



Financial Statements

Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch

March 31, 2023

Contents

	Page
Independent Auditor's Report	1 - 3
Statement of Financial Position	4
Statement of Changes in Fund Balances	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 27

Independent Auditor's Report

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To the Members of
Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch

Qualified Opinion

We have audited the financial statements of Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch (the "Organization"), which comprise the statement of financial position as at March 31, 2023, and the statement of operations, statement of changes in fund balances 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 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 Organization 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 ("ASNPO").

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Organization derives part of its 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the year ended March 31, 2023, current assets as at March 31, 2023, and fund balances as at April 1, 2022 and March 31, 2023. The predecessor auditor's 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.

Additionally, the Organization's capital assets funded by the Ministry of Health - Housing Program, as described in Note 2, are amortized each year at an amount equal to the mortgage principal repayment related to these assets. This policy is in accordance with the Ministry of Health accounting policies. This is not in accordance with ASNPO which requires that capital assets be recognized at cost at the time of acquisition and amortized over the useful life of the asset. Had the Organization amortized these assets in accordance with ASNPO policies, capital assets would have increased by \$573,151, fund balances would have increased by \$573,151, amortization would have decreased by \$101,247, and excess of revenues over expenditures would have increased by \$101,247.

Independent Auditor's Report (continued)

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 Organization 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 opinion.

Emphasis of Matter - Restated Comparative Information

We draw attention to Note 3 in the financial statements, which explains that certain comparative information presented for the year ended March 31, 2022 has been restated. The financial statements for the year ended March 31, 2022, excluding the adjustments that were applied to restate certain comparative information, were audited by another auditor, who expressed a qualified opinion on those financial statements on June 29, 2022. Our opinion is not modified in respect of this matter.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization's internal control.
- ◆ Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Independent Auditor's Report (continued)

- ◆ 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 Organization'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 organization 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.

Peterborough, Canada
September 8, 2023

Grant Thornton LLP

Chartered Professional Accountants
Licensed Public Accountants

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Statement of Financial Position**

March 31

	Operating Fund	Reserve Fund	2023 Total	2022 Total (Restated - Note 3)
Assets				
Current				
Cash and cash equivalents	\$ 4,934,658	\$ 922,304	\$ 5,856,962	\$ 5,524,955
Short term investment (Note 5)	105,875	-	105,875	-
Accounts receivable (Notes 6, 19)	734,083	93,410	827,493	280,535
Prepaid expenses	116,358	-	116,358	540,940
Interfund balance (Note 7)	(57,746)	57,746	-	-
	<u>5,833,228</u>	<u>1,073,460</u>	<u>6,906,688</u>	<u>6,346,430</u>
Capital assets (Note 8)	<u>3,292,745</u>	<u>-</u>	<u>3,292,745</u>	<u>2,782,936</u>
	<u>\$ 9,125,973</u>	<u>\$ 1,073,460</u>	<u>\$ 10,199,433</u>	<u>\$ 9,129,366</u>
Liabilities				
Current				
Accounts payable and accrued liabilities (Note 9)	\$ 1,149,226	\$ -	\$ 1,149,226	\$ 1,426,634
Due to the Province of Ontario (Note 10)	992,526	-	992,526	659,412
Deferred contributions (Note 11)	1,396,854	-	1,396,854	1,172,817
Scheduled cash repayments for long-term debt (Note 12)	<u>257,279</u>	<u>-</u>	<u>257,279</u>	<u>196,551</u>
Current liabilities before callable debt (Note 12)	<u>3,795,885</u>	<u>-</u>	<u>3,795,885</u>	<u>3,455,414</u>
Callable debt (Note 12)	<u>657,875</u>	<u>-</u>	<u>657,875</u>	<u>691,200</u>
	<u>4,453,760</u>	<u>-</u>	<u>4,453,760</u>	<u>4,146,614</u>
Long-term debt (Note 12)	212,717	-	212,717	439,009
Deferred capital contributions (Note 13)	<u>2,127,582</u>	<u>-</u>	<u>2,127,582</u>	<u>1,891,571</u>
	<u>6,794,059</u>	<u>-</u>	<u>6,794,059</u>	<u>6,477,194</u>
Fund balances				
Unrestricted	712,889	-	712,889	888,187
Internally restricted - Invested in capital assets	404,427	-	404,427	295,023
Internally restricted - Other (Note 14)	1,214,598	-	1,214,598	769,830
Externally restricted - Reserve	<u>-</u>	<u>1,073,460</u>	<u>1,073,460</u>	<u>699,132</u>
	<u>2,331,914</u>	<u>1,073,460</u>	<u>3,405,374</u>	<u>2,652,172</u>
	<u>\$ 9,125,973</u>	<u>\$ 1,073,460</u>	<u>\$ 10,199,433</u>	<u>\$ 9,129,366</u>

