

**CANADIAN MENTAL HEALTH ASSOCIATION**

**WINDSOR-ESSEX COUNTY BRANCH**

**AUDITED FINANCIAL STATEMENTS**

**MARCH 31, 2016**

---

**CANADIAN MENTAL HEALTH ASSOCIATION**

**WINDSOR-ESSEX COUNTY BRANCH**

**FINANCIAL STATEMENTS**

---

**Year ended March 31, 2016**

	<u>Page</u>
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Changes in Fund Balance	4
Statement of Changes in Replacement Reserve	5
Notes to Financial Statements	6 - 10
Schedule of Operations - Ministry of Health Programs	11
Schedule of Operations - 1120 Dougall & 354 Aylmer	12
Schedule of Operations - Nurse Practitioners	13
Schedule of Operations - Nurse Practitioners Underserviced Area Program	14
Schedule of Operations - Homelessness Initiative Rent Subsidy	15
Schedule of Operations - Fundraising	16
Schedule of Operations - Prevention Programs	17
Schedule of Operations - Workplace Health Services	18
Schedule of Operations - City Centre Health Care	19



## 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, 2016, 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**

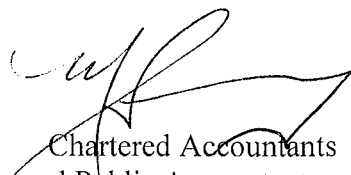
During the year, the Association deducted \$69,110 in equipment costs and recorded no amortization of office equipment or the building at 1400 Windsor Avenue. In these respects, the financial statements are not, in our opinion, in accordance with Canadian accounting standards for not-for-profit organizations.

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, 2016 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  
June 8, 2016



Chartered Accountants  
Licensed Public Accountants

## CANADIAN MENTAL HEALTH ASSOCIATION

## WINDSOR-ESSEX COUNTY BRANCH

## STATEMENT OF FINANCIAL POSITION

As at March 31, 2016

	2016 \$	2015 \$
<b>Assets</b>		
Current assets		
Cash	1,860,074	2,000,680
Accounts receivable	92,975	137,655
Prepays	102,403	81,715
Total current assets	2,055,452	2,220,050
Capital assets (note 2)	2,400,518	2,430,435
<b>Total Assets</b>	<b>4,455,970</b>	<b>4,650,485</b>
<b>Liabilities and Fund Balances</b>		
Accounts payable and accrued liabilities	745,986	1,094,082
Federal and provincial government remittances	460,410	382,824
Deferred revenue	35,220	25,331
Current portion of long-term debt	275,518	248,184
	1,517,134	1,750,421
<b>Long-term debt (note 3)</b>	<b>0</b>	<b>57,251</b>
Fund balances at the end of the year:		
Accumulated operating surplus (note 4)	424,480	346,250
Health Promotion / Client Assistance Reserves	12,234	-
Planned gift reserve	107,789	105,663
Replacement Reserve fund	21,185	17,752
Reserve fund (note 4)	248,148	248,148
Capital fund (note 5)	2,125,000	2,125,000
Total fund balances	2,938,836	2,842,813
<b>Total Liabilities and Fund Balances</b>	<b>4,455,970</b>	<b>4,650,485</b>

APPROVED BY THE BOARD:




**CANADIAN MENTAL HEALTH ASSOCIATION****WINDSOR-ESSEX COUNTY BRANCH****STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE**

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
LHIN funding	11,471,598	11,421,740
Ministry of Health, Provincial Programs	853,222	847,139
Ontario Works Employment Support	57,700	71,100
Windsor Regional Hospital	76,000	76,000
Workplace Health Services	167,333	191,328
Contribution from operations	107,029	122,061
United Way funding	-	535,001
Fundraising	286,590	378,430
Other revenue	550,744	788,412
	13,570,216	14,431,211
<b>EXPENDITURES:</b>		
Salaries	9,379,996	9,398,048
Employee benefits	1,961,942	1,874,002
Office expenses	112,893	118,030
Building occupancy	323,903	342,861
Professional fees	164,779	766,942
Legal and audit	108,085	119,291
Sessional fees	141,613	129,233
Staff training	52,501	61,774
Staff travel	125,724	140,712
Client travel	330	999
Program supplies	60,789	81,163
One Time Expense	-	248,495
Sundry expenses	99,014	96,892
Advertising and promotion	19,913	30,999
Utilities	7,122	6,617
Mortgage interest	5,104	9,035
Mortgage principal	29,917	27,518
Fundraising direct expenses	65,713	58,525
Purchased service agreements	471,317	413,345
Transferred to replacement reserve	3,433	9,133
Transferred to reserve - Fundraiser	14,363	2,090
Maintenance, materials and service	19,965	31,031
Equipment and capital	69,110	80,324
	13,237,526	14,047,059
<b>OPERATING SURPLUS</b>	332,690	384,152
Fund balance at beginning of year	346,250	166,164
	678,940	550,316
Accumulated surplus contributed to programs	(107,029)	(130,203)
Current surpluses repayable to funding sources	(147,431)	(73,863)
<b>FUND BALANCE AT END OF YEAR</b>	424,480	346,250

## CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH  
CANADA MORTGAGE AND HOUSING PROGRAMS**STATEMENT OF CHANGES IN REPLACEMENT RESERVE FUND**

Year ended March 31, 2016

	2015/2016 Total \$	2014/2015 Total \$
<b>1120 Dougall &amp; 354 Aylmer</b>		
Balance at beginning of year	17,752	28,575
Transferred from operating fund	3,433	3,433
Additional housing funding	-	5,700
Repaid	-	(19,956)
Balance, end of year	21,185	17,752

---

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

---

**MARCH 31, 2016****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 education, prevention, advocacy and support services.

Canadian Mental Health Association - Windsor Essex County Branch is incorporated under the Canada Corporations Act 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 three 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, 2016****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, 2016****1. Summary of significant accounting policies (continued):****(h) Capital management:**

CMHA-WECEB considers its capital to be its net assets, restricted and unrestricted. CMHA-WECEB'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:**

			2016	2015
	Cost	Accumulated	Net Book	Net Book
	\$	Amortization	Value	Value
		\$	\$	\$
Group Homes:				
1120 Dougall Avenue	144,790	88,121	56,669	63,525
354 Aylmer Avenue	490,455	271,606	218,849	241,910
	635,245	359,727	275,518	305,435
Main Office:				
1400 Windsor Avenue	2,125,000	-	2,125,000	2,125,000
	2,760,245	359,727	2,400,518	2,430,435

During the year, amortization of \$29,917 (2015 - \$27,584) was recorded in the statement of operations.

## CANADIAN MENTAL HEALTH ASSOCIATION

## WINDSOR-ESSEX COUNTY BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

## 3. Long-term debt:

	2016	2015
	\$	\$
(i) 1120 Dougall Avenue	56,669	63,526
(ii) 354 Aylmer Avenue	218,849	241,909
	275,518	305,435
Less principal due within one year	(275,518)	(248,184)
	0	57,251

(i) The 1120 Dougall Avenue mortgage is payable in monthly installments of \$727 including interest at 3.153%, secured by the real estate, maturing in June 2023.

(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:

	\$
2016	275,518

## 4. Fund balances:

The total balance of reserves of \$248,148 (2015 - \$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 \$424,480 (2015 - \$346,250) is made up of the following:

Workplace Health Services	39,754
Fundraiser	145,504
Future Years' Operating Reserve	229,527
Group Home Operating Reserve	9,695
	<u>424,480</u>

---

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

---

**MARCH 31, 2016****5. Capital fund:**

The capital fund consists of:

	\$
Capital assets, net	2,400,518
Long-term debt	(275,518)
	<u>2,125,000</u>

**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 \$512,993 (2015 - \$511,366).

**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, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
LHIN funding, Provincial Programs	9,758,971	9,598,862
Ministry of Health, Provincial Programs	-	36,648
Ontario Works - Employment Support	57,700	71,100
Windsor Regional Hospital	76,000	76,000
Contributions from operations	107,029	122,061
Other income	432,935	631,844
	<b>10,432,635</b>	<b>10,536,515</b>
<b>EXPENDITURES:</b>		
Salaries	7,730,549	7,655,329
Employee benefits	1,661,472	1,563,395
Office expenses	72,389	78,312
Building occupancy	256,188	257,371
Professional fees	39,261	116,586
Legal and audit	94,685	96,994
Sessional fees	141,613	129,233
Staff training	39,424	43,716
Staff travel	123,352	139,550
Client travel	330	999
Program supplies	26,849	38,103
One Time Expense	-	248,495
Sundry expenses	84,286	69,604
Advertising and promotion	17,667	26,430
Equipment and capital	65,974	72,398
	<b>10,354,039</b>	<b>10,536,515</b>
<b>OPERATING SURPLUS</b>	<b>78,596</b>	<b>0</b>

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

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
Ministry of Health, Provincial Programs	53,873	53,031
Other revenue	-	26,585
	53,873	79,616
<b>EXPENDITURES:</b>		
Utilities	7,122	6,617
Maintenance materials and services	5,997	27,313
Office Supplies	1,626	-
Mortgage interest	5,104	9,035
Mortgage principal	29,917	27,518
Transferred to replacement reserve fund	3,433	9,133
	53,199	79,616
<b>OPERATING SURPLUS</b>	674	0

