

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2018

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

FINANCIAL STATEMENTS

Year ended March 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Directors

Canadian Mental Health Association Windsor-Essex County Branch

We have audited the accompanying financial statements of Canadian Mental Health Association Windsor-Essex County Branch, which comprise the statement of financial position as at March 31, 2018, and statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

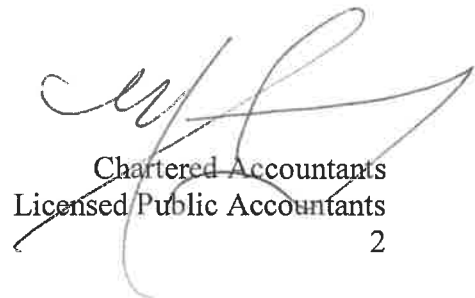
During the year, the Association deducted \$315,645 in equipment costs and recorded no amortization of office equipment or the building at 1400 Windsor Avenue. In these respects, the financial statements are not, in our opinion, in accordance with Canadian accounting standards for not-for-profit organizations.

In common with many charitable organizations, the Association derives revenue from donations and fundraising programs, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenue, operating surplus, assets and net assets.

Qualified Opinion

In our opinion, except for the matters described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Canadian Mental Health Association Windsor-Essex County Branch as at March 31, 2018 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.

Amherstburg, Ontario
May 31, 2018



Chartered Accountants
Licensed Public Accountants
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CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF FINANCIAL POSITION

As at March 31, 2018

	2018	2017
	\$	\$
Assets		
Current assets		
Cash	2,560,946	2,457,621
Accounts receivable	242,837	120,519
Prepays	147,274	159,946
Total current assets	2,951,057	2,738,086
Capital assets (note 2)	2,296,653	2,369,690
Endowment	100,000	-
Total Assets	5,347,710	5,107,776

Liabilities and Fund Balances

Accounts payable and accrued liabilities	796,403	941,409
Federal and provincial government remittances	597,231	651,076
Deferred revenue	115,705	86,036
Current portion of long-term debt	171,653	244,690
	1,680,992	1,923,211

Long-term debt (note 3)	0	0
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Fund balances at the end of the year:

Accumulated operating surplus (note 4)	600,378	606,712
Health Promotion	417,213	56,363
Suicide Prevention Reserve	-	10,000
Planned gift reserve	113,005	109,524
Endowment Reserve	900	-
Replacement Reserve fund	35,351	28,818
Reserve fund (note 4)	248,148	248,148
Capital fund (note 5)	2,125,000	2,125,000
Housing reserve - Proceeds from Sale	126,723	-
Total fund balances	3,666,718	3,184,565

Total Liabilities and Fund Balances	5,347,710	5,107,776
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APPROVED BY THE BOARD:

Cynthia Supt, Treasurer
Stacey Cooper, Board Chair

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
LHIN funding	11,887,057	11,756,836
Ministry of Health, Provincial Programs	1,199,604	1,025,299
Ontario Works Employment Support	8,350	37,700
Hotel-Dieu Grace Healthcare	76,000	76,000
Workplace Health Services	-	42,284
Contribution from operations	109,822	12,989
United Way funding	-	43,332
Fundraising	754,025	358,658
Proceeds from sale of facility	195,000	-
Other revenue	693,372	630,229
	<u>14,923,230</u>	<u>13,983,327</u>
EXPENDITURES:		
Salaries	9,507,397	9,298,636
Employee benefits	1,942,941	1,844,541
Office expenses	83,079	94,347
Building occupancy	389,885	321,036
Professional fees	89,969	61,946
Legal and audit	74,483	62,346
Sessional fees	69,480	162,000
Staff training	78,710	54,134
Staff travel	146,725	135,918
Client travel	424	947
Program supplies	168,916	84,624
One Time Expense	141,795	224,458
Sundry expenses	143,413	115,370
Advertising and promotion	34,661	34,076
Utilities	7,704	7,380
Mortgage interest	4,817	3,408
Mortgage principal	72,942	30,828
Fundraising direct expenses	154,213	65,145
Purchased service agreements	655,899	580,031
Transferred to replacement reserve	133,256	7,633
Transferred to reserve - Operating Reserves	380,859	55,862
Maintenance, materials and service	73,911	45,234
Equipment and capital	315,645	100,890
	<u>14,671,124</u>	<u>13,390,791</u>
OPERATING SURPLUS BEFORE REPAYMENT TO FUNDING SOURCES	252,106	592,536
Fund balance at beginning of year	606,712	424,480
	<u>858,818</u>	<u>1,017,016</u>
Accumulated surplus contributed to programs	(84,194)	(3,808)
Current surpluses repayable to funding sources	(174,246)	(406,496)
FUND BALANCE AT END OF YEAR	<u>600,378</u>	<u>606,712</u>

