

**CANADIAN MENTAL HEALTH ASSOCIATION
BRANT HALDIMAND NORFOLK BRANCH**

FINANCIAL STATEMENTS

For the year ended March 31, 2020

**CANADIAN MENTAL HEALTH ASSOCIATION
BRANT HALDIMAND NORFOLK BRANCH**

For the year ended March 31, 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch

Qualified Opinion

We have audited the financial statements of Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch (the 'Association'), which comprise the statement of financial position as at March 31, 2020, the statement of operations and net assets, schedule of expenditures, statement of operations and change in fund balance - other funding, statement of operations and changes in fund balance - QuicKlean, and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the 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 Association as at March 31, 2020, and for the year then ended in accordance with the financial provisions of Article 8 of the Service Accountability Agreement between the Canadian Mental Health Association Brant-Haldimand-Norfolk Branch and the Hamilton Niagara Haldimand Brant Local Health Integration Network.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from the general public in the form of donations and grants from government and other agencies, 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 Association. Therefore, we were not able to determine whether any adjustments might be necessary to donation and grant revenue, net income, and cash flows from operations for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2019 was also modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Emphasis of Matter - Basis of Accounting and Restriction on Use

We draw attention to Note 2 to the financial statements, which describes the basis of accounting. The financial statements are prepared to assist Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch to comply with the reporting provisions of the funding agreement referred to above. As a result, the financial statements may not be suitable for another purpose. Our report is intended solely for the directors of Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch and the Hamilton Niagara Haldimand Brant Local Health Integration Network and should not be used by parties other than the Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch or the Hamilton Niagara Haldimand Brant Local Health Integration Network. 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 these financial statements in accordance with the financial reporting provisions of Article 8 of the Service Accountability Agreement between Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch and the Hamilton Niagara Haldimand Brant Local Health Integration Network, 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 Association's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

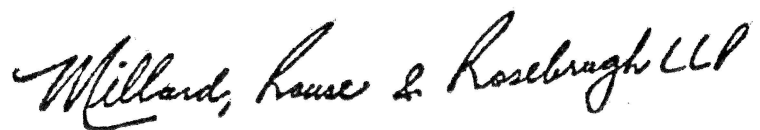
Those charged with governance are responsible for overseeing the Association's financial reporting process.

Auditors' 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 auditors' 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 Association'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 Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' 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 auditors' report. However, future events or conditions may cause the Association 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.



July 10, 2020
Brantford, Ontario

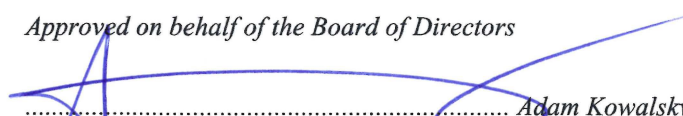
CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

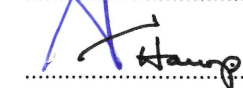
**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

STATEMENT OF FINANCIAL POSITION

As at March 31	2020	2019
ASSETS		
Current Assets		
Cash	1,650	1,650
Bank - Ministry of Health	1,507,235	1,041,852
- QuicKlean	88,200	69,116
Accounts receivable - general	16,598	72,730
Government remittances receivable	84,899	54,468
Investments (GICs) - ENSH at Market Value	114,852	23,443
	1,813,434	1,263,259
Capital Assets (Note 3)	374,525	412,250
Assets of the Replacement Reserve (Note 5)		
Investments (GICs) at Market Value	422,187	405,910
	2,610,146	2,081,419
LIABILITIES		
Current Liabilities		
Accounts payable and accrued liabilities	702,835	567,406
Government remittances payable	-	2,823
Deferred revenue (Note 6)	151,919	93,970
Due to Ministry of Health	89,046	16,309
Due to Local Health Integration Network	271,317	53,600
Current portion of mortgage payable (Note 4)	38,171	37,884
	1,253,288	771,992
Mortgage Payable (Note 4)	336,355	374,366
Replacement Reserve (Note 5)	422,187	405,910
	758,542	780,276
NET ASSETS - Page 4	2,011,830	1,552,268
	598,316	529,151
	2,610,146	2,081,419

