Leasehold improvements	18,767	18,767	18,767	18,767
Office furniture and equipment	4,005,289	3,629,694	3,743,318	3,492,456
Vehicles	58,730	11,746	-	-
	<u>\$ 10,964,376</u>	<u>\$ 5,714,360</u>	<u>\$ 10,571,916</u>	<u>\$ 5,386,854</u>
Net book value		<u>\$ 5,250,016</u>		<u>\$ 5,185,062</u>

During the year, the Association acquired capital assets with an aggregate cost of \$392,460 (2020 - \$248,395).

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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 totaling \$283,698 (2020 - \$136,295).

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2021

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#### 6. Credit Facilities

The Association has a \$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, 2021 was \$NIL (March 31, 2020 - \$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, 2021 was \$NIL (March 31, 2020 - \$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, 2021 was \$NIL (March 31, 2020 - \$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; 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, 2021

## **7. Long-term Debt**

	2021	2020
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 \$753,000 (2020 - \$761,000)	\$ 276,761	\$ 310,649
TD Bank mortgage payable, interest at 2.95% (2020 - 3.79%), blended payments of \$3,227 (2020 - \$3,377) due monthly, maturing October 19, 2025, secured by land and building with a carrying amount of approximately \$563,000 (2020 - \$585,000)	379,328	405,610
TD Bank mortgage payable, interest at 3.78%, blended payments of \$9,261 due monthly, maturing February 22, 2036, secured by land and buildings with a carrying amount of approximately \$1,618,000 (2020 - \$1,674,000)	1,271,847	1,334,235
TD Bank mortgage payable, interest at prime plus 0.75%, fixed principal payments of \$2,779 due monthly, maturing April 30, 2035, secured by land and buildings with a carrying amount of approximately \$941,000 (2020 - \$931,000)	469,679	503,029
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 \$281,000 (2020 - \$284,000)	155,100	169,998
TD Bank mortgage payable, interest at 5.48%, blended payments of \$910 due monthly, maturing June 1, 2023, secured by land and building with a carrying amount of approximately \$40,000 (2020 - \$41,000)	22,476	31,846
	2,575,191	2,755,367
Less: Current portion of long-term debt	184,578	559,178
Long-term debt	<u>\$ 2,390,613</u>	<u>\$ 2,196,189</u>



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

March 31, 2021

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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:

2022	\$ 184,578
2023	188,430
2024	183,379
2025	178,548
2026	344,530
Thereafter	<u>1,495,726</u>
	<u>\$ 2,575,191</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.

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 888,125	\$ 758,699
Capital assets funded in the current year	392,460	244,875
Less: amount amortized to revenue in the year	<u>(176,933)</u>	<u>(115,449)</u>
	<u>\$ 1,103,652</u>	<u>\$ 888,125</u>

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2021

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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 three fiscal years are as follows:

2022	\$	88,573
2023		28,327
2024		<u>7,082</u>
	\$	<u>123,982</u>

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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 2018, 2019, 2020 and 2021 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 2018, 2019, 2020 and 2021 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, 2021, there is \$2,454,986 (2020 - \$1,365,213) included in current liabilities for amounts owing to the above government agencies for the years subject to review, of which \$1,363,828 is payable to the Ministry of Health and Long-Term Care and \$1,091,158 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, 2021

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#### 11. Grant Revenue

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

	2021	2020
Local Health Integration Network	\$ 15,766,299	\$ 14,322,643
Ministry of Health and Long-term Care	3,876,924	3,658,173
County of Simcoe	72,437	171,876
Other agencies	466,735	373,580
Ministry of Children, Community and Social Services	150,824	173,937
	<u>\$ 20,333,219</u>	<u>\$ 18,700,209</u>

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#### 12. Pension Plan

The Association contributes to a registered retirement savings plan for participating full time employees. The amounts are contributed each payroll period.

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

	2021	2020
Current service cost	<u>\$ 408,623</u>	<u>\$ 383,930</u>

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## Canadian Mental Health Association, Simcoe County Branch

### Notes to Financial Statements

March 31, 2021

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#### 13. 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, 2021 (2020 - \$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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#### 14. Impact of COVID-19

On March 11, 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. On March 17, 2020 and again on January 14, 2021, the province of Ontario declared a state of emergency and ordered the closure of many establishments. Early in the pandemic, The Association re-focused activities and resources to support the development of alternative service delivery methods where possible.

The global pandemic has disrupted economic activities and supply chains. However, as an essential service, the Association continues to operate and service the community. During fiscal 2021, the Association has experienced an increase in demand for mental health services in the community and correspondingly an increase in compensation and supply costs.

Subsequent to year end, on April 8, 2021, the province of Ontario declared another stay-at-home order. If the impacts of COVID-19 continue, there could be impacts on the Association and the clients it serves, suppliers and other third party business associates that may impact the timing and delivery of services and funding amounts received by the Ministries. At this time, the full potential impact of COVID-19 on the Association is not known.