Commitments (Note 17)

See accompanying notes to the financial statements.

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Statement of Changes in Fund Balances**

Year ended March 31	Unrestricted	Internally Restricted - Investment in Capital Assets	Internally Restricted - Other	Externally Restricted	2023 Total	2022 Total (Restated - Note 3)
Balance, beginning of year - as previously stated	\$ 467,013	\$ 125,000	\$ 1,661,853	\$ 699,132	\$ 2,952,998	\$ 2,839,443
Prior period restatement (Note 3)	<u>421,174</u>	<u>170,023</u>	<u>(892,023)</u>	<u>-</u>	<u>(300,826)</u>	<u>(217,528)</u>
Balance, beginning of year - as restated	888,187	295,023	769,830	699,132	2,652,172	2,621,915
Excess of revenues over expenditures	378,874	-	-	374,328	753,202	30,257
Interfund transfers (Note 14)	<u>(554,172)</u>	<u>109,404</u>	<u>444,768</u>	<u>-</u>	<u>-</u>	<u>-</u>
Balance, end of year	<u>\$ 712,889</u>	<u>\$ 404,427</u>	<u>\$ 1,214,598</u>	<u>\$ 1,073,460</u>	<u>\$ 3,405,374</u>	<u>\$ 2,652,172</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Statement of Operations**

Year ended March 31	Operating Fund	Reserve Fund	2023 Total	2022 Total (Restated - Note 3)
Revenues				
Grants (Note 15)	\$ 15,837,829	\$ 369,563	\$ 16,207,392	\$ 14,598,988
Rental income	1,086,423	-	1,086,423	840,586
Donations and fundraising	342,294	-	342,294	124,517
Interest	169,729	30,346	200,075	46,498
Training	128,663	-	128,663	118,911
Other (Note 19)	99,798	-	99,798	238,945
Amortization of deferred contributions	218,672	-	218,672	97,364
	<u>17,883,408</u>	<u>399,909</u>	<u>18,283,317</u>	<u>16,065,809</u>
Expenditures				
Salaries and benefits (Note 18)	11,294,938	-	11,294,938	10,572,559
Housing accommodation (Note 19)	2,899,332	-	2,899,332	2,566,473
Program	885,299	-	885,299	651,569
Occupancy	720,356	25,581	745,937	611,421
Professional fees - psychiatry	383,680	-	383,680	310,924
Staff training and travel	342,349	-	342,349	290,331
General office	240,583	-	240,583	318,558
Professional fees	205,586	-	205,586	91,953
Interest on long-term debt	57,302	-	57,302	55,656
Repairs and maintenance	34,811	-	34,811	140,208
Fundraising	27,913	-	27,913	33,579
COVID-19 emergency	-	-	-	106,318
Amortization	412,385	-	412,385	286,003
	<u>17,504,534</u>	<u>25,581</u>	<u>17,530,115</u>	<u>16,035,552</u>
Excess of revenues over expenditures	<u>\$ 378,874</u>	<u>\$ 374,328</u>	<u>\$ 753,202</u>	<u>\$ 30,257</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Statement of Cash Flows**

