

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

AUDITED FINANCIAL STATEMENTS

MARCH 31, 2017

CANADIAN MENTAL HEALTH ASSOCIATION

WINDSOR-ESSEX COUNTY BRANCH

FINANCIAL STATEMENTS

Year ended March 31, 2017

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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, 2017, 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 \$100,890 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, 2017 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 26, 2017



Chartered Accountants
Licensed Public Accountants

CANADIAN MENTAL HEALTH ASSOCIATION

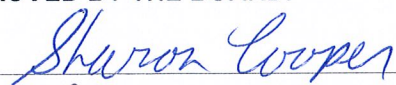
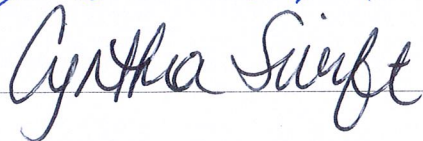
WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF FINANCIAL POSITION

As at March 31, 2017

	2017	2016
	\$	\$
Assets		
Current assets		
Cash	2,457,621	1,860,074
Accounts receivable	120,519	92,975
Prepays	159,946	102,403
Total current assets	2,738,086	2,055,452
Capital assets (note 2)	2,369,690	2,400,518
Total Assets	5,107,776	4,455,970
Liabilities and Fund Balances		
Accounts payable and accrued liabilities	941,409	745,986
Federal and provincial government remittances	651,076	460,410
Deferred revenue	86,036	35,220
Current portion of long-term debt	244,690	275,518
	1,923,211	1,517,134
Long-term debt (note 3)	0	0
Fund balances at the end of the year:		
Accumulated operating surplus (note 4)	606,712	424,480
Health Promotion	56,363	12,234
Suicide Prevention Reserve	10,000	-
Planned gift reserve	109,524	107,789
Replacement Reserve fund	28,818	21,185
Reserve fund (note 4)	248,148	248,148
Capital fund (note 5)	2,125,000	2,125,000
Total fund balances	3,184,565	2,938,836
Total Liabilities and Fund Balances	5,107,776	4,455,970

APPROVED BY THE BOARD:

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

Year ended March 31, 2017	2017 \$	2016 \$
REVENUES:		
LHIN funding	11,756,836	11,471,598
Ministry of Health, Provincial Programs	1,025,299	853,222
Ontario Works Employment Support	37,700	57,700
Windsor Regional Hospital	76,000	76,000
Workplace Health Services	42,284	167,333
Contribution from operations	12,989	107,029
United Way funding	43,332	-
Fundraising	358,658	286,590
Other revenue	630,229	550,744
	13,983,327	13,570,216
EXPENDITURES:		
Salaries	9,298,636	9,379,996
Employee benefits	1,844,541	1,961,942
Office expenses	94,347	112,893
Building occupancy	321,036	323,903
Professional fees	61,946	164,779
Legal and audit	62,346	108,085
Sessional fees	162,000	141,613
Staff training	54,134	52,501
Staff travel	135,918	125,724
Client travel	947	330
Program supplies	84,624	60,789
One Time Expense	224,458	-
Sundry expenses	115,370	99,014
Advertising and promotion	34,076	19,913
Utilities	7,380	7,122
Mortgage interest	3,408	5,104
Mortgage principal	30,828	29,917
Fundraising direct expenses	65,145	65,713
Purchased service agreements	580,031	471,317
Transferred to replacement reserve	7,633	3,433
Transferred to reserve - Fundraiser/Suicide Prevention	55,862	14,363
Maintenance, materials and service	45,234	19,965
Equipment and capital	100,890	69,110
	13,390,791	13,237,526
OPERATING SURPLUS BEFORE REPAYMENT TO FUNDING SOURCES	592,536	332,690
Fund balance at beginning of year	424,480	346,250
	1,017,016	678,940
Accumulated surplus contributed to programs	(3,808)	(107,029)
Current surpluses repayable to funding sources	(406,496)	(147,431)
FUND BALANCE AT END OF YEAR	606,712	424,480

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

MARCH 31, 2017**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.

(c) Capital assets:

The historical cost and accumulated depreciation for capital assets are not recorded for reporting purposes except as detailed below. Capital assets are reported as an expenditure on the statement of operations in the year of acquisition.

