

**Canadian Mental Health Association,
Simcoe County Branch
Financial Statements
For the year ended March 31, 2023**

Canadian Mental Health Association, Simcoe County Branch
Financial Statements
For the year ended March 31, 2023

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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 "Association"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations and general fund balance, operations and capital reserve fund balance 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 Association as at March 31, 2023, 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 Association 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 Association. 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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 Association 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 20 to 34 of the Association'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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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.

Chartered Professional Accountants, Licensed Public Accountants

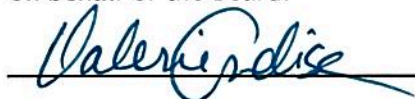
Barrie, Ontario
June 21, 2023

Canadian Mental Health Association, Simcoe County Branch

Statement of Financial Position

March 31	2023	2022
Assets		
Current assets		
Cash - general fund (Note 2)	\$ 8,404,180	\$ 6,929,636
Accounts receivable	1,870,853	510,277
Prepaid expenses	203,292	180,778
	<u>10,478,325</u>	<u>7,620,691</u>
Capital assets (Note 3)	5,380,169	4,823,817
Capital reserve fund		
Cash (Note 4)	133,663	126,664
	<u>\$ 15,992,157</u>	<u>\$ 12,571,172</u>
Liabilities and Fund Balances		
Current liabilities		
Accounts payable and accrued liabilities (Note 5)	\$ 2,510,567	\$ 1,443,289
Deferred revenue - operations	37,790	247,521
Deferred revenue - grants (Note 6)	117,716	87,879
Payable to government agencies (Note 11)	4,136,762	2,774,840
Current portion of long-term debt (Note 9)	183,371	188,430
	<u>6,986,206</u>	<u>4,741,959</u>
Long-term debt (Note 9)	2,016,321	2,199,669
Deferred contributions related to capital assets (Note 7)	1,702,400	1,020,040
	<u>10,704,927</u>	<u>7,961,668</u>
Commitments (Note 10)		
Contingencies (Note 11)		
Fund balances		
General	5,153,567	4,482,842
Capital reserve	133,663	126,662
	<u>5,287,230</u>	<u>4,609,504</u>
	<u>\$ 15,992,157</u>	<u>\$ 12,571,172</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	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets (Note 7)	\$ 202,179	\$ 176,574
Donations	127,250	209,554
Grants (Note 12)	22,994,406	21,360,632
Interest income	194,017	3,703
Other income	2,037,837	1,478,688
Rental income	966,528	811,896
	<u>26,522,217</u>	<u>24,041,047</u>
Expenses		
Advertising	16,388	13,837
Amortization of capital assets	328,187	308,701
Bank charges	6,881	7,181
Christmas gifts	10,046	9,766
Client travel	11,293	12,573
Community education	2,593	13
Computer and vehicle maintenance	70,970	74,321
Contracted out services	1,294,276	618,837
Employee benefits (Note 13)	3,010,407	2,713,558
Fundraising expenses	13,938	7,613
General, other and sundry	287,370	229,298
Insurance	62,168	59,011
Interest on long-term debt	99,256	83,387
Management fees	291,550	159,388
Medical fees	197,863	161,261
Minor equipment and one-time expenses	1,417,513	586,720
Postage, stationery and other	30,288	37,680
Professional fees	112,383	519,552
Property and equipment rental	942,532	879,941
Property tax	77,689	71,449
Rent supplements	2,351,000	2,352,581
Repairs and maintenance	276,313	245,859
Salaries	13,957,423	13,720,471
Session fees	79,172	57,104
Staff education	43,132	35,933
Supplies	239,335	125,260
Telephone	181,052	194,346
Travel	151,795	110,543
Utilities	136,674	107,546
Volunteer and client needs	757	1,719
	<u>25,700,244</u>	<u>23,505,449</u>

