

**CANADIAN MENTAL HEALTH ASSOCIATION,
WINDSOR-ESSEX COUNTY BRANCH**

FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Mental Health Association, Windsor-Essex County Branch:

Qualified Opinion

We have audited the financial statements of **CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH ("the Entity")**, which comprise the statement of financial position as at March 31, 2024 and the statement of operations, statement of changes in net assets and statement of 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 matters 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 Entity as at March 31, 2024, 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 Entity derives revenue from donations and fundraising activities, 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to this revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, assets as at March 31, 2024 and 2023 and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 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 Entity 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.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- 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 Entity'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 Entity'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 Entity 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.

Roth Mosey & Partners LLP

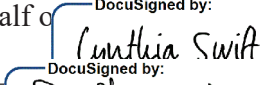
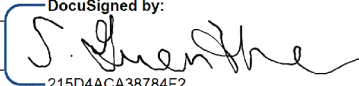
**ROTH MOSEY & PARTNERS LLP
LICENSED PUBLIC ACCOUNTANTS**

**Windsor, Ontario
June 26, 2024**

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF FINANCIAL POSITION

March 31, 2024 (with comparative figures for 2023)

	<u>2024</u>	<u>2023</u>
ASSETS (Note 4)		
<i>Current assets</i>		
Cash	\$ 6,575,537	\$ 6,399,732
Accounts receivable	742,573	388,659
Government remittances receivable	107,522	108,940
Prepaid expenses and deposits	283,860	268,891
	7,709,492	7,166,222
<i>Property and equipment (Notes 3, 7)</i>	1,802,235	1,608,918
<i>Endowment investment (Note 8)</i>	137,000	137,000
	\$ 9,648,727	\$ 8,912,140
LIABILITIES AND NET ASSETS		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities	\$ 3,381,089	\$ 3,394,372
Government remittances payable	293,377	373,304
Current portion of deferred contributions (Note 5)	332,073	778,564
Current portion of long-term debt (Note 7)	23,446	25,349
	4,029,985	4,571,589
<i>Long-term liabilities</i>		
Deferred contributions, net of current portion (Note 5)	1,952,066	785,584
Long-term debt, net of current portion (Note 7)	-	23,446
	1,952,066	809,030
	5,982,051	5,380,619
<i>Net assets</i>		
Unrestricted	1,922,401	1,774,147
Internally restricted (Note 8)	844,611	668,794
Externally restricted (Note 8)	104,168	88,965
Invested in property and equipment (Note 3)	795,496	999,615
	3,666,676	3,531,521
	\$ 9,648,727	\$ 8,912,140
On behalf of  Director		
 Director		

See accompanying notes

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF OPERATIONS

For The Year Ended March 31, 2024 (with comparative figures for 2023)

	<u>2024</u>	<u>2023</u>
Revenue		
Ontario Health (West) (Note 12)	\$ 17,436,070	\$ 17,240,433
Fundraising	582,527	723,447
Other revenue (Note 6)	2,962,297	2,544,710
Amortization of deferred contributions (Notes 3, 5)	389,107	176,017
	21,370,001	20,684,607
Expenses		
Amortization	527,908	405,024
Building occupancy (Note 13)	414,002	378,965
Equipment repairs, replacement and mobile clinic	96,302	177,927
Housing rent subsidies	936,375	897,510
Professional and consulting fees	290,760	190,856
Salaries and benefits (Note 9)	17,217,989	16,936,998
Supplies and other expenses (Note 7)	1,751,510	1,851,906
	21,234,846	20,839,186
Excess (deficiency) of revenue over expenses	\$ 135,155	\$ (154,579)

See accompanying notes

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY

STATEMENT OF CHANGES IN NET ASSETS

For The Year Ended March 31, 2024 (with comparative figures for 2023)

	Unrestricted	Internally restricted	Externally restricted
Net assets, beginning of year	\$ 1,774,147	\$ 668,794	\$ 88,965
Excess (deficiency) of revenue over expenses	135,155	-	-
Interfund transfers (<i>Note 10</i>)	(191,020)	175,817	15,203
Invested in property and equipment	204,119	-	-
<i>Net assets, end of year</i>	\$ 1,922,401	\$ 844,611	\$ 104,168