Approved on behalf of the Board of Directors


..... Adam Kowalsky, President


..... Eric Harrop, Treasurer

See accompanying notes

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

STATEMENT OF OPERATIONS AND NET ASSETS

For the year ended March 31	2020	2019
Revenues		
Local Health Integration Network		
- Undistributed	5,815,934	4,697,105
- Helping Ourselves Through Peer Support & Employment	238,496	215,258
Ministry of Health		
- Non-Profit Housing	154,119	149,588
- Rent Supplements	708,185	665,914
CIRF	4,781	12,078
Rental Income - Non-Profit Housing	36,600	30,404
Rental Income - Phoenix Place and Rent Supplements	347,178	334,322
Interest and other income	70,292	65,464
Helping Ourselves Through Peer Support & Employment - other	46,014	45,033
Non profit housing - other	5,065	8,898
Phoenix Place - other	12,329	16,400
	7,438,993	6,240,464
Expenditures		
Administration and Support Services - General Administration - Page 5	1,168,043	1,070,205
Administration and Support Services - Information Systems Support - Page 5	168,506	126,550
Case Management - Mental Health - Page 5	1,913,841	1,907,768
Counselling & Treatment - Page 5	82,325	65,907
Primary Care - Mental Health - Vocational/Employment - Page 6	48,293	50,198
Primary Care - Mental Health - Diversion & Court Support - Page 6	613,118	443,046
Primary Care - Mental Health - Social Rehabilitation/Recreation - Page 6	136,400	135,271
Residential Services - Mental Health - Non-Profit Housing - Page 7	169,977	186,106
Residential Services - Mental Health - Rent Supplement - Page 7	989,346	1,005,936
Consumer/Survivor/Family Initiatives - H.O.P.E. - Page 7	281,734	250,338
Consumer/Survivor/Family Initiatives - Family - Page 8	68,057	60,863
Crisis Support Beds - Page 8	1,469,770	874,908
Addictions Treatment - Page 8	2,018	-
	7,111,428	6,177,096
Excess of Revenues over Expenditures	327,565	63,368
Net Assets - Beginning of Year	529,151	439,857
Excess of Revenues over Expenditures - Other Funding - Page 9	25,813	51,425
Excess of Revenues over Expenditures - QuicKlean - Page 10	7,509	32,567
Payable to Local Health Integration Network	(218,500)	(51,571)
Payable to Ministry of Health and Long - Term care	(73,222)	(6,495)
Net Assets - End of Year	598,316	529,151

See accompanying notes

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

SCHEDULE OF EXPENDITURES

For the year ended March 31	2020	2019
Administration and Support Services - General Administration		
Salaries	503,468	402,380
Benefits	70,333	58,406
Supplies	4,203	4,268
Staff travel and education	45,349	64,167
General	118,493	130,032
Equipment	75,063	43,013
Building occupancy	279,402	274,710
Contracted out	31,413	53,613
Utilities	12,175	12,451
Insurance	28,144	27,165
	1,168,043	1,070,205
Administration and Support Services - Information Systems Support		
Salaries	86,876	62,246
Equipment	81,630	64,304
	168,506	126,550
Case Management - Mental Health		
Salaries	1,448,359	1,492,330
Benefits	364,567	334,848
Supplies	2,154	4,725
Staff travel	57,146	54,864
General	11,833	9,562
Equipment	25,558	8,771
RACE	4,224	2,668
	1,913,841	1,907,768
Counselling & Treatment		
Salaries	61,426	51,563
Benefits	12,954	9,752
Supplies	473	558
Staff travel	2,359	2,796
General	5,113	595
Equipment	-	643
	82,325	65,907

See accompanying notes

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

SCHEDULE OF EXPENDITURES

For the year ended March 31	2020	2019
Primary Care - Mental Health - Vocational/Employment		
Salaries	38,233	40,532
Benefits	9,491	8,724
Supplies	97	149
Staff travel and client education	23	370
General	449	423
	48,293	50,198
Primary Care - Mental Health - Diversion & Court Support		
Salaries	462,780	339,489
Benefits	90,260	68,622
Supplies	4,693	1,692
Staff travel	14,223	5,521
General	12,508	14,292
Equipment	28,654	13,430
	613,118	443,046
Primary Care - Mental Health - Social Rehabilitation/Recreation		
Salaries	102,479	101,178
Benefits	22,651	21,866
Supplies	5,821	5,159
Staff travel	4,249	4,054
General	310	369
Equipment	890	2,645
	136,400	135,271

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

SCHEDULE OF EXPENDITURES

For the year ended March 31	2020	2019
Residential Services - Mental Health - Non-Profit Housing		
Salaries	45,774	41,652
Benefits	9,064	8,843
Supplies - utilities	16,187	16,260
General - insurance	4,187	7,804
- other	4,315	3,395
Equipment	9,925	3,573
Building occupancy - general	17,824	33,440
- bad debts	145	363
- replacement reserve	6,660	15,558
- building amortization	37,725	37,252
- mortgage interest	8,740	8,857
- municipal taxes	9,431	9,109
	169,977	186,106
Residential Services - Mental Health - Rent Supplement		
Supplies - utilities	151,702	174,879
COVID-19	18,527	-
Building occupancy - market rent	787,876	801,393
- addictions	31,241	29,664
	989,346	1,005,936
Consumer/Survivor/Family Initiatives - H.O.P.E.		
Salaries	183,949	151,823
Benefits	36,889	37,945
Supplies	9,152	18,477
Staff travel and education	11,880	5,686
General	9,290	12,187
Equipment	8,016	1,294
Building occupancy	22,558	22,926
	281,734	250,338