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	2023	2022
Excess of revenue over expenses for the year before other expense	821,973	535,598
Other expense - Paymaster	(151,248)	(151,248)
Gain on sale of real estate	-	829,791
Excess of revenue over expenses	670,725	1,214,141
Fund balance, beginning of year	4,482,842	3,268,701
Fund balance, end of year	\$ 5,153,567	\$ 4,482,842

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

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

For the year ended March 31	2023	2022
Revenue		
Interest income	\$ 3,008	\$ 63
Expenses		
Repairs and maintenance	7,069	-
Excess (deficiency) of revenue over expenses	(4,061)	63
Fund balance, beginning of year	126,662	125,524
Transfer from general fund	11,062	1,075
Fund balance, end of year	\$ 133,663	\$ 126,662

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

For the year ended March 31	2023	2022
Cash flows from operating activities		
Excess of revenue over expenses for the year	\$ 670,725	\$ 1,214,141
Items not involving cash		
Amortization of capital assets	328,187	308,701
Amortization of deferred contributions related to capital assets	(202,179)	(176,574)
Gain on disposal of capital assets	-	(829,791)
	<u>796,733</u>	<u>516,477</u>
Net change in non-cash working capital balances		
Accounts receivable	(1,360,576)	(146,868)
Prepaid expenses	(22,512)	(35,991)
Accounts payable and accrued liabilities	1,067,278	88,269
Deferred revenue - operations	(209,731)	54,358
Deferred revenue - grants	29,837	(60,044)
	<u>301,029</u>	<u>416,201</u>
Cash flows from investing activities		
Purchase of capital assets	(884,539)	(115,214)
Deferred contributions related to capital assets	884,539	115,214
Proceeds on sale of capital assets	-	1,040,250
	<u>-</u>	<u>1,040,250</u>
Cash flows from financing activities		
Increase in payable to Ministry of Health and Long-Term Care	1,361,922	319,854
Repayment of long-term debt	(188,407)	(187,091)
	<u>1,173,515</u>	<u>132,763</u>
Net Increase in cash during the year	1,474,544	1,589,214
Cash, beginning of year	6,929,636	5,340,422
Cash, end of year	\$ 8,404,180	\$ 6,929,636

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

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2023

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, 2023

1. Significant Accounting Policies (continued)

Capital Assets

Capital assets are stated at cost less accumulated amortization. Capital assets costing less than \$5,000 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, 2023

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, 2023

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.

Internally restricted cash is presented as current asset.

3. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 1,551,187	\$ -	\$ 1,551,187	\$ -
Buildings - housing	133,656	133,656	133,656	133,656
Buildings - other	5,682,937	2,132,963	4,905,135	1,967,020
Leasehold improvements	18,767	18,767	18,767	18,767
Office furniture and equipment	4,077,169	3,895,709	4,063,002	3,763,725
Vehicles	151,300	53,752	58,730	23,492
	\$ 11,615,016	\$ 6,234,847	\$ 10,730,477	\$ 5,906,660
Net book value		\$ 5,380,169		\$ 4,823,817

During the year, the Association acquired capital assets with an aggregate cost of \$884,539 (2022 - \$115,214).

During the prior 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 \$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, 2023

5. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities are government remittances totaling \$125,333 (2022 - \$281,760).

6. Deferred Revenue- Grants

Included in deferred revenue grants is \$78,994 of unspent grant funds that management intends to spend on items to address COVID-19 related pressures as per the funding agreement.

7. 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.

	2023	2022
Balance, beginning of year	\$ 1,020,040	\$ 1,103,652
Capital assets funded in the current year	884,539	115,214
Less: amount amortized to gain on sale of real estate	-	(22,252)
Less: amount amortized to revenue in the year	(202,179)	(176,574)
	<u>\$ 1,702,400</u>	<u>\$ 1,020,040</u>

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2023

8. 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, 2023 was \$NIL (March 31, 2022 - \$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, 2023 was \$NIL (March 31, 2022 - \$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, 2023 was \$8,442 (March 31, 2022 - \$23,874).

