

**CANADIAN MENTAL HEALTH  
ASSOCIATION GREY BRUCE**

**FINANCIAL STATEMENTS**

**MARCH 31, 2019**

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
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**MARCH 31, 2019**

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of **Canadian Mental Health Association Grey Bruce**:

### **Qualified Opinion**

We have audited the financial statements of **Canadian Mental Health Association Grey Bruce** (the Organization), which comprise the statement of financial position as at March 31, 2019 and the statements of operations and changes in net assets and cash flows for the period 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 matter 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, 2019, and results of its operations and its cash flows for the period then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

**Canadian Mental Health Association Grey Bruce** derives revenue from charitable donations and fundraising activities, 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. Consequently, we were unable to determine whether any adjustments were necessary to revenues, excess of revenues over expenditures, and cash flows for the years ended March 31, 2019 and assets and fund balances as at March 31, 2019. Our audit opinion was modified accordingly because of the possible effect of this scope limitation.

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.

### **Restriction on Distribution**

The financial statements are prepared for the management, Board of Directors and Funders of Canadian Mental Health Association of Grey Bruce to meet internal and external accountability requirements. As a result, the statement may not be suitable for another purpose.

Our report is intended solely for Canadian Mental Health Association of Grey Bruce Board of Directors and Funders and should not be distributed to parties other than Canadian Mental Health Association of Grey Bruce or its Funders.

### **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.

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## INDEPENDENT AUDITOR'S REPORT CONTINUED

### 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.
- 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.

*Baker Tilly SGB LLP*

**BAKER TILLY SGB LLP**  
**LICENSED PUBLIC ACCOUNTANTS**  
Owen Sound, Ontario  
July 31, 2019

AUDIT • TAX • ADVISORY

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2019**

	\$
<b>ASSETS</b>	
<b>CURRENT:</b>	
Cash - Operating	2,606,149
Cash - Capital Reserve	317,227
Accounts Receivable	415,516
Investments (Note 2)	88,215
Prepaid Expenses	51,126
	<u>3,478,233</u>
<b>PROPERTY AND EQUIPMENT (Note 3)</b>	<u>1,311,815</u>
	<u><u>4,790,048</u></u>
<b>LIABILITIES</b>	
<b>CURRENT:</b>	
Accounts Payable and Accrued Liabilities (Note 4)	1,028,475
Deferred Revenue (Note 5)	352,763
Due to Ministry of Health and Long-Term Care - Non-Shelter (Note 7)	715,547
Due to Ministry of Health and Long-Term Care - Shelter (Note 7)	44,460
Due to Ministry of Health and Long-Term Care - Community Homes for Opportunity (Note 7)	66,928
Current Portion of Mortgages	283,113
	<u>2,491,286</u>
<b>DEFERRED CONTRIBUTIONS (Note 6)</b>	716,969
<b>MORTGAGES PAYABLE (Note 8)</b>	<u>137,515</u>
	<u><u>3,345,770</u></u>
<b>FUND BALANCES</b>	
<b>CAPITAL RESERVE FUND (Note 10)</b>	317,227
<b>OPERATING RESERVE FUND (Note 10)</b>	749,693
<b>DONATIONS AND FUNDRAISING RESERVE FUND (Note 11)</b>	377,358
	<u>1,444,278</u>
	<u><u>4,790,048</u></u>

**ON BEHALF OF THE BOARD**

 Director

 Director

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**STATEMENT OF CHANGES IN FUND BALANCES**  
**AS AT MARCH 31, 2019**

	Unrestricted \$	Capital Reserve Fund \$	Operating Reserve Fund \$	Donations and Fundraising Reserve Fund \$	2019 \$
Fund Balance Assumed on Amalgamation	-	325,744	737,968	338,139	1,401,851
Excess of Revenue over Expenditures	-	-	11,725	39,219	50,944
Current Period's Contributions	-	51,400	-	-	51,400
Current Period's Expenses	-	(63,366)	-	-	(63,366)
Interest Earned	-	3,449	-	-	3,449
Fund Balance at End of Period	-	317,227	749,693	377,358	1,444,278

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**STATEMENT OF OPERATIONS**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