CANADIAN MENTAL HEALTH ASSOCIATION
WINDSOR-ESSEX COUNTY BRANCH
CANADA MORTGAGE AND HOUSING PROGRAMS

STATEMENT OF CHANGES IN REPLACEMENT RESERVE FUND

Year ended March 31, 2018

	2017/2018 Total \$	2016/2017 Total \$
1120 Dougall & 354 Aylmer		
Balance at beginning of year	28,818	21,185
Transferred from operating fund	6,533	7,633
Balance, end of year	35,351	28,818

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

PURPOSE OF THE ORGANIZATION

Canadian Mental Health Association - Windsor Essex County Branch operates programs for enhancing and promoting the optimum mental health of the Windsor - Essex County community through treatment, collaboration, education and community engagement.

Canadian Mental Health Association - Windsor Essex County Branch is incorporated under the Corporations Act (Ontario) as a not-for-profit organization and is a registered charity under the Income Tax Act.

1. Summary of significant accounting policies:

(a) Basis of reporting

These consolidated financial statements reflect the assets, liabilities, revenues and expenditures of the Association's programs: Provincially funded programs, prevention programs and fund raising programs.

(b) Basis of accounting:

In accordance with practices common to Ontario charitable organizations, the CMHA follows the fund basis of accounting. Within this framework, the CMHA maintains its accounts on a modified accrual basis which is consistent with practices employed by Ontario charitable organizations whose funding is provided only to meet current expenditures; expenditures are recognized as they are incurred and measurable as a result of the receipt of goods or services and the creation of a legal obligation to pay.

The operating fund reports the revenues and expenditures related to current operations.

The capital fund reports the assets, liabilities, revenues and expenditures related to capital assets.

The reserve fund reports reserves set aside for specific purposes by the Board of Directors.

CANADIAN MENTAL HEALTH ASSOCIATION**WINDSOR - ESSEX COUNTY BRANCH****NOTES TO FINANCIAL STATEMENTS**

MARCH 31, 2018**1. Summary of significant accounting policies (continued):****(d) Government transfer payments**

The CMHA is funded primarily by the Erie St. Clair Local Health Integration Network ("ESC LHIN"). This funding is governed by a service accountability agreement entered into annually by both parties. The ESC LHIN is funded solely by the Province of Ontario through an accountability agreement with the Ministry of Health and Long-Term Care.

Government transfer payments are recognized in the consolidated financial statements in the year in which the payment is authorized and the events giving rise to the transfer occur, performance criteria are met, and reasonable estimates of the amount can be made. Certain amounts are received pursuant to legislation, regulation or agreement and may only be used in the conduct of certain programs or in the completion of specific work. Funding is only recognized as revenue in the fiscal year the related expenses are incurred or services performed. Unspent amounts are recorded as repayable to the ESC LHIN unless otherwise authorized.

The organization follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when reasonably estimated and collection is reasonably assured.

Deferred revenue are funds received in the current period that relate to expenditures to be made in future periods.

(e) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year. Because of the difficulty of determining the fair value, contributed services are not recognized in the consolidated financial statements.

(f) Sick Leave and Vacation Benefits

Sick leave and vacation benefits are charged against operations when paid.

CANADIAN MENTAL HEALTH ASSOCIATION
WINDSOR - ESSEX COUNTY BRANCH
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018
1. Summary of significant accounting policies (continued):
(h) Capital management:

CMHA-WECB considers its capital to be its net assets, restricted and unrestricted. CMHA-WECB's objectives when managing its capital are to safeguard its ability to continue to provide services to its clients. The strategic plan and annual budgets are developed and performance is measured against these documents to ensure the CMHA's capital is maintained at an appropriate level.

(i) Use of estimates:

The preparation of financial statements, in conformity 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 and the disclosure of contingent assets and liabilities at the dates of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Significant items subject to such estimates and assumptions include the carrying amount of capital assets and valuation allowance for accounts receivable. Actual amounts could differ from those estimates.

2. Capital assets:

			2018	2017
	Cost	Accumulated	Net Book	Net Book
	\$	Amortization	Value	Value
		\$	\$	\$
Group Homes:				
1120 Dougall Avenue	144,790	144,790	-	49,317
354 Aylmer Avenue	490,455	318,802	171,653	195,373
	635,245	463,592	171,653	244,690
Main Office:				
1400 Windsor Avenue	2,125,000	-	2,125,000	2,125,000
	2,760,245	463,592	2,296,653	2,369,690

During the year, amortization of \$73,038 (2017 - \$30,828) was recorded in the statement of operations.