All of the credit facilities available through TD Bank, including the mortgages disclosed in note 9, 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, 2023

9. Long-term Debt

	2023	2022
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 \$494,000 (2022 - \$507,000)	\$ 208,983	\$ 242,872
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 \$524,000 (2022 - \$543,000)	322,837	351,636
TD Bank mortgage payable, interest at 3.78%, blended payments of \$9,261 due monthly, maturing February 22, 2025, secured by land and buildings with a carrying amount of approximately \$1,689,000 (2022 - \$1,556,000)	1,140,251	1,207,271
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 \$881,000 (2022 - \$910,000)	400,200	433,550
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 \$268,000 (2022 - \$274,000)	125,305	140,202
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 (2022 - \$40,000)	2,116	12,568
	2,199,692	2,388,099
Less: Current portion of long-term debt	183,371	188,430
Long-term debt	<u>\$ 2,016,321</u>	<u>\$ 2,199,669</u>

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2023

9. Long-term Debt (continued)

See Note 8 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:

2024	\$ 183,371
2025	178,548
2026	1,348,121
2027	82,137
2028	82,137
Thereafter	<u>325,378</u>
	<u>\$ 2,199,692</u>

10. Commitments

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

The minimum annual lease payment for the next year is as follows:

2024	<u>\$ 7,082</u>
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Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2023

11. 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 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.

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 2019, 2020, 2021, 2022 and 2023 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, 2023, there is \$4,136,762 (2022 - \$2,774,840) included in current liabilities for amounts owing to the above government agencies for the years subject to review, of which \$2,094,728 (2022 - \$1,673,661) is payable to the Ministry of Health, Long-Term Care and \$2,034,913 (2022 - \$1,101,179) is payable to Ontario Health Central and \$7,121 owing to CIRF.

- 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, 2023

12. Grant Revenue

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

	2023	2022
Ontario Health Central	\$ 16,962,666	\$ 16,229,629
Ministry of Health and Long-term Care (Housing)	3,748,901	4,195,835
Family Health Team	1,368,765	1,195,642
County of Simcoe	72,933	150,696
Other agencies	647,190	637,398
Ministry of Children, Community and Social Services	193,951	147,074
	<u>\$ 22,994,406</u>	<u>\$ 22,556,274</u>

13. 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:

	2023	2022
Current service cost	<u>\$ 470,207</u>	<u>\$ 450,811</u>

Canadian Mental Health Association, Simcoe County Branch

Notes to Financial Statements

March 31, 2023

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, 2023 (2022 - \$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.

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

General
(unaudited)

For the year ended March 31	2023	2022
Revenue		
Donations	\$ 127,250	\$ 209,554
Grants	54,702	(2,991)
Interest income	1,146	24
Other income	451,344	254,967
Rental income	747,338	780,133
	<u>1,381,780</u>	<u>1,241,687</u>
Expenses		
Amortization of capital assets	114,876	120,822
Bank charges	832	2,367
Christmas gifts	10,046	9,766
Community education	2,593	13
Employee benefits	48,246	45,913
Fundraising expenses	13,938	7,613
General, other and sundry	6,055	3,462
Interest on long-term debt	98,762	82,374
Minor equipment and one-time expenses	9,425	2,068
Professional fees	-	87,741
Property tax	75,580	56,282
Repairs and maintenance	38,723	166,948
Salaries	118,515	195,765
Staff education	5,511	822
Supplies	96,878	31,427
Telephone	2,722	3,155
Travel	605	685
Utilities	105,514	76,547
Volunteer and client needs	757	1,719
	<u>749,578</u>	<u>895,489</u>
Excess of revenue over expenses for the year before disposal of capital assets	632,202	346,198
Gain on sale of real estate	-	829,791
Excess of revenue over expenses for the year	632,202	1,175,989
Fund balance, beginning of year	3,801,501	2,625,512
Fund balance, end of year	\$ 4,433,703	\$ 3,801,501

