

**Canadian Mental Health
Association, Simcoe County Branch
Financial Statements
For the year ended March 31, 2022**

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Financial Statements
For the year ended March 31, 2022

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Independent Auditor's Report

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, 2022, 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, 2022, 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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 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 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 32 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 20, 2022

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

March 31	2022	2021
Assets		
Current assets		
Cash - general fund (Note 2)	\$ 6,929,636	\$ 5,340,422
Accounts receivable	510,277	363,409
Prepaid expenses	180,778	144,789
	<u>7,620,691</u>	<u>5,848,620</u>
Capital assets (Note 3)	4,823,817	5,250,016
Capital reserve fund		
Cash (Note 4)	126,664	125,524
	<u>\$ 12,571,172</u>	<u>\$ 11,224,160</u>
Liabilities and Fund Balances		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 1,443,289	\$ 1,355,020
Deferred revenue - operations	247,521	193,163
Deferred revenue - grants	87,879	147,923
Payable to government agencies (Note 10)	2,774,840	2,454,986
Current portion of long-term debt (Note 7)	188,430	184,578
	<u>4,741,959</u>	<u>4,335,670</u>
Long-term debt (Note 7)	2,199,669	2,390,613
Deferred contributions related to capital assets (Note 8)	1,020,040	1,103,652
	<u>7,961,668</u>	<u>7,829,935</u>
Commitments (Note 9)		
Contingencies (Note 10)		
Fund balances		
General	4,482,842	3,268,701
Capital reserve	126,662	125,524
	<u>4,609,504</u>	<u>3,394,225</u>
	<u>\$ 12,571,172</u>	<u>\$ 11,224,160</u>

On behalf of the Board:

_____ Director _____ Director

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

For the year ended March 31	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets (Note 8)	\$ 176,574	\$ 176,933
Donations	209,554	89,768
Grants (Note 11)	21,360,632	20,333,219
Interest income	3,703	4,893
Other income	1,478,688	980,104
Rental income	811,896	799,717
	24,041,047	22,384,634
Expenses		
Advertising	13,837	13,565
Amortization of capital assets	308,701	327,506
Bank charges	7,181	6,474
Books and subscriptions	-	31
Christmas gifts	9,766	9,970
Client travel	12,573	9,996
Community education	13	766
Computer and vehicle maintenance	74,321	71,092
Contracted out services	618,837	472,882
Employee benefits (Note 12)	2,713,558	2,422,367
Fundraising expenses	7,613	3,788
General, other and sundry	229,298	273,866
Insurance	59,011	54,720
Interest on long-term debt	83,387	94,449
Management fees	159,388	137,675
Medical fees	161,261	139,008
Minor equipment and one-time expenses	586,721	971,432
Postage, stationery and other	37,680	28,785
Professional fees	519,552	59,114
Property and equipment rental	879,941	851,234
Property tax	71,449	84,305
Rent supplements	2,352,581	1,894,485
Repairs and maintenance	245,859	214,444
Salaries	13,720,470	13,265,920
Session fees	57,104	36,760
Staff education	35,933	18,780
Supplies	125,260	161,404
Telephone	194,346	179,845
Travel	110,543	72,566
Utilities	107,546	98,783
Volunteer and client needs	1,719	518
	23,505,449	21,976,530

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	2022	2021
Excess of revenue over expenses for the year before other expense	535,598	408,104
Other expense - Paymaster	(151,248)	(151,248)
Gain on sale of real estate	<u>829,791</u>	<u>-</u>
Excess of revenue over expenses	1,214,141	256,856
Fund balance, beginning of year	<u>3,268,701</u>	<u>3,011,845</u>
Fund balance, end of year	<u>\$ 4,482,842</u>	<u>\$ 3,268,701</u>

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

For the year ended March 31	2022	2021
Revenue		
Interest income	\$ 63	\$ 147
Expenses		
Repairs and maintenance	-	-
Excess of revenue over expenses	63	147
Fund balance, beginning of year	125,524	124,302
Transfer from general fund	1,075	1,075
Fund balance, end of year	\$ 126,662	\$ 125,524