	2019 \$
<b>REVENUE:</b>	
Ministry of Health and Long-Term Care Via South West LHIN	
Operating Budget	5,843,731
One-Time Funding	15,324
Ministry of Health and Long-Term Care	
Operating Budget - Shelter and Rent Subsidy	673,345
One-Time Funding	9,100
Capital Reserve	51,400
Ministry of Attorney General	65,425
Ministry of Community Safety and Correctional Services	45,558
Grey County Funding for Community Drug & Alcohol Strategy	27,361
Grey County Grant - Outreach Support	60,954
Bruce County Purchase of Addiction Services	8,737
Bruce County Funding for Community Drug & Alcohol Strategy	27,361
Shelter Rental Income - Tenants	494,600
Donations and Fundraising	274,665
Amounts Previously Deferred by Predecessor Organizations	455,519
Amortization of Deferred Contributions	68,960
Grey Bruce Health Services - Purchase Services	33,328
Other Income	72,002
<b>TOTAL REVENUE</b>	<b>8,227,370</b>
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	4,223,332
Benefits	922,908
Purchased Services	38,114
	<b>5,184,354</b>
<b>SESSIONAL FEES-</b>	
	<b>75,916</b>
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Advertising and Promotion	12,778
Audit Fees	26,830
Bad Debt Expense	4,014
Board and Staff Education	71,895
Liability Insurance	19,517
Maintenance Supplies	7,273
Office and Computer Supplies	76,590
Professional Fees	205,642
Program and Craft Supplies	185,289
Telephone and Internet	74,614
Travel	137,384
Other Expenses	94,902
	<b>916,728</b>
<b>EQUIPMENT-</b>	
Equipment Lease and Maintenance	46,881
Minor Equipment and Furniture Purchases	96,228
	<b>143,109</b>

(See Accompanying Notes to Financial Statements)

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**STATEMENT OF OPERATIONS (CONTINUED)**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

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	2019 \$
<b>FACILITIES EXPENSES-</b>	
Property Insurance	15,404
Maintenance Service	124,678
Mortgage Interest	5,956
Rent, Utilities and Taxes	300,135
Rent - Apartment Program	465,671
Community Homes for Opportunities Facility Costs	495,998
	<b>1,407,842</b>
<b>AMORTIZATION</b>	120,325
<b>CHANGE IN UNFUNDED VACATION LIABILITY</b>	(16,633)
<b>TRANSFER TO CAPITAL RESERVE</b>	51,400
<b>TOTAL EXPENDITURES</b>	<b>7,883,041</b>
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	344,329
<b>DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE</b>	(293,385)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>50,944</b>

(See Accompanying Notes to Financial Statements)



**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**STATEMENT OF CASH FLOW**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

	\$
<b>CASH PROVIDED BY (USED FOR):</b>	
<b>OPERATING ACTIVITIES:</b>	
Excess of Revenue over Expenditures	50,944
Charges not involving cash	
Amortization of Property and Equipment	120,325
Amortization of Deferred Contributions	(68,960)
Unrealized Loss on Investments	5,060
	<u>107,369</u>
Change In:	
Accounts Receivable	(63,545)
Prepaid Expenses	18,346
Accounts Payable and Accrued Liabilities	138,803
Deferred Revenue	(523,119)
Due to Ministry of Health and Long-Term Care	316,082
	<u>(6,064)</u>
<b>FINANCING AND INVESTING ACTIVITIES:</b>	
Purchase of Property and Equipment	(56,464)
Deferred Contributions Related to Property and Equipment	56,464
Net Contribution to Capital Reserve Fund	(8,517)
Principal Payment on Mortgages	(42,573)
	<u>(51,090)</u>
<b>DECREASE IN CASH DURING PERIOD</b>	<b>(57,154)</b>
<b>CASH AT BEGINNING OF PERIOD</b>	<b>2,980,530</b>
<b>CASH AT END OF PERIOD</b>	<b>2,923,376</b>
<b>CASH CONSISTS OF:</b>	
Cash - Operating	2,606,149
Cash - Capital Reserve	317,227
	<u>2,923,376</u>

(See Accompanying Notes to Financial Statements)

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2019**

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**PURPOSE OF ORGANIZATION**

The purpose of the Canadian Mental Health Association Grey Bruce (the Organization) is to provide mental health and addictions services to individuals in Grey and Bruce counties.

The Organization was created upon the merger of HopeGreyBruce Mental Health and Addictions Services, Canadian Mental Health Association - Grey Bruce Branch and G&B House pursuant to an Amalgamation Agreement between the three formerly independent not-for-profit organizations. The Organization assumed all assets and liabilities at book value of the predecessor Organizations.

By way of letters patent of amalgamation dated September 1, 2019, the Organization was constituted under the Corporations Act of the Province of Ontario as a corporation without share capital.