In accordance with the agreements for assistance to non-profit corporations under section 56(1) with Canada Mortgage and Housing Corporation, all costs of acquiring two homes financed under the agreement have been capitalized and are amortized annually in the amount equal to the principal reduction of the loans.

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

MARCH 31, 2017**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.

(g) Financial instruments

CMHA-WECB initially measures its financial assets and financial liabilities at fair value and subsequently measures its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial assets and financial liabilities measured at amortized cost include cash, accounts receivable and accounts payable and accrued liabilities.

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

MARCH 31, 2017
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:

			2017	2016
	Cost	Accumulated	Net Book	Net Book
	\$	Amortization	Value	Value
	\$	\$	\$	\$
Group Homes:				
1120 Dougall Avenue	144,790	95,473	49,317	56,669
354 Aylmer Avenue	490,455	295,082	195,373	218,849
	635,245	390,555	244,690	275,518
Main Office:				
1400 Windsor Avenue	2,125,000	-	2,125,000	2,125,000
	2,760,245	390,555	2,369,690	2,400,518

During the year, amortization of \$30,828 (2016 - \$29,917) was recorded in the statement of operations.

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

MARCH 31, 2017
3. Long-term debt:

	2017	2016
	\$	\$
(i) 1120 Dougall Avenue	49,317	56,669
(ii) 354 Aylmer Avenue	195,373	218,849
	244,690	275,518
Less principal due within one year	(244,690)	(275,518)
	0	0

(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:

	\$
2017	244,690

4. Fund balances:

The total balance of reserves of \$248,148 (2016 - \$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 \$606,712 (2016 - \$424,480) is made up of the following:

Client Assistance Fund	3,307
Workplace Health Services	38,943
Fundraiser	147,099
Future Years' Operating Reserve	407,158
Group Home Operating Reserve	10,205
	<u>606,712</u>

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

MARCH 31, 2017
5. Capital fund:

The capital fund consists of:

	\$
Capital assets, net	2,369,690
Long-term debt	(244,690)
	<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 \$506,501 (2016 - \$512,993).

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, 2017	2017	2016
	\$	\$
REVENUES:		
LHIN funding, Provincial Programs	9,742,259	9,758,971
Ontario Works - Employment Support	37,700	57,700
Windsor Regional Hospital	76,000	76,000
Contributions from operations	12,989	107,029
Other income	527,180	432,935
	<u>10,396,128</u>	<u>10,432,635</u>
EXPENDITURES:		
Salaries	7,687,140	7,730,549
Employee benefits	1,543,688	1,661,472
Office expenses	65,620	72,389
Building occupancy	253,434	256,188
Professional fees	-	39,261
Legal and audit	50,342	94,685
Sessional fees	162,000	141,613
Staff training	45,445	39,424
Staff travel	133,299	123,352
Client travel	947	330
Program supplies	46,167	26,849
One Time Expense	161,458	-
Sundry expenses	97,928	84,286
Advertising and promotion	33,389	17,667
Equipment and capital	43,203	65,974
	<u>10,324,060</u>	<u>10,354,039</u>
OPERATING SURPLUS	<u>72,068</u>	<u>78,596</u>

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

Year ended March 31, 2017	2017	2016
	\$	\$
REVENUES:		
Capital Reserve Funding	4,200	-
Ministry of Health, Provincial Programs	52,682	53,873
Other revenue	1,844	-
	<u>58,726</u>	<u>53,873</u>
EXPENDITURES:		
Utilities	7,380	7,122
Maintenance materials and services	7,443	5,997
Office Supplies	2,034	1,626
Mortgage interest	3,408	5,104
Mortgage principal	30,828	29,917
Transferred to replacement reserve fund	7,633	3,433
	<u>58,726</u>	<u>53,199</u>
OPERATING SURPLUS	<u>0</u>	<u>674</u>

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

Year ended March 31, 2017	2017	2016
	\$	\$
REVENUES:		
Ministry of Health, Provincial Programs	130,228	122,853
Other revenue	969	2,910
	<u>131,197</u>	<u>125,763</u>
EXPENDITURES:		
Salaries	95,309	90,427
Employee benefits	22,239	20,992
Program supplies	2,178	2,265
Professional fees	6,750	6,750
Legal and audit	520	587
Office expenses	980	2,000
Staff training	554	626
	<u>128,530</u>	<u>123,647</u>
OPERATING SURPLUS	<u>2,667</u>	<u>2,116</u>