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

For the year ended March 31	2022	2021
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 1,214,141	\$ 256,856
Items not involving cash		
Amortization of capital assets	308,701	327,506
Amortization of deferred contributions related to capital assets	(176,574)	(176,933)
Gain on disposal of capital assets	(829,791)	-
	<u>516,477</u>	<u>407,429</u>
Net change in non-cash working capital balances		
Accounts receivable	(146,868)	(141,493)
Prepaid expenses	(35,991)	(52,640)
Accounts payable and accrued liabilities	88,269	240,582
Deferred revenue - operations	54,358	155,373
Deferred revenue - grants	(60,044)	(10,355)
	<u>416,201</u>	<u>598,896</u>
Cash flows from investing activities		
Purchase of capital assets	(115,214)	(392,460)
Deferred contributions related to capital assets	115,214	392,460
Proceeds on sale of capital assets	1,040,250	-
	<u>1,040,250</u>	<u>-</u>
Cash flows from financing activities		
Increase in payable to Ministry of Health and Long-Term Care	319,854	1,089,773
Repayment of long-term debt	(187,091)	(180,176)
	<u>132,763</u>	<u>909,597</u>
Net Increase in cash during the year	1,589,214	1,508,493
Cash, beginning of year	5,340,422	3,831,929
Cash, end of year	\$ 6,929,636	\$ 5,340,422

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

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2022

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.

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2022

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.

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

March 31, 2022

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.

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

March 31, 2022

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.

3. Capital Assets

	2022		2021	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,551,187	\$ -	\$ 1,629,937	\$ -
Buildings - housing	133,656	133,656	133,656	133,656
Buildings - other	4,905,135	1,967,020	5,117,997	1,920,497
Leasehold improvements	18,767	18,767	18,767	18,767
Office furniture and equipment	4,063,002	3,763,725	4,005,289	3,629,694
Vehicles	58,730	23,492	58,730	11,746
	\$ 10,730,477	\$ 5,906,660	\$ 10,964,376	\$ 5,714,360
Net book value		\$ 4,823,817		\$ 5,250,016

During the year, the Association acquired capital assets with an aggregate cost of \$115,214 (2021 - \$392,460).

During the year, the Association disposed of the property on Georgian Drive with a cost of \$349,113 and a net book value of \$232,710 for proceeds of \$1,040,250.

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.

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2022

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances totaling \$281,760 (2021 - \$283,698).

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, 2022 was \$NIL (March 31, 2021 - \$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, 2022 was \$NIL (March 31, 2021 - \$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, 2022 was \$23,874 (March 31, 2021 - \$10,953).

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; 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%.

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

March 31, 2022

7. Long-term Debt

	2022	2021
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 \$507,000 (2021 - \$753,000)	\$ 242,872	\$ 276,761
TD Bank mortgage payable, interest at 2.95%, blended payments of \$3,227 due monthly, maturing October 19, 2025, secured by land and building with a carrying amount of approximately \$543,000 (2021 - \$563,000)	351,636	379,328
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 \$1,556,000 (2021 - \$1,618,000)	1,207,271	1,271,847
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 \$910,000 (2021 - \$941,000)	433,550	469,679
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 \$274,000 (2021 - \$284,000)	140,202	155,100
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 (2021 - \$40,000)	12,568	22,476
	2,388,099	2,575,191
Less: Current portion of long-term debt	188,430	184,578
Long-term debt	\$ 2,199,669	\$ 2,390,613

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

March 31, 2022

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:

2023	\$ 188,430
2024	183,369
2025	178,548
2026	100,346
2027	82,137
Thereafter	<u>1,655,269</u>
	<u>\$ 2,388,099</u>

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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 1,103,652	\$ 888,125
Capital assets funded in the current year	115,214	392,460
Less: amount amortized to gain on sale of real estate	(22,252)	-
Less: amount amortized to revenue in the year	<u>(176,574)</u>	<u>(176,933)</u>
	<u>\$ 1,020,040</u>	<u>\$ 1,103,652</u>

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2022

9. Commitments

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

The minimum annual lease payments for the next two fiscal years are as follows:

2023	\$ 28,327
2024	<u>7,082</u>
	<u>\$ 35,409</u>

10. Contingencies

- i) The Association receives funding from the Ontario Health, and is economically dependant upon them. The amount of funding provided to the Association is subject to final review and approval by the Ontario Health. 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, 2021 and 2022 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, 2022, there is \$2,774,840 (2021 -\$2,454,986) included in current liabilities for amounts owing to the above government agencies for the years subject to review, of which \$1,673,661 is payable to the Ministry of Health and Long-Term Care and \$1,101,179 is payable to Ontario Health Central.

- 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, 2022

11. Grant Revenue

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

	2022	2021
Ontario Health Central	\$ 16,229,629	\$ 15,766,299
Ministry of Health and Long-term Care	4,195,835	3,876,924
County of Simcoe	150,696	72,437
Other agencies	637,398	466,735
Ministry of Children, Community and Social Services	147,074	150,824
	<u>\$ 21,360,632</u>	<u>\$ 20,333,219</u>

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:

	2022	2021
Current service cost	<u>\$ 450,811</u>	<u>\$ 412,559</u>

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2022

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, 2022 (2021 - \$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.

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 the pandemic, the Association has experienced an increase in demand for mental health services in the community and correspondingly an increase in compensation and supply costs.