The Organization is a registered charity and is exempt from tax under the Income Tax Act

**1. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. These financial statements have been prepared using the accrual basis of accounting. The accrual basis recognizes revenues as they become available and measurable; expenditures are recognized as they are incurred and measurable as a result of receipt of goods or services and the creation of a legal obligation to pay. The significant accounting policies applied in accordance with these standards are as follows:

**(A) FUND ACCOUNTING**

The externally restricted funds relate to segregated funding from the housing program of the Ministry of Health and Long-Term Care Housing to be used for capital and maintenance items.

The Donation and Fundraising Reserve Fund includes the unexpended donations and fundraising income, which are not subject to recovery.

**(B) REVENUE RECOGNITION**

Canadian Mental Health Association Grey Bruce uses the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the period in which the related expenses are incurred.

Unrestricted contributions and donations are recognized as revenue of the appropriate fund, when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related capital asset. Tenant rental, purchased services and other revenue is recognized on an accrual basis as it is earned and when collectability is reasonably assured.

**(C) PROPERTY AND EQUIPMENT**

Purchased property and equipment assets are recorded at cost. Contributed property and equipment assets are recorded at fair value at the date of the contribution. Amortization is provided on a straight-line basis over the estimated useful lives of the assets, using the following rates:

Buildings	25 years
Equipment	3 - 5 years
Leasehold Improvements	5 - 10 years

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2019**

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**1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**(D) USE OF ESTIMATES**

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the period in which they become known. Actual results could differ from those estimates.

**(E) FINANCIAL INSTRUMENTS**

The Organization's financial instruments consist of cash, accounts receivable, investments, accounts payable, amounts due to funders and mortgages payable. The Organization initially measures its financial assets and financial liabilities at fair value. The Organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the Statement of operations.

**(F) RECOVERIES**

The recovery of operating costs from the Ministry of Health and Long-Term Care is as follows:

The Organization is reimbursed for the total of its allowable operating costs after exclusion of specified revenues and expenses, including expenses not financed by the Ministry.

Management of the Organization considers that the amounts shown as unexpended funds represent the full amount payable to the Ministry. However, the final total to be recovered for the current fiscal period will not be determined until the Ministry has reviewed the Organization's financial and statistical returns. If the Ministry determines that any of the costs incurred during the year are non-allowable, a corresponding adjustment would be made in the amount to be recovered in that future period.

**(G) CONTRIBUTED SERVICES**

Volunteers contribute numerous hours per year to assist the organization in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**(H) ALLOCATION OF EXPENSES**

The Organization reports costs for its operations by program. Costs that can be identified to a specific program are allocated directly to that program. Shared program costs are allocated to programs based on management's estimate of the time, usage, or space that best reflects actual utilization of the cost.

**(I) CASH AND CASH EQUIVALENTS**

Cash and cash equivalents consist of cash on hand and cash deposited in Canadian bank accounts.

**2. INVESTMENTS**

The Organization's investments are held in a portfolio of blue chip stocks through RBC Direct Investing Inc. At March 31, 2019, the fair market value of these investments is \$88,215 and the book cost is \$76,221.

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2019**

**3. PROPERTY AND EQUIPMENT AND ACCUMULATED AMORTIZATION**

	Non-Shelter \$	Shelter \$	Community Homes for Opportunity \$	Total 2019 \$
<b>COST-</b>				
Land	115,000	280,000	-	395,000
Building	788,474	1,299,345	-	2,087,819
Equipment	961,590	-	62,221	1,023,811
Leasehold Improvements	407,977	-	-	407,977
	<u>2,273,041</u>	<u>1,579,345</u>	<u>62,221</u>	<u>3,914,607</u>
<b>ACCUMULATED AMORTIZATION-</b>				
Building	412,130	1,069,030	-	1,481,160
Equipment	852,171	-	7,264	859,435
Leasehold Improvements	262,197	-	-	262,197
	<u>1,526,498</u>	<u>1,069,030</u>	<u>7,264</u>	<u>2,602,792</u>
	<u>746,543</u>	<u>510,315</u>	<u>54,957</u>	<u>1,311,815</u>

**4. ACCOUNTS PAYABLE**

Included in accounts payable is \$53,127 of Government remittances payable.

**5. DEFERRED REVENUE**

Deferred revenue consists of funding received for general operations or specific projects for which the related expenditures have not been incurred.