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

Year ended March 31, 2017	2017	2016
	\$	\$
REVENUES:		
Ministry of Health, Provincial Programs	130,228	122,853
Other revenue	3,289	7,631
	<u>133,517</u>	<u>130,484</u>
EXPENDITURES:		
Salaries	92,296	84,142
Employee benefits	19,582	26,937
Program supplies	2,376	795
Professional fees	6,750	8,750
Legal and audit	520	587
Office expenses	980	2,000
Staff training	514	556
	<u>123,018</u>	<u>123,767</u>
OPERATING SURPLUS	<u>10,499</u>	<u>6,717</u>

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

Year ended March 31, 2017	2017 \$	2016 \$
REVENUES:		
Ministry of Health, Provincial Programs	697,900	543,582
Miscellaneous income	-	-
	<u>697,900</u>	<u>543,582</u>
EXPENDITURES:		
Purchased service agreements	580,031	471,317
Maintenance	37,791	13,968
Program supplies	869	21
	<u>618,691</u>	<u>485,306</u>
OPERATING SURPLUS	<u>79,209</u>	<u>58,276</u>

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

Year ended March 31, 2017	2017	2016
	\$	\$
REVENUES:		
Fundraising activities	358,658	284,590
Fundraising grants	-	2,000
	<u>358,658</u>	<u>286,590</u>
EXPENDITURES:		
Salaries	51,642	35,048
Employee benefits	11,913	8,298
Direct Cost of Fundraising	65,145	65,713
Office expenses	109	714
Professional fees	13,862	1,039
Legal and audit	1039	-
Staff training	318	143
Staff Travel	736	603
Program supplies	15,285	10,597
Transferred to planned gift reserve	1,733	2,128
Sundry expenses	5,648	4,567
Transferred to Health Promotion Reserve	44,129	12,235
	<u>211,559</u>	<u>141,085</u>
	<u>147,099</u>	<u>145,505</u>

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

Year ended March 31, 2017	2017 \$	2016 \$
REVENUES:		
United Way funding	43,332	-
Other revenue	10,000	-
	<hr/> 53,332	<hr/> -
EXPENDITURES:		
Salaries	14,893	-
Employee benefits	2,336	-
Transfer to Reserve	10,000	-
Program supplies	2,196	-
	<hr/> 29,425	<hr/> -
OPERATING SURPLUS	<hr/> 23,907	<hr/> -

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

Year ended March 31, 2017	2017	2016
	\$	\$
REVENUES:		
Workplace Health Contract Revenue	39,914	157,540
Fee for Service	1,920	6,394
Workplace Revenue	450	3,399
	<u>42,284</u>	<u>167,333</u>
EXPENDITURES:		
Salaries	-	36,451
Employee benefits	-	8,030
Office expenses	-	1,243
Professional fees	3,303	80,763
Staff training	-	12
Program supplies	-	544
Sundry expenses	38	536
	<u>3,341</u>	<u>127,579</u>
OPERATING SURPLUS	<u>38,943</u>	<u>39,754</u>

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

Year ended March 31, 2017	2017 \$	2016 \$
REVENUES:		
Ministry of Health, Provincial Programs	10,061	10,061
LHIN Funding	2,014,577	1,712,627
Other funding	86,947	107,268
	<u>2,111,585</u>	<u>1,829,956</u>
EXPENDITURES:		
Salaries	1,357,356	1,403,378
Employee benefits	244,783	236,213
Office expenses	24,624	32,921
Building occupancy	67,602	67,715
Professional fees	31,281	29,255
Legal and audit	9,925	11,187
Staff training	7,303	11,740
Staff Travel	1,883	1,769
Program Supplies	15,553	19,718
One Time expenses	63,000	-
Sundry expenses	11,756	9,625
Advertising and promotion	687	2,246
Equipment and capital	57,687	3,136
	<u>1,893,440</u>	<u>1,828,903</u>
OPERATING SURPLUS	<u>218,145</u>	<u>1,053</u>