CANADIAN MENTAL HEALTH ASSOCIATION
WINDSOR-ESSEX COUNTY BRANCH
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2018
3. Long-term debt:

	2018	2017
	\$	\$
(i) 1120 Dougall Avenue	-	49,317
(ii) 354 Aylmer Avenue	171,653	195,373
	171,653	244,690
Less principal due within one year	(171,653)	(244,690)
	0	0

(ii) The 354 Aylmer Avenue mortgage is payable in monthly installments of \$2,149 including interest at 1.13%, secured by the real estate, maturing in February 2025.

Principal repayments are scheduled as follows:

	\$
2018	171,653

4. Fund balances:

The total balance of reserves of \$248,148 (2017 - \$248,148) is made up of the following:

Reserves set aside for specific purposes by the Board of Directors:

	\$
Major building repairs	248,148

The accumulated operating surplus at the end of the year \$593,323 (2017 - \$606,712) is made up of the following:

Fundraiser	77,861
Future Years' Operating Reserve	512,312
Group Home Operating Reserve	10,205
	<u>600,378</u>

CANADIAN MENTAL HEALTH ASSOCIATION
WINDSOR-ESSEX COUNTY BRANCH
NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018
5. Capital fund:

The capital fund consists of:

	\$
Capital assets, net	2,296,653
Long-term debt	(171,653)
	2,125,000

6. Pension Plan:

The organization belongs to a defined contribution group benefit plan administered by CMHA National. The employer contributes a defined percentage of employees' earnings to the plan and employees may contribute an additional defined percentage. Employer contributions during the fiscal year were \$496,307 (2017 - \$506,501).

7. Fair value of financial assets and financial liabilities:

The fair value of the CMHA's cash, accounts receivable, accounts payable and accrued liabilities and long-term debt approximate their carrying amount due to immediate or short maturity of these financial instruments or they bear interest at rates which approximate current market rates.

8. Contingencies:

In the ordinary course of business, the CMHA may be subject to various possible legal actions. Management believes that the outcome of such matters would not have a material adverse effect on the financial position or future operating results of the Agency.

9. Statement of Cash Flows:

A Statement of Cash Flows has not been included along with these financial statements, as it would not provide any additional, meaningful information.

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

SCHEDULE OF OPERATIONS - MINISTRY OF HEALTH PROGRAMS

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
LHIN funding	9,837,464	9,742,259
Ministry of Health, Provincial Programs	80,000	-
Ontario Works - Employment Support	8,350	37,700
Hotel-Dieu Grace Healthcare	76,000	76,000
Contributions from operations	109,822	12,989
Other income	628,274	527,180
	<u>10,739,910</u>	<u>10,396,128</u>
EXPENDITURES:		
Salaries	7,899,100	7,687,140
Employee benefits	1,649,199	1,543,688
Office expenses	64,504	65,620
Building occupancy	322,398	253,434
Legal and audit	56,806	50,342
Sessional fees	69,480	162,000
Staff training	71,418	45,445
Staff travel	144,599	133,299
Client travel	424	947
Program supplies	67,318	46,167
One Time Expense	91,795	161,458
Sundry expenses	114,820	97,928
Advertising and promotion	32,549	33,389
Equipment and capital	142,422	43,203
	<u>10,726,832</u>	<u>10,324,060</u>
OPERATING SURPLUS (DEFICIT)	<u>13,078</u>	<u>72,068</u>

CANADIAN MENTAL HEALTH ASSOCIATION
WINDSOR-ESSEX COUNTY BRANCH
SCHEDULE OF OPERATIONS - 1120 DOUGALL & 354 AYLMER

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
Capital Reserve Funding	3,100	4,200
Ministry of Health, Provincial Programs	52,621	52,682
Other revenue	15,105	1,844
Proceeds from sale of facility	195,000	-
	<u>265,826</u>	<u>58,726</u>
EXPENDITURES:		
Utilities	7,704	7,380
Maintenance materials and services	31,709	7,443
Office Supplies	1,314	2,034
Mortgage interest	4,817	3,408
Mortgage principal	72,942	30,828
Transferred to replacement reserve fund	6,533	7,633
Transferred to Operating Reserve	126,723	-
Legal and Audit Fees	9,664	-
	<u>261,406</u>	<u>58,726</u>
OPERATING SURPLUS	<u>4,420</u>	<u>0</u>

CANADIAN MENTAL HEALTH ASSOCIATION**WINDSOR-ESSEX COUNTY BRANCH****SCHEDULE OF OPERATIONS - NURSE PRACTITIONERS**

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
Ministry of Health, Provincial Programs	140,161	130,228
Other revenue	408	969
	<u>140,569</u>	<u>131,197</u>
EXPENDITURES:		
Salaries	107,770	95,309
Employee benefits	21,951	22,239
Program supplies	420	2,178
Professional fees	4,500	6,750
Legal and audit	500	520
Office expenses	980	980
Staff training	2,290	554
	<u>138,411</u>	<u>128,530</u>
OPERATING SURPLUS	<u>2,158</u>	<u>2,667</u>