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.

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

For the year ended March 31	2022	2021
Revenue		
Donations	\$ 209,554	\$ 89,768
Grants	(2,991)	53,391
Interest income	24	46
Other income	254,967	158,083
Rental income	780,133	772,634
	<u>1,241,687</u>	<u>1,073,922</u>
Expenses		
Amortization of capital assets	120,822	135,650
Bank charges	2,367	4,607
Christmas gifts	9,766	9,970
Community education	13	766
Employee benefits	45,913	48,941
Fundraising expenses	7,613	3,788
General, other and sundry	3,462	823
Interest on long-term debt	82,374	92,898
Minor equipment and one-time expenses	2,068	-
Professional fees	87,741	-
Property tax	56,282	46,979
Repairs and maintenance	166,948	144,662
Salaries	195,765	246,466
Staff education	822	1,117
Supplies	31,427	25,487
Telephone	3,155	3,529
Travel	685	-
Utilities	76,547	73,514
Volunteer and client needs	1,719	518
	<u>895,489</u>	<u>839,715</u>
Excess of revenue over expenses for the year before disposal of capital assets	346,198	234,207
Gain on sale of real estate	829,791	-
	<u>1,175,989</u>	<u>234,207</u>
Excess of revenue over expenses for the year	1,175,989	234,207
Fund balance, beginning of year	2,625,512	2,391,305
Fund balance, end of year	\$ 3,801,501	\$ 2,625,512

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	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 163,346	\$ 163,614
Grants	16,229,629	15,766,299
Interest income	3,458	4,534
Other income	278,033	128,033
	<u>16,674,466</u>	<u>16,062,480</u>
Expenses		
Advertising	9,707	12,432
Amortization of capital assets	163,346	163,615
Bank charges	4,814	1,867
Books and subscriptions	-	31
Client travel	12,573	7,237
Computer and vehicle maintenance	74,321	71,092
Contracted out services	190,892	213,324
Employee benefits	2,270,410	1,991,882
General, other and sundry	193,069	229,894
Insurance	55,379	51,296
Minor equipment and one-time expenses	522,554	914,399
Postage, stationery and other	37,680	28,785
Professional fees	428,637	57,148
Property and equipment rental	800,168	750,466
Property tax	15,167	37,326
Repairs and maintenance	65,978	57,177
Salaries	11,231,478	10,946,849
Session fees	57,104	36,760
Staff education	31,925	17,191
Supplies	60,737	86,432
Telephone	172,890	160,457
Travel	99,063	53,843
Utilities	25,326	21,729
	<u>16,523,218</u>	<u>15,911,232</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	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,523	\$ 2,742
Grants	2,824,177	2,382,219
Rental income	8,598	5,808
	<u>2,834,298</u>	<u>2,390,769</u>
Expenses		
Advertising	500	516
Amortization of office furniture and equipment	1,523	3,223
Amortization of buildings	9,908	8,866
Employee benefits	44,797	52,514
General, other and sundry	3,592	7,553
Insurance	1,651	1,651
Interest on long-term debt	1,013	1,551
Management fees	46,078	44,636
Professional fees	966	966
Property and equipment rental	18,588	18,588
Rent supplements	2,352,581	1,894,485
Repairs and maintenance	2,546	2,355
Salaries	331,289	323,572
Supplies	1,248	4,856
Telephone	5,436	5,070
Travel	6,909	16,826
Utilities	5,673	3,541
	<u>2,834,298</u>	<u>2,390,769</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)

For the year ended March 31	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 5,863	\$ 4,791
Grants	1,195,642	1,318,390
	<u>1,201,505</u>	<u>1,323,181</u>
Expenses		
Amortization of capital assets	5,863	4,791
Employee benefits	170,749	190,138
General, other and sundry	4,941	2,232
Management fees	11,500	11,500
Medical fees	150,696	128,145
Minor equipment and one-time expenses	810	-
Repairs and maintenance	4,500	4,500
Salaries	847,875	980,182
Staff education	2,165	391
Telephone	1,742	1,089
Travel	664	213
	<u>1,201,505</u>	<u>1,323,181</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
Ministry of Children, Community and Social Services
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,134	\$ 1,134
Grants	147,074	150,824
	<u>148,208</u>	<u>151,958</u>
Expenses		
Amortization of capital assets	1,134	1,134
Client travel	-	2,759
Contracted out services	15,720	34,589
Employee benefits	18,985	15,357
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	93,110	78,266
Staff education	50	-
Supplies	5,950	5,936
Telephone	4,826	4,452
Travel	33	92
	<u>148,208</u>	<u>151,958</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 Simcoe Muskoka
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Grants	\$ 183,743	\$ 87,185
Expenses		
Contracted out services	133,726	-
Employee benefits	1,531	633
General, other and sundry	3,020	5,147
Minor equipment and one-time expenses	-	51,600
Salaries	38,466	8,667
Supplies	7,000	21,138
	<u>183,743</u>	<u>87,185</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
Ontario Works
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 208	\$ 208
Expenses		
Amortization of capital assets	208	208
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	(3,377)	(3,377)
Fund balance, end of year	\$ (3,377)	\$ (3,377)