Deferred revenue is composed of the following amounts:

	\$
<b>Ministry of Health and Long-Term Care:</b>	
Non-shelter	44,497
Community Homes for Opportunity	8,005
	<u>52,502</u>
<b>Grey County:</b>	
Community Drug and Alcohol Strategy	94,868
Housing Outreach	9,936
	<u>104,804</u>
<b>Bruce County:</b>	
Community Drug and Alcohol Strategy	99,869
Purchase of Addiction Services	95,588
	<u>195,457</u>
<b>TOTAL</b>	<u><u>352,763</u></u>

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2019**

**6. DEFERRED CONTRIBUTIONS**

Deferred contributions represent the unamortized amount of contributions received for the purchase of property, equipment and leasehold improvements. The amortization of contributions is recorded as revenue in the statement of operation. The changes for the period in the deferred contributions balance are as follows:

	2019
	\$
<b>Non-Shelter Services:</b>	
Balance at Beginning of Period	609,229
Contributions for Equipment	23,636
Amounts Amortized to Revenue	<u>(60,538)</u>
Balance at End of Period	<u>572,327</u>
<b>Shelter Services:</b>	
Balance at Beginning of Period	93,871
Amounts Amortized to Revenue	<u>(4,185)</u>
Balance at End of Period	<u>89,686</u>
<b>Community Homes for Opportunity:</b>	
Balance at Beginning of Period	26,366
Contributions for Equipment	32,828
Amounts Amortized to Revenue	<u>(4,238)</u>
Balance at End of Period	<u>54,956</u>
<b>TOTAL</b>	<u><u>716,969</u></u>

**7. DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE**

The amounts owing to Ministries are comprised of the following surpluses not yet recovered:

	\$
<b>Due to Ministry of Health and Long-Term Care-Non-Shelter Services:</b>	
March 31, 2018	509,978
March 31, 2019	<u>205,569</u>
	<u>715,547</u>
<b>Due to Ministry of Health and Long-Term Care-Shelter Services:</b>	
March 31, 2016	4,780
March 31, 2017	382
March 31, 2018	14,899
March 31, 2019	<u>24,399</u>
	<u>44,460</u>
<b>Due to Ministry of Health and Long-Term Care-Community Homes for Opportunity:</b>	
March 31, 2018	3,510
March 31, 2019	<u>63,418</u>
	<u>66,928</u>

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2019**

**8. MORTGAGES PAYABLE**

	2019
	\$
2.164% first mortgage, payable to Scotiabank, secured by land, buildings, a chattel mortgage on equipment and the assignment of rents of the Riverview Apartments, due November 1, 2019. Principal and interest payable in monthly installments of \$2,414	158,628
2.180% first mortgage, payable to the Peoples Trust, secured by land, buildings and a chattel mortgage on equipment of Brooke House, due September 1, 2019. Principal and interest payable in monthly installments of \$1,880	96,614
2.62% first mortgage, payable to Scotiabank, secured by land, buildings and a chattel mortgage on equipment of Frank Street, due October 1, 2022. Principal and interest payable in monthly installments of \$2,655	165,386
	420,628
Less - Current Portion	(283,113)
	137,515

Total debt servicing requirements for the above mortgages are provided through operating grants from the Ministry of Health and Long-Term Care. The following is a schedule of principal payments due within each of the next four years which will be paid by the Organization:

2020	\$	283,113
2021		28,615
2022		29,730
2023		79,170

**9. COMMITMENTS**

(A) The Organization is obligated to make the following annual lease payments:

	Office Space	Apartment Program	Total
	\$	\$	\$
2020	206,303	623,267	829,570
2021	165,119	31,497	196,616
2022	147,741	-	147,741
2023	94,003	-	94,003
2024	86,772	-	86,772

(B) The Organization has entered into an agreement with a healthcare provider for the purchase of psychiatry services. Under the terms of the agreement which expires March 1, 2020, the Organization is obligated to make the following annual payments:

2020	\$	119,262
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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**AS AT MARCH 31, 2019**

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**10. CAPITAL RESERVE AND OPERATING RESERVE**

The Capital Reserve is funded by the capital reserve allowance provided by the Ministry of Health and Long-Term Care. The allowance is deposited into a separate interest bearing bank account. The allowance and interest earned are used to fund specific eligible capital expenditures as permitted by the Ministry.

The Operating Reserve is funded by retained surplus related to operating costs savings in the Brooke House, Riverview Apartments and Frank Street Group Home Programs. The final total to be retained will not be determined until the Ministry has reviewed the Organization's Annual Information Return for the period. The Organization may retain and use, with Ministry approval, any excess of revenues over expenditures to increase the Operating Reserve Fund.