CANADIAN MENTAL HEALTH ASSOCIATION
WINDSOR-ESSEX COUNTY BRANCH
**SCHEDULE OF OPERATIONS - NURSE PRACTITIONERS
UNDERSERVICED AREA PROGRAM**

Year ended March 31, 2018	2018	2017
	\$	\$
REVENUES:		
Ministry of Health, Provincial Programs	140,161	130,228
Other revenue	-	3,289
	<u>140,161</u>	<u>133,517</u>
EXPENDITURES:		
Salaries	102,957	92,296
Employee benefits	23,060	19,582
Program supplies	420	2,376
Professional fees	4,500	6,750
Legal and audit	500	520
Office expenses	980	980
Staff training	339	514
	<u>132,756</u>	<u>123,018</u>
OPERATING SURPLUS	<u>7,405</u>	<u>10,499</u>

CANADIAN MENTAL HEALTH ASSOCIATION**WINDSOR-ESSEX COUNTY BRANCH****SCHEDULE OF OPERATIONS - HOMELESSNESS INITIATIVE RENT SUBSIDY**

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
Ministry of Health, Provincial Programs	768,500	697,900
One Time Funding	5,000	-
	<u>773,500</u>	<u>697,900</u>
EXPENDITURES:		
Purchased service agreements	655,899	580,031
Maintenance	42,202	37,791
Program supplies	175	869
	<u>698,276</u>	<u>618,691</u>
OPERATING SURPLUS	<u>75,224</u>	<u>79,209</u>

CANADIAN MENTAL HEALTH ASSOCIATION
WINDSOR-ESSEX COUNTY BRANCH
SCHEDULE OF OPERATIONS - FUNDRAISING

Year ended March 31, 2018	2018	2017
	\$	\$
REVENUES:		
Fundraising activities	750,525	358,658
Fundraising grants	3,500	-
	<u>754,025</u>	<u>358,658</u>
EXPENDITURES:		
Salaries	53,172	51,642
Employee benefits	11,468	11,913
Direct Cost of Fundraising	154,213	65,145
Office expenses	2,284	109
Professional fees	53,116	13,862
Legal and audit	1,039	1,039
Staff training	125	318
Staff Travel	1,330	736
Program supplies	11,882	15,285
Transferred to Planned Gift Reserve	3,481	1,733
Sundry expenses	6,676	5,648
Transferred to Health Promotion Reserve	361,414	44,129
Transferred to Endowment Reserve	900	-
Transferred to Client Assistance Reserve	15,064	-
	<u>676,164</u>	<u>211,559</u>
	<u>77,861</u>	<u>147,099</u>

CANADIAN MENTAL HEALTH ASSOCIATION**WINDSOR-ESSEX COUNTY BRANCH****SCHEDULE OF OPERATIONS - PREVENTION PROGRAMS**

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
United Way funding	-	43,332
Other revenue	-	10,000
	-	53,332
EXPENDITURES:		
Salaries	-	14,893
Employee benefits	-	2,336
Transfer to Reserve	-	10,000
Program supplies	-	2,196
	-	29,425
OPERATING SURPLUS	-	23,907

CANADIAN MENTAL HEALTH ASSOCIATION**WINDSOR-ESSEX COUNTY BRANCH****SCHEDULE OF OPERATIONS - WORKPLACE HEALTH SERVICES**

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
Workplace Health Contract Revenue	-	39,914
Fee for Service	-	1,920
Workplace Revenue	-	450
	-	42,284
EXPENDITURES:		
Salaries	-	-
Employee benefits	-	-
Office expenses	-	-
Professional fees	-	3,303
Staff training	-	-
Program supplies	-	-
Sundry expenses	-	38
	-	3,341
OPERATING SURPLUS	-	38,943

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

SCHEDULE OF OPERATIONS - CITY CENTRE HEALTH CARE

Year ended March 31, 2018	2018 \$	2017 \$
REVENUES:		
Ministry of Health, Provincial Programs	10,061	10,061
LHIN Funding	1,999,593	2,014,577
Other funding	49,585	86,947
One Time Funding	50,000	-
	<u>2,109,239</u>	<u>2,111,585</u>
EXPENDITURES:		
Salaries	1,344,397	1,357,356
Employee benefits	237,263	244,783
Office expenses	13,017	24,624
Building occupancy	67,487	67,602
Professional fees	27,853	31,281
Legal and audit	5,974	9,925
Staff training	4,538	7,303
Staff Travel	796	1,883
Program Supplies	88,701	15,553
One Time expenses	50,000	63,000
Sundry expenses	21,917	11,756
Advertising and promotion	2,112	687
Equipment and capital	173,223	57,687
	<u>2,037,278</u>	<u>1,893,440</u>
OPERATING SURPLUS	<u>71,961</u>	<u>218,145</u>