Year ended March 31	Operating Fund	Reserve Fund	2023 Total	2022 Total (Restated - Note 3)
Increase (decrease) in cash				
Operating				
Excess of revenues over expenditures for the year	\$ 378,874	\$ 374,328	\$ 753,202	\$ 30,257
Add (deduct) items not requiring an outlay of cash:				
Amortization	412,385	-	412,385	286,003
Amortization of deferred contributions	(218,672)	-	(218,672)	(97,364)
	<u>572,587</u>	<u>374,328</u>	<u>946,915</u>	<u>218,896</u>
Changes in non-cash working capital items:				
Accounts receivable	(454,389)	(92,569)	(546,958)	8,385
Prepaid expenses	424,582	-	424,582	(56,392)
Short term investment	(105,875)	-	(105,875)	-
Interfund balances	233,031	(233,031)	-	-
Accounts payable and accrued liabilities	(277,408)	-	(277,408)	(255,707)
Due to Province of Ontario	333,114	-	333,114	(103,176)
Deferred contributions	224,037	-	224,037	138,708
	<u>949,679</u>	<u>48,728</u>	<u>998,407</u>	<u>(49,286)</u>
Financing				
Repayment of long-term debt	(198,889)	-	(198,889)	(189,705)
Capital contributions received	454,683	-	454,683	1,237,010
	<u>255,794</u>	<u>-</u>	<u>255,794</u>	<u>1,047,305</u>
Investing				
Purchase of capital assets	(922,194)	-	(922,194)	(558,747)
Increase in cash	283,279	48,728	332,007	439,272
Cash, beginning of year	4,651,379	873,576	5,524,955	5,085,683
Cash, end of year	<u>\$ 4,934,658</u>	<u>\$ 922,304</u>	<u>\$ 5,856,962</u>	<u>\$ 5,524,955</u>

See accompanying notes to the financial statements.

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch Notes to the Financial Statements

March 31, 2023

1. Nature of the entity

The Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch (the "Organization") is a not-for-profit organization with a mission to work towards and foster a community in which all persons can obtain the best possible services and preventative resources for their mental health.

The Organization was incorporated in Ontario without share capital on April 1, 2013 and as such is prohibited from distributing any of its funds to, or for personal benefit of its members. Upon dissolution of the Organization, any remaining assets are to be distributed to the Canadian Mental Health Association, Ontario Division. The Organization qualifies as a charitable organization as defined in the Federal and Ontario Income Tax Acts and, accordingly, is not subject to income taxes.

2. Summary of significant accounting policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"), except where the Organization has elected to depart from ASNPO in its treatment of amortization of capital assets (see capital assets policy below). The departure consists of amortizing capital assets funded by the Ministry of Health - Housing Program at amounts equal to the annual mortgage principal repayment rather than over the assets useful lives. The significant policies are detailed as follows:

Fund accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. The Organization uses the restricted fund method of accounting for its contributions. Under this method, the Organization reports the use of its resources in one of two funds as follows:

- i. The reserve fund reports all externally restricted funding received from the Ministry of Health - Housing with stipulated use for repairs and replacements of Housing Program capital assets and related externally restricted investment income and the related expenditures.
- ii. The operating fund accounts for the Organization's other activities including program delivery and administrative activities. This fund reports unrestricted revenues, externally restricted operating grants other than those reported in the reserve fund and resources internally restricted by the Board of Directors.

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Revenue and expenditure recognition

Revenues and expenditures are recorded on an accrual basis. The Organization follows the restricted method of accounting for contributions. Contributions include grants, donations and fundraising. Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions for which there is no separate restricted fund, are recognized as revenue in the operating fund in the period in which the related expenses are incurred.

The Province of Ontario provides operating funds which are recorded as revenue in the period to which they relate. Funds approved but not received at the end of the accounting period are accrued. Any unused funds which must be repaid are recorded as a liability.

Rental income earned under lease agreements is recognized on a straight-line basis over the term of the lease.

Interest, training and miscellaneous income is recognized when earned.

Cash and cash equivalents

Cash and cash equivalents is defined as cash held with Canadian chartered banks, petty cash, and funds held in investment savings accounts.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Capital assets, other than those funded by the Ministry of Health - Housing Program, are amortized on a straight-line basis over their estimated useful lives as follows:

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Capital assets (continued)

Building	40 years
Automotive and equipment	5 years
Furniture and fixtures	5 years
Property improvements	5 years
Computer equipment	3 years

As required by the Ministry of Health - Housing Program accounting policies, capital assets funded by this program are amortized at an amount equal to the mortgage principal repayment each year. The capital assets funded by this program are presented by location, rather than by asset class.