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

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
Ministry of Health, Provincial Programs	122,853	122,853
Other revenue	2,910	2,449
	<u>125,763</u>	<u>125,302</u>
<b>EXPENDITURES:</b>		
Salaries	90,427	91,898
Employee benefits	20,992	20,752
Program supplies	2,265	2,602
Professional fees	6,750	7,050
Legal and audit	587	500
Office expenses	2,000	2,000
Staff training	626	500
	<u>123,647</u>	<u>125,302</u>
<b>OPERATING SURPLUS</b>	<b>2,116</b>	<b>0</b>

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

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
Ministry of Health, Provincial Programs	122,853	122,853
Other revenue	7,631	4,571
	<u>130,484</u>	<u>127,424</u>
<b>EXPENDITURES:</b>		
Salaries	84,142	78,598
Employee benefits	26,937	20,109
Program supplies	795	3,215
Professional fees	8,750	9,050
Legal and audit	587	500
Office expenses	2,000	2,000
Staff training	556	827
	<u>123,767</u>	<u>114,299</u>
<b>OPERATING SURPLUS</b>	<u>6,717</u>	<u>13,125</u>



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

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
Ministry of Health, Provincial Programs	543,582	461,450
Miscellaneous income	-	3,718
	543,582	465,168
<b>EXPENDITURES:</b>		
Purchased service agreements	471,317	413,345
Maintenance	13,968	3,718
Program supplies	21	-
	485,306	417,063
<b>OPERATING SURPLUS</b>	58,276	48,105

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

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
Fundraising activities	284,590	367,430
Fundraising grants	2,000	11,000
	286,590	378,430
<b>EXPENDITURES:</b>		
Salaries	35,048	33,425
Employee benefits	8,298	6,674
Direct Cost of Fundraising	65,713	58,525
Office expenses	714	319
Professional fees	1,039	750
Staff training	143	77
Staff Travel	603	840
Program supplies	10,597	4,785
Transferred to planned gift reserve	2,128	2,090
Sundry expenses	4,567	9,070
Transferred to Health Promotion Reserve	12,235	-
	141,085	116,555
	145,505	261,875

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

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
United Way funding	-	535,001
Fees for service	-	5,952
	-	540,953
<b>EXPENDITURES:</b>		
Salaries	-	136,910
Employee benefits	-	25,262
Office expenses	-	721
Building occupancy	-	2,000
Professional fees	-	360,116
Staff training	-	29
Travel	-	8
Program supplies	-	1,355
Advertising and promotion	-	1,919
	-	528,320
<b>OPERATING SURPLUS</b>	-	12,633

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

Year ended March 31, 2016	2016 \$	2015 \$
<b>REVENUES:</b>		
Workplace Health Contract Revenue	157,540	169,458
Fee for Service	6,394	14,832
Workplace Revenue	3,399	6,703
Miscellaneous	-	335
	<b>167,333</b>	<b>191,328</b>
<b>EXPENDITURES:</b>		
Salaries	36,451	40,028
Employee benefits	8,030	8,860
Office expenses	1,243	1,576
Professional fees	80,763	90,305
Staff training	12	168
Program supplies	544	1,685
Sundry expenses	536	292
	<b>127,579</b>	<b>142,914</b>
<b>OPERATING SURPLUS</b>	<b>39,754</b>	<b>48,414</b>

**CANADIAN MENTAL HEALTH ASSOCIATION****WINDSOR-ESSEX COUNTY BRANCH****SCHEDULE OF OPERATIONS - CITY CENTRE HEALTH CARE**

Year ended March 31, 2016	2016 \$	2016 \$
<b>REVENUES:</b>		
Ministry of Health, Provincial Programs	10,061	50,304
LHIN Funding	1,712,627	1,822,878
Other revenue	107,268	113,293
	<b>1,829,956</b>	<b>1,986,475</b>
<b>EXPENDITURES:</b>		
Salaries	1,403,378	1,361,860
Employee benefits	236,213	228,950
Office expenses	32,921	33,102
Building occupancy	67,715	83,490
Professional fees	29,255	183,085
Legal and audit	11,187	21,297
Staff training	11,740	16,457
Staff Travel	1,769	314
Program Supplies	19,718	29,418
Sundry expenses	9,625	17,926
Advertising and promotion	2,246	2,650
Equipment and capital	3,136	7,926
	<b>1,828,903</b>	<b>1,986,476</b>
<b>OPERATING SURPLUS</b>	<b>1,053</b>	<b>(1)</b>