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

For the year ended March 31	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 189,432	\$ 163,346
Grants	16,962,666	16,229,629
Interest income	177,209	3,458
Other income	128,033	278,033
	<u>17,457,340</u>	<u>16,674,466</u>
Expenses		
Advertising	15,388	9,707
Amortization of capital assets	189,432	163,346
Bank charges	6,049	4,814
Client travel	11,293	12,573
Computer and vehicle maintenance	70,970	74,321
Contracted out services	188,328	190,892
Employee benefits	2,422,401	2,270,410
General, other and sundry	252,616	193,069
Insurance	58,879	55,379
Minor equipment and one-time expenses	1,206,129	522,554
Postage, stationery and other	30,288	37,680
Professional fees	110,678	428,637
Property and equipment rental	859,501	800,168
Property tax	2,109	15,167
Repairs and maintenance	220,986	65,978
Salaries	11,127,609	11,231,478
Session fees	79,172	57,104
Staff education	31,609	31,925
Supplies	99,218	60,737
Telephone	161,408	172,890
Travel	135,220	99,063
Utilities	26,809	25,326
	<u>17,306,092</u>	<u>16,523,218</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	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,523	\$ 1,523
Grants	3,748,901	2,824,177
Rental income	201,049	8,598
	<u>3,951,473</u>	<u>2,834,298</u>
Expenses		
Advertising	500	500
Amortization of office furniture and equipment	2,042	1,523
Amortization of buildings	9,908	9,908
Contracted out services	679,061	-
Employee benefits	78,137	44,797
General, other and sundry	5,245	3,592
Insurance	1,016	1,651
Interest on long-term debt	494	1,013
Management fees	119,738	46,078
Minor equipment and one-time expenses	155,919	-
Professional fees	1,016	966
Property and equipment rental	18,588	18,588
Rent supplements	2,351,000	2,352,581
Repairs and maintenance	6,634	2,546
Salaries	476,466	331,289
Staff education	2,621	-
Supplies	22,421	1,248
Telephone	6,160	5,436
Travel	10,156	6,909
Utilities	4,351	5,673
	<u>3,951,473</u>	<u>2,834,298</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	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 5,429	\$ 5,863
Grants	1,368,765	1,195,642
	<u>1,374,194</u>	<u>1,201,505</u>
Expenses		
Advertising	500	-
Amortization of capital assets	5,429	5,863
Employee benefits	195,372	170,749
General, other and sundry	2,261	4,941
Management fees	11,500	11,500
Medical fees	179,449	150,696
Minor equipment and one-time expenses	25,729	810
Repairs and maintenance	4,689	4,500
Salaries	945,288	847,875
Staff education	2,289	2,165
Telephone	1,017	1,742
Travel	671	664
	<u>1,374,194</u>	<u>1,201,505</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	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,134	\$ 1,134
Grants	193,951	147,074
	<u>195,085</u>	<u>148,208</u>
Expenses		
Amortization of capital assets	1,134	1,134
Contracted out services	66,107	15,720
Employee benefits	24,474	18,985
Insurance	900	900
Professional fees	-	1,000
Property and equipment rental	4,000	4,000
Repairs and maintenance	2,500	2,500
Salaries	89,565	93,110
Staff education	20	50
Supplies	1,551	5,950
Telephone	4,453	4,826
Travel	381	33
	<u>195,085</u>	<u>148,208</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	2023	2022
Revenue		
Grants	\$ 127,113	\$ 183,743
Expenses		
Contracted out services	100,113	133,726
Employee benefits	-	1,531
General, other and sundry	1,286	3,020
Salaries	25,714	38,466
Supplies	-	7,000
	<u>127,113</u>	<u>183,743</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	2023	2022
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	2023	2022
Revenue		
Interest income	\$ 15,662	\$ 221
Other income	174,637	181,211
	<u>190,299</u>	<u>181,432</u>
Expenses		
Amortization of capital assets	704	1,397
Employee benefits	22,476	12,530
General, other and sundry	4,513	5,226
Minor equipment and one-time expenses	-	515
Salaries	123,092	122,292
Supplies	377	1,122
Travel	614	384
	<u>151,776</u>	<u>143,466</u>
Excess of revenue over expenses for the year	38,523	37,966
Fund balance, beginning of year	657,400	619,434
Fund balance, end of year	\$ 695,923	\$ 657,400