Capital assets are reviewed for impairment whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

Operating leases

An operating lease is a lease whereby substantially all of the benefits and risks incidental to ownership of the property are not transferred to the Organization. Lease rentals under operating leases are included in the determination of excess of revenue over expenditures over the lease term on a straight-line basis.

Contributed materials and services

Contributed materials that are used in the normal course of operations and would otherwise have been purchased are recorded in the financial statements at the time of the contribution and a fair value can be reasonably estimated.

Volunteers contribute a significant amount of their time to assist the Organization in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

2. Summary of significant accounting policies (continued)

Government assistance

Government assistance is recorded as revenue when related expenditures are incurred.

Use of estimates

Management reviews the carrying value of items in the financial statements at each reporting date to assess the need for revisions or any possibility of impairment. Management determines estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action. Estimates are reviewed periodically and adjustments are made to revenue and expenditures as appropriate in the year they become known. The most significant items that involve the use of estimates are revenue recognized from grants and the useful life of capital assets.

The amount due to funders and related revenue recognized from grants requires a number of estimates. If the Organization does not meet the terms of its funding agreements, the grantors have the right to adjust funding repayable by the Organization. The grantors are not required to communicate certain funding adjustments until after the completion of the financial statements. Accordingly, the amount due to funders and related funding revenue recognized during the year may be increased or decreased subsequent to year end. The amount due to funders and related revenue recognized in these financial statements represents management's best estimate of amounts that have been earned during the year.

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch Notes to the Financial Statements

March 31, 2023

2. Summary of significant accounting policies (continued)

Financial instruments

Financial instruments from arm's length transactions

The Organization considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. The Organization accounts for the following as financial instruments:

- cash and cash equivalents
- short term investment
- accounts receivable
- accounts payable
- due to Province of Ontario
- long term debt

A financial asset or liability is recognized when the Organization becomes a party to a contractual provision of the instrument.

The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all of its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net income.

Financial instruments from related party transactions

Financial assets and financial liabilities in related party transactions are initially measured at cost, with the exception of certain instruments which are initially measured at fair value. The Organization's only financial instrument in related party transactions consists of accounts receivable, as disclosed in Note 19, which is initially measured at cost. The Organization does not have any financial liabilities in related party transactions. The Organization does not have any financial assets or financial liabilities in related party transactions which are initially measured at fair value.

Financial assets and financial liabilities recognized in related party transactions are subsequently measured based on how the Organization initially measured the instrument. Financial instruments initially measured at cost are subsequently measured at cost, less any impairment for financial assets. Financial instruments initially measured at fair value, of which the Organization has none, would be subsequently measured at amortized cost or fair value based on certain conditions.

Gains or losses arising on initial measurement differences are generally recognized in net income when the transaction is in the normal course of operations, and in equity when the transaction is not in the normal course of operations, subject to certain exceptions.

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

2. Summary of significant accounting policies (continued)

Financial instruments (continued)

Financial assets measured at cost are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in net income.

Canadian Mental Health Association, Haliburton, Kawartha, Pine Ridge Branch Notes to the Financial Statements

March 31, 2023

3. Prior period restatement

The Organization has retroactively restated the comparative financial statements to correct the following errors:

1. In the prior year, the Organization recorded an accrued liability and the related capital asset purchase in the amount of \$718,648 for assets that were not received by year end. The asset purchase and accrued liability should not have been recorded.
2. In prior years, the Organization reported certain externally restricted contributions as revenue in the unrestricted fund upon receipt and recorded interfund transfers of the unspent amounts from the unrestricted fund to the internally restricted fund each year. Since the Organization follows the restricted fund method of accounting for contributions, and did not have funds for purposes restricted by the contributions, the contributions should have been recorded as deferred contributions and recorded as revenue when the related expenditures were incurred.
3. In prior years, the Organization recorded expenditures relating to its benefit plan as payments were made to the plan benefit provider, rather than when the expenditures were actually incurred. The Organization should have recorded the actual expenditures as incurred and should have recorded the excess of payments over the expenditures as prepaid expenses.
4. In prior years, the Organization recorded its investment in capital assets balance at an amount of \$125,000. The Organization should have recorded this balance at an amount equal to the net book value of capital assets less the liabilities related to the capital assets.
5. In prior years, the Organization recorded rental revenue received from the Rent Supplement and Community Homes for Opportunity programs as a reduction in housing accommodation (2022 - rent supplement) expenses. The Organization should have recorded the rental revenue and rental expenses at their gross amounts.
6. In prior years, the Organization reported certain contributions received as deferred contributions when there were no external restrictions placed on these funds. The amounts should have been recognized as revenue when received and these amounts should have been transferred to the internally restricted fund so that the funds could be set aside for their intended purpose.
7. In prior years, the Organization recorded amortization for buildings, other than those funding by the Ministry of Health – Housing Program, on a straight-line basis based on an estimated useful life of 20 years. It was determined that a more reasonable estimated useful life was 40 years.

The effect of the prior period restatements on the comparative financial statement figures is as follows:

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

3. Prior period restatement (continued)

	Previously Reported	Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	Adjustment 6	Adjustment 7	Total Adjustment	Restated
Statement of Financial Position										
Prepaid expenses	\$ 57,081	\$ -	\$ -	\$ 483,859	\$ -	\$ -	\$ -	\$ -	\$ 483,859	\$ 540,940
Capital assets	2,920,349	(718,648)	-	-	-	-	-	581,235	(137,413)	2,782,936
Accounts payable and accrued liabilities	2,145,282	(718,648)	-	-	-	-	-	-	(718,648)	1,426,634
Deferred contributions	286,626	-	1,017,010	-	-	-	(130,819)	-	886,191	1,172,817
Deferred capital contributions	1,411,842	-	11,770	-	-	-	-	467,959	479,729	1,891,571
Unrestricted fund balance	467,013	-	7,605	483,859	(170,023)	-	(13,543)	113,276	421,174	888,187
Investment in capital assets - internally restricted	125,000	-	-	-	170,023	-	-	-	170,023	295,023
Internally restricted	1,661,853	-	(1,036,385)	-	-	-	144,362	-	(892,023)	769,830
Statement of Changes in Fund Balances										
Total fund balance, opening	2,839,443	-	(882,096)	452,897	-	-	117,285	94,386	(217,528)	2,621,915
Statement of Operations										
Rental income	169,569	-	-	-	-	671,017	-	-	671,017	840,586
Donations and fundraising	257,667	-	(146,684)	-	-	-	13,534	-	(133,150)	124,517
Amortization of deferred contributions	121,588	-	-	-	-	-	-	(24,224)	(24,224)	97,364
Salary and benefits	10,603,521	-	-	(30,962)	-	-	-	-	(30,692)	10,572,559
Housing accommodation Amortization	1,895,456	-	-	-	-	671,017	-	-	671,017	2,566,473
	329,116	-	-	-	-	-	-	(43,113)	(43,113)	286,003
Statement of Cash Flows										
Prepaid expenses	(25,430)	-	-	(30,962)	-	-	-	-	(30,962)	(56,392)
Accounts payable and accrued liabilities	462,941	(718,648)	-	-	-	-	-	-	(718,648)	(255,707)
Purchase of capital assets	(1,277,394)	718,648	-	-	-	-	-	-	718,648	(558,747)
Deferred contributions	5,558	-	146,684	-	-	-	(13,534)	-	133,150	138,708

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

4. Financial instruments risks

The Organization is exposed to various risks associated with its financial instruments as described below. Unless otherwise noted, there has been no change in risk exposure from the prior year.

(a) Liquidity risk

Liquidity risk is the risk that the Organization will not be able to meet its obligations associated with financial liabilities. Cash flow from operations provides a substantial portion of the Organization's cash requirements.

(b) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The Organization is subject to limited interest rate risk on its interest-bearing financial instruments, consisting of long term debt since the instruments have fixed rates (Note 12).