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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	2021	2020
<b>Revenue</b>		
Donations	\$ 89,768	\$ 154,178
Grants	53,391	-
Interest income	46	605
Other income	158,083	298,110
Rental income	772,634	783,299
	<u>1,073,922</u>	<u>1,236,192</u>
<b>Expenses</b>		
Advertising	-	30
Amortization of capital assets	135,650	141,226
Bank charges	4,607	1,465
Christmas gifts	9,970	14,696
Community education	766	46
Employee benefits	48,941	61,394
Fundraising expenses	3,788	31,769
General, other and sundry	823	26,087
Interest on long-term debt	92,898	112,347
Minor equipment and one-time expenses	-	5,968
Property tax	46,979	48,305
Repairs and maintenance	144,662	140,073
Salaries	246,466	224,413
Staff education	1,117	3,025
Supplies	25,487	82,776
Telephone	3,529	3,521
Travel	-	1,268
Utilities	73,514	89,154
Volunteer and client needs	518	2,686
	<u>839,715</u>	<u>990,249</u>
Excess of revenue over expenses for the year	234,207	245,943
Fund balance, beginning of year	<u>2,391,305</u>	<u>2,145,362</u>
Fund balance, end of year	<u>\$ 2,625,512</u>	<u>\$ 2,391,305</u>



**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	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 163,614	\$ 104,734
Grants	15,766,299	14,322,643
Interest income	4,534	40,470
Other income	128,033	143,032
	<u>16,062,480</u>	<u>14,610,879</u>
<b>Expenses</b>		
Advertising	12,432	52,382
Amortization of capital assets	163,615	104,735
Bank charges	1,867	5,067
Books and subscriptions	31	1,202
Client travel	7,237	14,507
Computer and vehicle maintenance	71,092	69,575
Contracted out services	213,324	189,104
Employee benefits	1,991,882	1,924,930
General, other and sundry	229,894	144,762
Insurance	51,296	41,096
Minor equipment and one-time expenses	914,399	64,496
Postage, stationery and other	28,785	37,929
Professional fees	57,148	53,400
Property and equipment rental	750,466	750,028
Property tax	37,326	16,355
Repairs and maintenance	57,177	50,876
Salaries	10,946,849	10,345,499
Session fees	36,760	53,704
Staff education	17,191	49,724
Supplies	86,432	125,092
Telephone	160,457	149,714
Travel	53,843	189,098
Utilities	21,729	26,356
	<u>15,911,232</u>	<u>14,459,631</u>
Excess of revenue over expenses for the year before other expense	151,248	151,248
Other expense - Paymaster	<u>(151,248)</u>	<u>(151,248)</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	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 2,742	\$ 2,519
Grants	2,382,219	2,191,393
Rental income	5,808	6,289
	<u>2,390,769</u>	<u>2,200,201</u>
<b>Expenses</b>		
Advertising	516	500
Amortization of office furniture and equipment	2,742	2,519
Amortization of buildings	9,347	8,866
Employee benefits	52,514	52,414
General, other and sundry	7,554	2,924
Insurance	1,651	1,635
Interest on long-term debt	1,551	2,055
Management fees	44,636	46,078
Professional fees	966	950
Property and equipment rental	18,588	18,000
Rent supplements	1,894,485	1,703,974
Repairs and maintenance	2,355	3,163
Salaries	323,572	325,275
Staff education	-	2,500
Supplies	4,856	4,421
Telephone	5,070	4,924
Travel	16,826	15,323
Utilities	3,540	4,680
	<u>2,390,769</u>	<u>2,200,201</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	<u>(193,360)</u>	<u>(193,360)</u>
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)

For the year ended March 31	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 4,791	\$ 3,078
Grants	1,318,390	1,303,916
	<u>1,323,181</u>	<u>1,306,994</u>
<b>Expenses</b>		
Amortization of capital assets	4,791	3,078
Employee benefits	190,138	154,978
General, other and sundry	2,232	4,644
Management fees	11,500	11,500
Medical fees	128,145	228,954
Minor equipment and one-time expenses	-	11,953
Repairs and maintenance	4,500	4,500
Salaries	980,183	880,552
Staff education	391	4,615
Telephone	1,089	907
Travel	212	1,313
	<u>1,323,181</u>	<u>1,306,994</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, Community and Social Services  
(unaudited)

For the year ended March 31	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 1,134	\$ 412
Grants	150,824	173,937
	<u>151,958</u>	<u>174,349</u>
<b>Expenses</b>		
Amortization of capital assets	1,134	412
Client travel	2,759	-
Contracted out services	34,589	39,015
Employee benefits	15,357	18,379
Insurance	900	900
Minor equipment	973	-
Professional fees	1,000	1,000
Property and equipment rental	4,000	4,000
Repairs and maintenance	2,500	2,500
Salaries	78,265	98,047
Staff education	-	1,491
Supplies	5,936	1,555
Telephone	4,452	4,295
Travel	93	2,755
	<u>151,958</u>	<u>174,349</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -



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

For the year ended March 31	2021	2020
<b>Revenue</b>		
Grants	\$ 87,185	\$ -
<b>Expenses</b>		
Employee benefits	633	-
General, other and sundry	5,147	-
Minor equipment and one-time expenses	51,600	-
Salaries	8,667	-
Supplies	21,138	-
	<u>87,185</u>	<u>-</u>
Excess of revenue over expenses for the year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>

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

For the year ended March 31	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 208	\$ 208
Grants	-	99,716
	<u>208</u>	<u>99,924</u>
<b>Expenses</b>		
Amortization of capital assets	208	208
Employee benefits	-	15,475
Salaries	-	79,213
Staff education	-	436
Telephone	-	461
Travel	-	613
	<u>208</u>	<u>96,406</u>
Excess of revenue over expenses for the year	-	3,518
Fund balance, beginning of year	<u>(3,377)</u>	<u>(6,895)</u>
Fund balance, end of year	<u>\$ (3,377)</u>	<u>\$ (3,377)</u>

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

Back on Track  
(unaudited)

For the year ended March 31	2021	2020
<b>Revenue</b>		
Interest income	\$ 313	\$ 5,196
Other income	121,157	127,348
	<u>121,470</u>	<u>132,544</u>
<b>Expenses</b>		
Amortization of capital assets	5,575	5,575
Employee benefits	11,924	13,491
General, other and sundry	4,155	423
Minor equipment and one-time expenses	-	14,191
Salaries	76,936	84,995
Staff education	-	79
Supplies	211	1,114
Travel	20	490
	<u>98,821</u>	<u>120,358</u>
Excess of revenue over expenses for the year	22,649	12,186
Fund balance, beginning of year	596,785	584,599
Fund balance, end of year	<u>\$ 619,434</u>	<u>\$ 596,785</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	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 412	\$ 415
Grants	254,067	257,256
Rental income	21,275	17,119
	<u>275,754</u>	<u>274,790</u>
<b>Expenses</b>		
Amortization of capital assets	412	416
Contracted out services	52,518	54,375
Employee benefits	20,414	24,956
General, other and sundry	6,993	6,521
Management fees	32,208	32,208
Minor equipment and one-time expenses	2,183	662
Professional fees	-	1,000
Property and equipment rental	46,488	45,759
Repairs and maintenance	1,000	1,000
Salaries	113,071	105,276
Supplies	364	468
Travel	103	2,149
	<u>275,754</u>	<u>274,790</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -



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

For the year ended March 31	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 1,070	\$ 1,070
Grants	176,315	162,864
	<u>177,385</u>	<u>163,934</u>
<b>Expenses</b>		
Amortization of capital assets	1,070	1,070
Employee benefits	26,645	25,089
General, other and sundry	9,840	3,265
Insurance	873	873
Medical expenses	10,863	10,061
Professional fees	-	486
Property and equipment rental	4,992	4,992
Repairs and maintenance	-	750
Salaries	120,885	111,720
Supplies	2,412	5,015
Travel	(195)	613
	<u>177,385</u>	<u>163,934</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	2021	2020
<b>Revenue</b>		
Grants	\$ 72,437	\$ 72,160
<b>Expenses</b>		
Employee benefits	9,809	9,365
Management fees	1,009	-
Salaries	56,304	52,092
Staff education	81	-
Supplies	3,606	9,245
Telephone	624	712
Travel	1,004	746
	<u>72,437</u>	<u>72,160</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -

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

Trillium  
(unaudited)

For the year ended March 31	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 1,184	\$ 1,235
Grants	72,092	116,324
	73,276	117,559
<b>Expenses</b>		
Advertising	617	2,019
Amortization of capital assets	1,184	1,235
Contracted out services	4,451	873
Employee benefits	4,516	7,046
Minor equipment and one-time expenses	2,277	14,619
Salaries	46,870	75,409
Supplies	10,962	13,418
Telephone	1,869	2,391
Travel	530	549
	73,276	117,559
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -

**Canadian Mental Health Association, Simcoe County Branch**  
**Statement of Operations and Fund Balance**  
**Increasing Access to Structured Psychotherapy**  
(unaudited)

For the year ended March 31	2021	2020
<b>Revenue</b>		
Amortization of deferred contributions related to capital assets	\$ 1,778	\$ 1,778
Other income	572,831	819,386
	574,609	821,164
<b>Expenses</b>		
Amortization of capital assets	1,778	1,778
Contracted out services	168,000	168,000
Employee benefits	49,594	86,818
General, other and sundry	7,228	6,569
Management fees	48,322	69,152
Minor equipment and one-time expenses	-	244
Property and equipment rental	26,700	42,411
Repairs and maintenance	2,250	2,344
Salaries	267,852	433,085
Staff education	-	884
Telephone	2,755	7,520
Travel	130	2,359
	574,609	821,164
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	-	-
Fund balance, end of year	\$ -	\$ -