**11. DONATIONS AND FUNDRAISING RESERVE**

Ministry of Health and Long-Term Care policy permits retention of the donations, fundraising and associated interest by the Organization. These retained funds and associated interest are maintained in a separate interest bearing reserve bank account.

**12. FINANCIAL INSTRUMENTS**

The Organization's exposure to risks from financial instruments is described as follows:

**Credit Risk** is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Organization is exposed to credit risk in connection with the collection of its accounts receivable. At March 31, 2019, accounts receivable were net of an allowance for doubtful accounts of \$41,523. The Organization does not anticipate significant loss for non-collection.

**Liquidity Risk** is the risk that the Organization may not be able to meet its obligations. The Organization has a comprehensive plan in place to meet its obligations as they come due - primarily from cash flow from operations.

**Interest Rate Risk** is the risk that fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Organization is exposed to interest rate risk on its long term debt. Specifically, the Organization is exposed to fair value risk due to changes in market rates of interest.

**13. CONTINGENT LIABILITY**

As part of the amalgamation of the three predecessor agencies, a wage harmonization study is being conducted by a third-party consultant which may result in a pay increase for certain staff positions retroactively. As the study is still in its preliminary stages, no reasonable estimate of the associated liability is available at this time.

**14. PERIOD COVERED**

These financial statements reflect the operations for the period September 1, 2018 to March 31, 2019.

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**STATEMENT OF FINANCIAL POSITION BY FUNDER**  
**AS AT MARCH 31, 2019**

SCHEDULE 1

**ASSETS**

**CURRENT:**

Bank - Operating	1,950,024	MOHLTC Shelter \$	535,848	Community Homes for Opportunity \$	150	Donations and Fundraising Reserve \$	119,627	Bruce & Grey County Funding \$	500	Total 2019 \$	2,606,149
Bank - Capital Reserve	-		317,227		-		-		-		317,227
Due to/from Other Programs	(850,495)		288,458		121,227		169,320		271,490		-
Accounts Receivable	331,956		32,439		22,654		196		28,271		415,516
Investments	-		-		-		88,215		-		88,215
Prepaid Expenses	51,126		-		-		-		-		51,126
	1,482,611		1,173,972		144,031		377,358		300,261		3,478,233
	746,543		510,315		54,957		-		-		1,311,815
	2,229,154		1,684,287		198,988		377,358		300,261		4,790,048

**PROPERTY AND EQUIPMENT**

**LIABILITIES**

Accounts Payable and Accrued Liabilities	896,783		62,593		69,099		-		-		1,028,475
Deferred Revenue	44,497		-		8,005		-		300,261		352,763
Due to MOHLTC	715,547		44,460		66,928		-		-		826,935
Current Portion of Mortgages	-		283,113		-		-		-		283,113
	1,656,827		390,166		144,032		-		300,261		2,491,286
	572,327		89,686		54,956		-		-		716,969
	-		137,515		-		-		-		137,515
	2,229,154		617,367		198,988		-		300,261		3,345,770

**DEFERRED CONTRIBUTIONS**

**MORTGAGE PAYABLE**

**FUND BALANCES**

CAPITAL RESERVE FUND	-		317,227		-		-		-		317,227
OPERATING RESERVE FUND	-		749,693		-		-		-		749,693
DONATIONS AND FUNDRAISING RESERVE FUND	-		-		-		377,358		-		377,358
	-		1,066,920		-		377,358		-		1,444,278
	2,229,154		1,684,287		198,988		377,358		300,261		4,790,048

(See Accompanying Notes to Financial Statements)