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

For the year ended March 31	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 781	\$ 781
Grants	243,775	252,313
Rental income	18,141	23,165
	<u>262,697</u>	<u>276,259</u>
Expenses		
Amortization of capital assets	781	781
Contracted out services	54,474	56,777
Employee benefits	24,090	29,417
General, other and sundry	6,430	5,865
Management fees	32,208	32,208
Minor equipment and one-time expenses	8,271	-
Property and equipment rental	45,851	42,585
Salaries	84,502	105,702
Supplies	4,630	2,924
Travel	1,460	-
	<u>262,697</u>	<u>276,259</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	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 534	\$ 534
Grants	178,900	176,016
	<u>179,434</u>	<u>176,550</u>
Expenses		
Amortization of capital assets	534	534
Employee benefits	26,277	26,277
General, other and sundry	3,229	7,272
Insurance	873	873
Medical expenses	8,447	10,565
Professional fees	189	1,000
Property and equipment rental	4,992	5,000
Repairs and maintenance	2,633	3,387
Salaries	126,253	121,253
Supplies	5,080	335
Travel	927	54
	<u>179,434</u>	<u>176,550</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	2023	2022
Revenue		
Grants	\$ 72,933	\$ 150,696
Expenses		
Contracted out services	-	35,033
Employee benefits	8,753	15,076
General, other and sundry	168	186
Salaries	55,567	94,026
Staff education	143	-
Supplies	7,404	5,376
Telephone	815	726
Travel	83	273
	<u>72,933</u>	<u>150,696</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

Trillium
(unaudited)

For the year ended March 31	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,360	\$ 1,407
Grants	42,700	204,333
	44,060	205,740
Expenses		
Advertising	-	3,630
Amortization of capital assets	1,361	1,407
Contracted out services	12,993	18,689
Employee benefits	1,436	8,357
General, other and sundry	182	26
Management fees	9,967	-
Minor equipment and one-time expenses	1,535	60,774
Salaries	15,831	98,856
Supplies	(436)	9,141
Telephone	733	2,549
Travel	458	2,125
	44,060	205,554
Excess of revenue over expenses for the year	-	186
Fund balance, beginning of year	186	-
Fund balance, end of year	\$ 186	\$ 186

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

For the year ended March 31	2023	2022
Revenue		
Amortization of deferred contributions related to capital assets	\$ 1,778	\$ 1,778
Other income	747,776	610,242
	<u>749,554</u>	<u>612,020</u>
Expenses		
Amortization of capital assets	1,778	1,778
Contracted out services	193,200	168,000
Employee benefits	78,065	57,284
General, other and sundry	5,105	2,639
Management fees	49,393	40,206
Minor equipment and one-time expenses	524	-
Property and equipment rental	9,600	9,600
Salaries	408,531	329,512
Staff education	529	-
Telephone	2,782	3,001
Travel	47	-
	<u>749,554</u>	<u>612,020</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	2023	2022
Revenue		
Other income	\$ 445,303	\$ 154,235
Expenses		
Employee benefits	66,914	12,232
General, other and sundry	280	-
Insurance	500	208
Management fees	70,550	29,396
Professional fees	500	208
Salaries	304,819	110,846
Staff education	410	971
Telephone	502	21
Travel	828	353
	<u>445,303</u>	<u>154,235</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
OPP Orillia COAST
(unaudited)

For the year ended March 31	2023	2022
Revenue		
Other income	\$ 90,744	\$ -
Expenses		
Employee benefits	13,766	-
Management fees	8,161	-
Minor equipment and one-time expenses	9,981	-
Repairs and maintenance	148	-
Salaries	55,671	-
Supplies	2,212	-
Telephone	460	-
Travel	345	-
	<u>90,744</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>