See accompanying notes

Invested in property and equipment	Total 2024	Total 2023
\$ 999,615	\$ 3,531,521	\$ 3,686,100
-	135,155	(154,579)
-	-	-
(204,119)	-	-
\$ 795,496	\$ 3,666,676	\$ 3,531,521

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF CASH FLOWS

For The Year Ended March 31, 2024 (with comparative figures for 2023)

	<u>2024</u>	<u>2023</u>
<i>Operating activities</i>		
Excess (deficiency) of revenue over expenses	\$ 135,155	\$ (154,579)
Adjustments to reconcile excess (deficiency) of revenue over expenses to cash flow from operations		
Amortization of property and equipment	527,908	405,024
Amortization of deferred contributions	(389,107)	(176,017)
<i>Cash flow from operations</i>	273,956	74,428
Change in:		
Accounts receivable	(353,914)	(60,762)
Government remittances receivable/payable	(78,509)	148,945
Prepaid expenses and deposits	(14,969)	(48,447)
Accounts payable and accrued liabilities	(13,283)	741,027
<i>Cash provided by (used in) operating activities</i>	(186,719)	855,191
<i>Financing activities</i>		
Repayment of long-term debt	(25,349)	(25,115)
Net deferred contributions received	1,109,098	1,103,771
<i>Cash provided by financing activities</i>	1,083,749	1,078,656
<i>Investing activities</i>		
Contributions to endowment investment	-	(9,000)
Acquisition of property and equipment	(721,225)	(323,114)
<i>Cash used in investing activities</i>	(721,225)	(332,114)
<i>Net increase in cash for the year</i>	175,805	1,601,733
Cash, beginning of year	6,399,732	4,797,999
<i>Cash, end of year</i>	\$ 6,575,537	\$ 6,399,732

See accompanying notes

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

1 NATURE OF ORGANIZATION

Canadian Mental Health Association, Windsor-Essex County Branch is a charitable organization incorporated without share capital in the Province of Ontario. The primary purpose of the Entity is to provide programs for enhancing and promoting the optimum mental health of the Windsor-Essex County community through treatment, collaboration, education and community engagement. The corporation is classified as a registered charity under the Income Tax Act of Canada and as such is exempt from income taxes.

2 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

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 received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

All other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Property and Equipment

Property and equipment are recorded at cost. Amortization is recorded on the straight-line basis over the estimated useful life of the asset as follows:

Buildings	25 years
Building improvements	10 years
Leasehold improvements	10 years
Furniture and fixtures	5 years
Computer equipment	3 years
Vehicles	5 years

Donated Services

The organization receives services from volunteers. Since those services are not normally purchased by the Entity and due to the difficulty of determining their fair value, donated services are not recognized in these financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include the determination of allowance for doubtful accounts, the useful life of property and equipment and amortization recorded into income from deferred contributions. Accordingly, actual amounts could differ from those estimates.

3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Cost	Accumulated Amortization	Net Book Value 2024	Net Book Value 2023
Buildings				
354 Aylmer Avenue	\$ 1,022,467	\$ 683,825	\$ 338,642	\$ 312,857
1400 Windsor Avenue	3,651,113	2,855,865	795,248	908,778
Leasehold improvements	365,845	36,584	329,261	50,000
Furniture and fixtures	266,209	101,227	164,982	36,127
Computer equipment	468,976	380,402	88,574	163,462
Vehicles	260,829	175,301	85,528	137,694
	\$ 6,035,439	\$ 4,233,204	\$ 1,802,235	\$ 1,608,918

Investment in property and equipment is calculated as follows:

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 999,615	\$ 1,130,583
Acquisition of property and equipment	721,225	323,114
Amortization of property and equipment	(527,908)	(405,024)
Repayments of long-term debt	25,349	25,115
Advance of deferred contributions	(629,013)	(199,055)
Amortization of deferred contributions	206,228	124,882
Balance, end of year	\$ 795,496	\$ 999,615

During the year, property and equipment in the amount of \$629,013 (2023 - \$199,055) were acquired through restricted contributions. The amortization of \$206,228 (2023 - \$124,882) was included in amortization of deferred contributions.

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

4 OPERATING LOAN

The Entity has available a revolving operating loan to a maximum of \$750,000 which bears interest at the Toronto-Dominion Bank prime rate. It is secured by a general security agreement constituting a first ranking security interest in all personal property of the Entity, assignment of insurance and subordination agreement from the Canada Mortgage and Housing Corporation. The balance at March 31, 2024 was \$NIL.