**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**COMMUNITY MENTAL HEALTH FUNDING - NON SHELTER**

SCHEDULE 2

	\$
<b>REVENUE:</b>	
Ministry of Health and Long-Term Care Via South West LHIN	
Operating Budget	4,616,059
One-Time Funding	34,755
Less Funding used for Capital Assets	<u>(23,636)</u>
	4,627,178
Amounts Previously Deferred	209,085
Amortization of Deferred Contributions	51,310
Grey Bruce Health Services - Purchase of Services	33,328
Other Income	<u>27,162</u>
	<u>4,948,063</u>
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	2,999,951
Benefits	661,082
Purchased Services	<u>38,114</u>
	<u>3,699,147</u>
<b>SESSIONAL FEES-</b>	<u>73,711</u>
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Advertising and Promotion	7,541
Audit Fees	7,954
Board and Staff Education	51,262
Liability Insurance	12,846
Maintenance Supplies	3,160
Office and Computer Supplies	47,731
Professional Fees	166,948
Program and Craft Supplies	49,639
Telephone and Internet	59,633
Travel	96,386
Other Expenses	<u>33,392</u>
	<u>536,492</u>
<b>EQUIPMENT-</b>	
Equipment Lease and Maintenance	44,383
Minor Equipment and Furniture Purchases	<u>85,354</u>
	<u>129,737</u>
<b>FACILITIES EXPENSES-</b>	
Property Insurance	5,278
Maintenance Service	65,796
Rent, Utilities and Taxes	<u>215,152</u>
	<u>286,226</u>
<b>AMORTIZATION</b>	<u>51,310</u>
<b>TOTAL EXPENDITURES</b>	<u>4,776,623</u>
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	171,440
<b>DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE</b>	<u>(171,440)</u>
	<u>-</u>

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**ADDICTION FUNDING - CORE (EXCLUDING PROBLEM GAMBLING)**

SCHEDULE 3

	\$
<b>REVENUE:</b>	
Ministry of Health and Long-Term Care Via South West LHIN	
Operating Budget	1,204,117
One-Time Funding	(19,431)
	1,184,686
Personal Needs Allowances	5,154
Reimbursement of Residential Medical and Dental Expenses	7,877
Ministry of Community Safety and Correctional Services	45,558
Amounts Previously Deferred	47,136
Amortization of Deferred Contributions	13,380
Other Income	5,776
	1,309,567
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	841,401
Benefits	177,281
	1,018,682
<b>SESSIONAL FEES-</b>	
	2,205
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Advertising and Promotion	2,764
Audit Fees	15,705
Board and Staff Education	18,215
Liability Insurance	6,449
Maintenance Supplies	3,935
Office and Computer Supplies	12,259
Professional Fees	36,619
Program and Craft Supplies	18,239
Telephone and Internet	7,832
Travel	24,339
Other Expenses	36,068
	182,424
<b>EQUIPMENT-</b>	
Equipment Lease and Maintenance	702
Minor Equipment and Furniture Purchases	3,076
	3,778
<b>FACILITIES EXPENSES-</b>	
Property Insurance	1,539
Maintenance Service	12,505
Rent, Utilities and Taxes	44,981
	59,025
<b>AMORTIZATION</b>	13,610
<b>TOTAL EXPENDITURES</b>	1,279,724
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	29,843
<b>DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE</b>	(29,843)
	-

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**ADDICTION FUNDING - PROBLEM GAMBLING**

SCHEDULE 4

	\$
<b>REVENUE:</b>	
Ministry of Health and Long-Term Care Via South West LHIN	
Operating Budget	47,191
Amounts Previously Deferred	3,477
Amortization of Deferred Contributions	85
Other Income	201
	50,954
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	31,956
Benefits	6,248
	38,204
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Advertising and Promotion	2,259
Audit Fees	213
Board and Staff Education	65
Liability Insurance	222
Maintenance Supplies	178
Office and Computer Supplies	711
Telephone and Internet	462
Travel	1,319
Other Expenses	466
	5,895
<b>EQUIPMENT-</b>	
Equipment Lease and Maintenance	46
	46
<b>FACILITIES EXPENSES-</b>	
Property Insurance	37
Maintenance Service	324
Rent, Utilities and Taxes	2,077
	2,438
<b>AMORTIZATION</b>	85
<b>TOTAL EXPENDITURES</b>	46,668
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	4,286
<b>DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE</b>	(4,286)
	-

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**BROOKE HOUSE, RIVERVIEW APARTMENTS & FRANK STREET GROUP HOME -  
SHELTER**

SCHEDULE 5

	\$
<b>REVENUE:</b>	
Ministry of Health and Long-Term Care	
Operating Budget	70,943
Mortgage Subsidy	48,637
Capital Reserve	51,400
Rental Income Tenants	37,487
Amortization of Deferred Contributions	4,185
Other Income	10,495
	223,147
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	13,717
Benefits	2,559
	16,276
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Audit Fees	1,791
Office and Computer Supplies	1,591
Telephone and Internet	2,299
Other Expenses	353
	6,034
<b>FACILITIES EXPENSES-</b>	
Insurance	8,550
Maintenance Materials and Services	43,953
Mortgage Interest	5,956
Utilities	17,399
	75,858
<b>AMORTIZATION</b>	42,573
<b>DEPRECIATION</b>	4,185
	46,758
<b>TRANSFER TO CAPITAL RESERVE</b>	51,400
<b>TOTAL EXPENDITURES</b>	196,326
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	26,821
<b>TRANSFER TO OPERATING RESERVE</b>	11,725
	15,096
<b>DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE</b>	(15,096)