5. Short term investment

Included in short term investments is one guaranteed investment certificate (GIC) held with a Canadian financial institution. The GIC has a maturity date of February 2024 and produces an annual yield of 3.75%.

6. Accounts receivable

The accounts receivable is shown net of an allowance for doubtful accounts of \$10,301 (2022 - \$10,301).

7. Interfund balances

The interfund balances consist of amounts owing/owed between funds. These interfund advances are non-interest bearing with no fixed terms of repayment.

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

8. Capital assets

Capital assets and related accumulated amortization are classified as follows:

	2023 Cost	2023 Accumulated Amortization	2022 Cost (Restated - Note 3)	2022 Accumulated Amortization (Restated - Note 3)
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Housing program:				
Land, buildings and equipment	\$ 3,237,914	\$ 2,717,143	\$ 3,237,914	\$ 2,550,391
Other programs:				
Land	325,000	-	325,000	-
Buildings	1,724,174	628,136	1,724,174	585,031
Automotive equipment	1,605,819	376,908	764,954	217,974
Office furniture and fixtures	183,320	124,998	249,985	167,059
Property improvements	97,409	96,045	97,409	96,045
Computer equipment	69,266	6,927	-	-
	<u>4,004,988</u>	<u>1,233,014</u>	<u>3,161,522</u>	<u>1,066,109</u>
Total	<u>7,242,902</u>	<u>3,950,157</u>	<u>6,399,436</u>	<u>3,616,500</u>
Net book value	<u>\$ 3,292,745</u>		<u>\$ 2,782,936</u>	

Included in automotive equipment is \$104,225 (2022 - \$341,088) of deposits on capital assets which are not being amortized.

Costs and accumulated amortization of \$1,292,651 were written off during the year for office furniture and fixtures that were fully amortized.

9. Government remittances

Included in accounts payable and accrued liabilities are government remittances of \$149,519 (2022 - \$11,444).

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

10. Due to the Province of Ontario

This balance consists of grant funding repayable to the Province of Ontario for multiple fiscal years and ministries.

11. Deferred contributions

Deferred contributions consist of grants and donations received for restricted operating purposes which have yet to be spent.

	<u>2023</u>	<u>2022 (Restated - Note 3)</u>
Balance - beginning of year	\$ 1,172,817	\$ 1,167,259
Funding received	1,493,615	276,151
Funding spent	<u>(1,269,578)</u>	<u>(270,593)</u>
Balance - end of year	<u>\$ 1,396,854</u>	<u>\$ 1,172,817</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

12. Long term debt

	<u>2023</u>	<u>2022</u>
Mortgage loans payable to Scotiabank		
Bearing interest at 1.718%, repayable in blended monthly payments of \$5,028, due May 1, 2026	\$ 185,860	\$ 242,491
Bearing interest at 2.62%, repayable in blended monthly payments of \$862, due October 1, 2022	-	30,628
Bearing interest at 5.12%, repayable in blended monthly payments of \$890, due April 1, 2025	21,067	-
Mortgage loans payable to MCAP Financial		
Bearing interest at 3.385%, repayable in blended monthly payments of \$2,537, due March 1, 2024	61,166	89,041
Bearing interest at 5.967%, repayable in blended monthly payments of \$1,600, due November 1, 2023	47,165	63,074
Mortgage loan payable to the Great-West Life Assurance Company		
Bearing interest at 6.49%, repayable in blended monthly payments of \$2,023, due January 1, 2026	62,741	82,310
Mortgage loans payable to the People's Trust Company		
Bearing interest at 2.375%, repayable in blended monthly payments of \$1,209, due July 1, 2024	29,456	43,088
Bearing interest at 4.05%, repayable in blended monthly payments of \$831, due May 1, 2023	1,654	11,353
Bearing interest at 2.375%, repayable in blended monthly payments of \$1,231, due July 1, 2024	29,989	43,868
Mortgage demand loans payable to the Royal Bank of Canada		
Bearing interest at 4.54%, repayable in blended monthly payments of \$3,594	482,789	505,313
Bearing interest at 4.54%, repayable in blended monthly payments of \$1,533	205,984	215,594
	<u>1,127,871</u>	<u>1,326,760</u>
Less current portion:		
Cash repayments required within 12 months	(257,279)	(196,551)
Callable debt	(657,875)	(691,200)
Long-term portion	<u>\$ 212,717</u>	<u>\$ 439,009</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

12. Long term debt (continued)

The mortgage loans payable and mortgage demand loans payable are secured by specific charges on the land and buildings of the Organization.