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

Back on Track
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Interest income	\$ 221	\$ 313
Other income	181,211	121,157
	<u>181,432</u>	<u>121,470</u>
Expenses		
Amortization of capital assets	1,397	5,575
Employee benefits	12,530	11,924
General, other and sundry	5,226	4,155
Minor equipment and one-time expenses	515	-
Salaries	122,292	76,936
Supplies	1,122	211
Travel	384	20
	<u>143,466</u>	<u>98,821</u>
Excess of revenue over expenses for the year	37,966	22,649
Fund balance, beginning of year	619,434	596,785
Fund balance, end of year	\$ 657,400	\$ 619,434

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

For the year ended March 31	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 781	\$ 412
Grants	252,313	254,067
Rental income	23,165	21,275
	<u>276,259</u>	<u>275,754</u>
Expenses		
Amortization of capital assets	781	412
Contracted out services	56,777	52,518
Employee benefits	29,417	20,414
General, other and sundry	5,865	6,993
Management fees	32,208	32,208
Minor equipment and one-time expenses	-	2,183
Property and equipment rental	42,585	46,488
Repairs and maintenance	-	1,000
Salaries	105,702	113,070
Supplies	2,924	364
Travel	-	104
	<u>276,259</u>	<u>275,754</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	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 534	\$ 1,070
Grants	176,016	176,315
	<u>176,550</u>	<u>177,385</u>
Expenses		
Amortization of capital assets	534	1,070
Employee benefits	26,277	26,645
General, other and sundry	7,272	9,840
Insurance	873	873
Medical expenses	10,565	10,863
Professional fees	1,000	-
Property and equipment rental	5,000	4,992
Repairs and maintenance	3,387	-
Salaries	121,253	120,885
Supplies	335	2,412
Travel	54	(195)
	<u>176,550</u>	<u>177,385</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
County of Simcoe
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Grants	\$ 150,696	\$ 72,437
Expenses		
Contracted out services	35,033	-
Employee benefits	15,076	9,809
General, other and sundry	186	-
Management fees	-	1,009
Salaries	94,026	56,304
Staff education	-	81
Supplies	5,376	3,606
Telephone	726	624
Travel	273	1,004
	<u>150,696</u>	<u>72,437</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of 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
Trillium
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,407	\$ 1,184
Grants	204,333	72,092
	<u>205,740</u>	<u>73,276</u>
Expenses		
Advertising	3,630	617
Amortization of capital assets	1,407	1,184
Contracted out services	18,689	4,451
Employee benefits	8,357	4,516
General, other and sundry	26	-
Minor equipment and one-time expenses	60,774	2,277
Salaries	98,856	46,870
Supplies	9,141	10,962
Telephone	2,549	1,869
Travel	2,125	530
	<u>205,554</u>	<u>73,276</u>
Excess of revenue over expenses for the year	186	-
Fund balance, beginning of year	-	-
Fund balance, end of year	<u>\$ 186</u>	<u>\$ -</u>

Canadian Mental Health Association, Simcoe County Branch
Statement of Operations and Fund Balance
Ontario Structured Psychotherapy Program
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,778	\$ 1,778
Other income	610,242	572,831
	<u>612,020</u>	<u>574,609</u>
Expenses		
Amortization of capital assets	1,778	1,778
Contracted out services	168,000	168,000
Employee benefits	57,284	49,594
General, other and sundry	2,639	7,228
Management fees	40,206	48,322
Property and equipment rental	9,600	26,700
Repairs and maintenance	-	2,250
Salaries	329,512	267,853
Telephone	3,001	2,755
Travel	-	129
	<u>612,020</u>	<u>574,609</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 Call Diversion
(unaudited)

For the year ended March 31	2022	2021
Revenue		
Grant revenue	\$ 154,235	\$ -
Expenses		
Employee benefits	12,232	-
Insurance	208	-
Management fees	29,396	-
Professional fees	208	-
Salaries	110,846	-
Staff education	971	-
Telephone	21	-
Travel	353	-
	<u>154,235</u>	<u>-</u>
Excess of revenue over expenses for the year	-	-
Fund balance, beginning of year	<u>-</u>	<u>-</u>
Fund balance, end of year	<u>\$ -</u>	<u>\$ -</u>