5 DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted funding which was received to assist in specific program costs and in fundraising activities.

The activity for the year in this balance is as follows:

	<u>2024</u>	<u>2023</u>
Beginning balance	\$ 1,564,148	\$ 636,394
Deferred contributions received during the year	1,109,098	1,103,771
Less amount recognized as revenue in the year	(389,107)	(176,017)
	<u>2,284,139</u>	<u>1,564,148</u>
Current portion, ending balance	<u>332,073</u>	<u>778,564</u>
Long-term portion, ending balance	<u>\$ 1,952,066</u>	<u>\$ 785,584</u>

Deferred contributions received were from Ontario Health (West) in the amount of \$89,805 (2023 - \$153,650) for purchase of building improvements to 1400 Windsor Avenue and 354 Aylmer Avenue, the Solcz Family Foundation in the amount \$500,000 (2023 - \$500,000) for establishment of a permanent site location for the Youth Wellness Hub, and from various other organizations totaling \$519,293 (2023 - \$450,121) for specific program costs, fundraising activities and computer equipment.

6 OTHER REVENUE

Other revenue consists of the following:

	<u>2024</u>	<u>2023</u>
Interest income	\$ 342,131	\$ 166,729
Centre for Addiction and Mental Health	674,189	527,501
Hotel-Dieu Grace Hospital geriatric services	173,880	76,000
Ontario Trillium Foundation grant	24,792	75,808
Program recoveries	1,152,057	1,146,922
Service fees and other	595,248	551,750
	<u>\$ 2,962,297</u>	<u>\$ 2,544,710</u>

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

7 LONG-TERM DEBT

Long-term debt consists of the following:

	<u>2024</u>	<u>2023</u>
Mortgage payable to Canada Mortgage Housing Corporation with interest at 0.93%, repayable in monthly blended payments of \$2,141, due February 2025, secured by 354 Aylmer Avenue.	\$ 23,446	\$ 48,795
Less current portion due within one year	23,446	25,349
Long-term portion	<u>\$ -</u>	<u>\$ 23,446</u>

During the year, interest of \$346 (2023 - \$580) was paid on the mortgage payable.

8 RESTRICTED NET ASSETS

Net assets with internal restrictions have been designated for the following purposes:

	<u>2024</u>	<u>2023</u>
Planned gift reserve	\$ 138,488	\$ 128,121
Endowment reserve	137,000	137,000
Endowment interest	49,940	31,080
First responders reserve	141,763	129,994
Major building repairs - 1400 Windsor Avenue	197,957	183,137
Interest reserve	120,000	-
Housing reserve	59,463	59,462
	<u>\$ 844,611</u>	<u>\$ 668,794</u>

Amounts restricted towards the endowment are invested with the WindsorEssex Community Foundation for purposes of creating future programs.

Net assets with external restrictions have been designated for future repairs for premises at 354 Aylmer Avenue.

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2024

9 PENSION PLAN

During the year the organization made contributions for most of its employees to the Healthcare of Ontario Pension Plan, which is a multi-employer final average pay contributory pension plan. Employer contributions made to this plan during the year were \$1,048,740 (2023 - \$975,013). In addition, the organization made contributions for its remaining employees to a defined contribution group benefit plan administered by CMHA National totaling \$66,391 (2023 - \$70,923).

10 INTERFUND TRANSFERS

Interfund transfers are made between net asset accounts to fund building repairs and general operating expenses.

11 FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, endowment investment, accounts payable and accrued liabilities and long-term debt. It is management's opinion that the organization is not exposed to significant risks arising from its financial instruments.

12 ECONOMIC DEPENDENCE

The organization is economically dependent on Ontario Health (West) for the funding of its mental health programs.

13 LEASE COMMITMENT

The organization leases premises at 215 Eugenie St W., Windsor, ON. Under the terms of the lease, the organization may occupy the premises for a ten year term, expiring August 2033.

Minimum payments required under the terms of the lease is as follows:

Year ending March 31, 2025	\$	164,472
2026		164,472
2027		164,472
2028		164,472
2029		191,884
Thereafter		<u>890,890</u>
	\$	<u>1,740,662</u>