The Province of Ontario negotiates and renews the Housing program loans and the Organization does not participate in the negotiations as the mortgage payments are funded by the province.

Although the loans payable to the Royal Bank of Canada are due on demand, management does not believe that the demand feature will be exercised in the current period. Assuming payment of the callable debt is not demanded, regular principal payments required on all the long-term debt over the next five years is as follows:

	<u>Total</u>
2024	\$ 257,279
2025	154,758
2026	114,066
2027	45,451
2028	37,039
Subsequent years	<u>519,278</u>
	<u>\$ 1,127,871</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

13. Deferred capital contributions

Deferred capital contributions represent unspent and unamortized grants and donations received for the purchase of capital assets.

	<u>2023</u>	<u>2022 (Restated - Note 3)</u>
Balance - beginning of year	\$ 1,891,571	\$ 751,925
Funding received	454,683	1,237,010
Amortization of deferred capital contributions	<u>(218,672)</u>	<u>(97,364)</u>
Balance - end of year	<u>\$ 2,127,582</u>	<u>\$ 1,891,571</u>
Balance - end of year consists of:		
Unspent	\$ 367,136	\$ 730,416
Unamortized	<u>1,760,446</u>	<u>1,161,155</u>
	<u>\$ 2,127,582</u>	<u>\$ 1,891,571</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

14. Interfund transfers and internally restricted fund

The Board of Directors has approved interfund transfers as follows:

	<u>Unrestricted</u>	<u>Internally restricted - Invested in capital assets</u>	<u>Internally restricted - Other</u>
Amortization expense	\$ 412,385	\$ (412,385)	\$ -
Capital asset purchases	(922,195)	922,195	-
Capital contributions received	454,683	(454,683)	-
Amortization of deferred contributions	(218,672)	218,672	-
Change in capital contributions unspent	363,284	(363,284)	-
Repayment of debt	(198,889)	198,889	-
Transfer of internally restricted - other funds	(444,768)	-	444,768
	<u>\$ (554,172)</u>	<u>\$ 109,404</u>	<u>\$ 444,768</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

14. Interfund transfers and internally restricted fund (continued)

The internally restricted fund and interfund transfers within are comprised of the following:

	Balance beginning of year (Restated - Note 3)	Interfund transfers	Balance end of year
Fundraising	\$ 180,795	\$ 33,024	\$ 213,819
Making It Work	179,218	-	179,218
Urgent Reponse	62,171	20,503	82,674
Quality Assurance Wages	44,527	-	44,527
Housing Bricks and Mortar Maintenance	42,908	-	42,908
DDCC Clinics	41,011	(2,030)	38,981
Alternative Business	38,958	-	38,958
Flex Funds	33,500	-	33,500
Community Training	58,283	(26,310)	31,973
OTN Clinical Sessions	19,980	-	19,980
EPI Consultation	16,370	-	16,370
EPI training	16,308	-	16,308
Trans Peer Outreach	13,534	1,397	14,931
APS/TAY	7,945	-	7,945
Catering	5,403	-	5,403
City of Peterborough Outreach	3,192	-	3,192
Kids on the Block	2,995	-	2,995
Cleaning services	2,624	-	2,624
Food Bank	108	-	108
MMHAC	-	418,184	418,184
	<u>\$ 769,830</u>	<u>\$ 444,768</u>	<u>\$ 1,214,598</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

15. Grants

Grants are comprised of the following:

	<u>Operating Fund</u>	<u>Reserve Fund</u>	<u>2023 Total</u>	<u>2022 Total</u>
Ontario Health East	\$ 9,802,253	\$ -	\$ 9,802,253	\$ 9,685,106
Ministry of Health - Housing - Rent supplement	1,484,260	260,115	1,744,375	1,744,320
Ministry of Health - Housing - Community Homes for Opportunity	818,794	-	818,794	499,536
Ministry of Health - Housing - Private Non-Profit	586,287	109,448	695,735	627,589
Ministry of Children, Community and Social Service	1,258,867	-	1,258,867	1,288,408
Ministry of Health - Centre of Excellence	1,000,000	-	1,000,000	118,702
Fleming Employment Services	321,658	-	321,658	304,104
United Way of Peterborough and District	308,501	-	308,501	129,437
Municipal funding	115,329	-	115,329	46,510
CMHA Toronto	96,792	-	96,792	110,184
Other	45,088	-	45,088	45,092
	<u>\$ 15,837,829</u>	<u>\$ 369,563</u>	<u>\$ 16,207,392</u>	<u>\$ 14,598,988</u>

16. Economic dependence

The Organization receives a significant amount of funding from the Province of Ontario and as such is economically dependent on this source of revenue.

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

17. Commitments

The Organization has entered into four long-term residential lease agreements for housing clients under the rent supplement program. The agreements have varying terms. The Organization has also entered into one long-term commercial lease agreement for the use of office space.

The total future minimum lease payments in the next five years are as follows:

2024	\$	354,334
2025		390,842
2026		394,504
2027		350,771
2028		320,663
Thereafter		<u>2,219,768</u>
Total	\$	<u>4,030,882</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

18. Pension plan

Substantially all of the employees of the Organization are eligible to be members of the Healthcare of Ontario Pension Plan (HOOPP), which is a multi-employer final average pay contributory pension plan. Employer contributions made to the plan by the Organization during the year amounted to \$719,569 (2022 - \$680,619). These amounts are included in salaries and benefits expense in the statement of operations.

The most recent valuation for financial reporting purposes completed by HOOPP was as of December 31, 2022 and disclosed the following (in \$ millions) for 2022 and 2021 respectively:

	<u>2022</u>	<u>2021</u>
Net assets available for benefits	\$ 103,674	\$ 114,414
Accrued pension benefit obligation	<u>(92,721)</u>	<u>(85,902)</u>
Pension surplus	<u>\$ 10,953</u>	<u>\$ 28,512</u>

**Canadian Mental Health Association,
Haliburton, Kawartha, Pine Ridge Branch
Notes to the Financial Statements**

March 31, 2023

19. Related party transactions

The Organization exercises significant influence over Canadian Mental Health Association Non Profit Housing Corporation of Peterborough ("CMHA NPHC") by virtue of its ability to influence decisions such as the properties to be purchased and also provides significant contributions towards the properties purchased. CMHA NPHC was established to provide, acquire, develop and operate non-profit residential accommodation and real estate including incidental facilities and uses thereto. CMHA NPHC provides residential accommodation to clients of the Organization as well as other tenants that are not clients of the Organization. CMHA NPHC is incorporated without share capital under Letters Patent issued by the Province of Ontario and qualifies as a non-profit organization as defined in the Income Tax Act and is therefore not subject to income tax.

During the year, the Organization paid rent (included in housing accommodation expenditures) to CMHA NPHC in the amount of \$191,704 (2022 - \$191,200), and CMHA NPHC paid maintenance and administrative fees (included in other income) to the Organization in the amount of \$44,375 (2022 - \$26,375). As of March 31, 2023, there is a balance of \$23,810 (2022 - \$2,543) owing from CMHA NPHC to the Organization (included in accounts receivable) which is unsecured, non-interest bearing with no specified repayment terms.

The Organization has entered into two lease agreements with CMHA NPHC. The outstanding commitments on the leases amount to \$19,006 and \$44,606, and end on June 30, 2024 and February 28, 2026, respectively.

In years where a new property is purchased by CMHA NPHC, the Organization receives permission from the Ministry of Health - Housing to use surplus funds to make contributions to CMHA NPHC towards the purchase of the property. During the year, the Organization made contributions of \$Nil (2022 - \$400,000) to CMHA NPHC.

20. Comparative figures

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year earnings.