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**APARTMENT PROGRAM - RENT SUBSIDY**

SCHEDULE 6

	\$
<b>REVENUE:</b>	
Ministry of Health and Long-Term Care	
Operating Budget	165,991
One-Time Funding	9,100
Amounts Previously Deferred	3,808
Rental Income - Tenants	<u>300,088</u>
	<u>478,987</u>
<b>EXPENDITURES:</b>	
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Bad Debt Expense	4,014
<b>FACILITIES EXPENSES-</b>	
Rent Supplement	<u>465,671</u>
<b>TOTAL EXPENDITURES</b>	<u>469,685</u>
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	9,302
<b>DUE TO MINISTRY OF HEALTH AND LONG-TERM CARE</b>	<u>(9,302)</u>
	<u><u>-</u></u>

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**COMMUNITY HOMES FOR OPPORTUNITY**

SCHEDULE 7

	\$
<b>REVENUE:</b>	
Ministry of Health and Long Term Care	
Operating Budget	420,602
Less: Funding used for Capital Assets	(32,828)
Rental Income - Tenants	157,025
Amounts Previously Deferred	183,021
Other Income	48
	727,868
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	102,820
Benefits	23,344
	126,164
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Board and Staff Education	1,241
Office and Computer Supplies	445
Program and Craft Supplies	20,300
Telephone	629
Travel	10,884
Other Expenses	2,840
	36,339
<b>EQUIPMENT-</b>	
Minor Equipment and Furniture Purchases	5,949
<b>PAYMENTS TO CHO HOMES-</b>	
Additional Services and Support Funds	7,786
Individual Tenant Needs	22,358
Water Testing	3,648
Rent	460,034
	493,826
<b>ONE-TIME EXPENSES-</b>	
Start-Up and One Time Expenses	2,172
<b>TOTAL EXPENDITURES</b>	664,450
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	63,418
<b>DUE TO MINISTRY OF HEALTH AND LONG TERM CARE</b>	(63,418)
	-

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**DONATIONS AND FUNDRAISING**

SCHEDULE 8

	\$
<b>REVENUE:</b>	
Donations Received	254,665
Interest Revenue	2,244
Unrealized Gain (Loss) on Fair Value Investments	(5,060)
Amounts Previously Deferred	8,992
	<b>260,841</b>
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	81,605
Benefits	23,777
	<b>105,382</b>
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Audit Fees	817
Board and Staff Education	912
Office and Computer Supplies	9,757
Program and Craft Supplies	89,558
Telephone	1,400
Travel	1,918
Other Expenses	14,391
	<b>118,753</b>
<b>EQUIPMENT-</b>	
Equipment Lease and Maintenance	1,750
	<b>1,750</b>
<b>FACILITIES EXPENSES-</b>	
Maintenance Service	1,400
Rent, Utilities and Taxes	6,118
	<b>7,518</b>
<b>AMORTIZATION</b>	<b>8,562</b>
<b>TOTAL EXPENDITURES</b>	<b>241,965</b>
<b>NET REVENUE FOR THE PERIOD</b>	<b>18,876</b>
<b>CHANGE IN UNFUNDED VACATION PAY ACCRUAL</b>	<b>16,633</b>
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	<b>35,509</b>

(See Accompanying Notes to Financial Statements)

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE  
REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2019**

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**BRUCE COUNTY - PURCHASE OF ADDICTION SERVICES**

SCHEDULE 9

	\$
<b>REVENUE:</b>	
Bruce County Funding	
Previous Periods' Deferred Revenue	104,325
Current Period's Deferred Revenue	<u>(95,588)</u>
	<u>8,737</u>
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	7,394
Benefits	<u>1,343</u>
<b>TOTAL EXPENDITURES</b>	<u>8,737</u>
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	<u><u>-</u></u>

(See Accompanying Notes to Financial Statements)



**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE  
REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2019**

**BRUCE AND GREY COUNTY GRANTS - COMMUNITY DRUG & ALCOHOL  
STRATEGY**

SCHEDULE 10

	2019 \$
<b>REVENUE:</b>	
County Funding	
Previous Periods' Deferred Revenue - Bruce County	127,230
Previous Periods' Deferred Revenue - Grey County	122,229
Current Period's Deferred Revenue - Bruce County	(99,869)
Current Period's Deferred Revenue - Grey County	(94,868)
	54,722
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	38,896
Benefits	7,865
	46,761
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Working Group Expenses:	
Meeting Expenses	965
Office Supplies	494
Professional Fees	2,075
Telephone	383
Staff Education	135
Travel	1,291
Workshop Expenses	2,253
Other Expenses	56
	7,652
<b>EQUIPMENT-</b>	
Minor Equipment and Furniture Purchases	309
<b>TOTAL EXPENDITURES</b>	54,722
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	-

(See Accompanying Notes to Financial Statements)

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE  
REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT  
FOR THE PERIOD ENDED MARCH 31, 2019**

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**GREY COUNTY GRANT - OUTREACH SUPPORT**

SCHEDULE 11

	\$
<b>REVENUE:</b>	
County Funding	
Current Period	50,000
Previous Periods' Deferred Revenue	20,890
Current Period's Deferred Revenue	<u>(9,936)</u>
	<u>60,954</u>
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	33,431
Benefits	<u>6,318</u>
	<u>39,749</u>
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Staff Education	65
Program and Craft Supplies	5,075
Telephone and Internet	376
Travel	1,043
Other Expenses	<u>5,640</u>
	<u>12,199</u>
<b>EQUIPMENT-</b>	
<b>FACILITIES EXPENSES-</b>	
Rent Subsidy	<u>9,006</u>
<b>TOTAL EXPENDITURES</b>	<u>60,954</u>
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	<u><u>-</u></u>

(See Accompanying Notes to Financial Statements)

**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE**  
**REVENUE, EXPENDITURES AND UNEXPENDED FUNDS STATEMENT**  
**FOR THE PERIOD ENDED MARCH 31, 2019**

**PARTNER ASSAULT RESPONSE PROGRAM**

SCHEDULE 12

	\$
<b>REVENUE:</b>	
Ministry of Attorney General	65,425
Client fees	17,111
Grants	20,000
Other	994
	<b>103,530</b>
<b>EXPENDITURES:</b>	
<b>SALARIES AND BENEFITS-</b>	
Salaries	72,161
Benefits	13,091
	<b>85,252</b>
<b>SUPPLIES AND SUNDRY EXPENSES-</b>	
Advertising and Promotion	214
Audit Fees	350
Office and Computer Supplies	3,602
Program and Craft Supplies	225
Telephone and Internet	1,600
Travel	204
Other Expenses	731
	<b>6,926</b>
<b>EQUIPMENT-</b>	
Minor Equipment and Furniture Purchases	1,540
	<b>1,540</b>
<b>FACILITIES EXPENSES-</b>	
Maintenance Services	700
Rent Subsidy	5,402
	<b>6,102</b>
<b>TOTAL EXPENDITURES</b>	<b>99,820</b>
<b>UNEXPENDED FUNDS FOR THE PERIOD</b>	<b>3,710</b>

(See Accompanying Notes to Financial Statements)

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE  
SHELTER CAPITAL RESERVE  
FOR THE PERIOD ENDED MARCH 31, 2019**

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**BROOKE HOUSE, RIVERVIEW APARTMENTS & FRANK STREET GROUP HOME**

SCHEDULE 13

	\$
<b>BALANCE AT BEGINNING OF PERIOD</b>	<u>325,744</u>
<b>REVENUE:</b>	
Ministry of Health and Long-Term Care - Shelter Services Capital Funding	51,400
Interest Income	<u>3,449</u>
	<u>54,849</u>
<b>EXPENDITURES:</b>	
Repairs and Maintenance	<u>63,366</u>
<b>BALANCE AT END OF PERIOD</b>	<u><u>317,227</u></u>

(See Accompanying Notes to Financial Statements)

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**CANADIAN MENTAL HEALTH ASSOCIATION GREY BRUCE  
SHELTER OPERATING RESERVE  
FOR THE PERIOD ENDED MARCH 31, 2019**

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**BROOKE HOUSE, RIVERVIEW APARTMENTS & FRANK STREET GROUP HOME**

**SCHEDULE 14**

**\$**

<b>BALANCE AT BEGINNING OF PERIOD</b>	<b>737,968</b>
<b>CURRENT PERIOD SURPLUS</b>	<b><u>11,725</u></b>
<b>BALANCE AT END OF PERIOD</b>	<b><u><u>749,693</u></u></b>

(See Accompanying Notes to Financial Statements)