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

SCHEDULE OF EXPENDITURES

For the year ended March 31	2020	2019
Consumer/Survivor/Family Initiatives - Family		
Salaries	54,474	47,575
Benefits	8,458	6,977
Supplies	2,525	1,804
Staff travel and education	1,021	1,609
General	1,060	2,381
Equipment	519	517
	68,057	60,863
Crisis Support Beds		
Salaries	677,976	635,821
Benefits	114,399	122,320
Supplies - utilities	8,879	7,548
- general	9,347	6,314
Staff travel and education	2,212	1,165
General	19,505	11,852
Equipment	572,550	56,261
Catering	24,307	22,332
CIRF	4,781	11,295
Rent	35,814	-
	1,469,770	874,908
Addictions Treatment		
Equipment	2,018	-

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - OTHER FUNDING

For the year ended March 31	2020	2019
Revenues		
Fundraising	55,330	74,231
Community Homes for Opportunity	6,754	-
ENSH	116,144	154,115
MRS	97,421	93,864
MTCU - Sustainable Employment Initiative	64,156	64,156
- Interest Income	267	4
City of Brantford - Investment in Affordable Housing	53,630	53,054
	393,702	439,424
Expenditures		
Mental Health Promotion	39,305	33,835
Community Homes for Opportunity	6,754	-
ENSH	91,321	125,594
MRS	96,431	92,293
Fundraising	16,025	19,063
MTCU - Sustainable Employment Initiative	64,423	64,160
City of Brantford - Investment in Affordable Housing	53,630	53,054
	367,889	387,999
Excess of Revenues over Expenditures	25,813	51,425
Net Assets - Beginning of Year	178,484	127,059
Net Assets - End of Year	204,297	178,484

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - QUICKLEAN

For the year ended March 31	2020	2019
Revenues		
Business revenue	52,215	68,983
Interest	484	264
Donations	-	7,930
	52,699	77,177
Expenditures		
General expenses	7,216	7,473
Cleaning supplies	18,873	16,724
Wages	18,037	19,179
Employee benefits	1,064	1,234
	45,190	44,610
Excess of Revenues over Expenditures	7,509	32,567
Net Assets - Beginning of Year	42,500	9,933
Net Assets - End of Year	50,009	42,500

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

STATEMENT OF CASH FLOWS

For the year ended March 31	2020	2019
Cash Flows From Operating Activities		
Revenues over Expenditures	327,565	63,368
Revenues over Expenditures - Other Funding	25,813	51,425
Excess of Revenues over Expenditures - QuicKlean	7,509	32,567
LHIN/MOH recoveries	(291,722)	(58,066)
Charge (credit) to income not involving cash		
Amortization	37,725	37,252
	106,890	126,546
Net change in non-cash working capital balances related to operations (Note 11)	522,987	(41,503)
	629,877	85,043
Cash Flows From Financing Activities		
Mortgage payable	(37,724)	(37,251)
Cash Flows From Investing Activities		
Investments - restricted	(16,277)	34,548
Investments - unrestricted	(91,409)	9,683
	(107,686)	44,231
Net Increase in Cash and Bank	484,467	92,023
Opening Cash and Bank	1,112,618	1,020,595
Closing Cash and Bank	1,597,085	1,112,618
Cash and Bank Comprised of:		
Cash	1,650	1,650
Bank - Ministry of Health	1,507,235	1,041,852
- QuicKlean	88,200	69,116
	1,597,085	1,112,618

See accompanying notes

CANADIAN MENTAL HEALTH ASSOCIATION - BRANT HALDIMAND NORFOLK BRANCH

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2020

1. PURPOSE OF THE ORGANIZATION

The purpose of the Canadian Mental Health Association - Brant Haldimand Norfolk Branch is to promote a positive approach towards mental health and to enhance the quality of life of individuals through leadership, education, partnership, advocacy, empowerment and support. The Branch is incorporated under the Companies Act of the Province of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of Accounting

These financial statements have been prepared in accordance with the significant accounting policies set out below to comply with the requirements of the Service Accountability Agreement with the Hamilton Niagara Haldimand Brant Local Health Integration Network. The basis of accounting used in these financial statements materially differs from Canadian accounting standards for not-for-profit organizations because:

- i) amortization is being provided on the land, building and building improvements equal to a rate of the annual principal reduction of the mortgage;
- ii) approved capital expenditures are charged against operations in the year of acquisition;
- iii) funding for the replacement reserve is charged to operations as determined by the Ministry
- iv) return of excess of revenue over expense is reported in net assets in the year of recovery

(b) Revenue Recognition

The Association follows the deferral method of accounting. Under the deferral method of accounting, restricted revenues are recognized as revenue in the year in which the related expenses are incurred. Unrestricted revenues are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

(c) Capital Assets

Capital assets, except for land, building and building improvements, are treated as any other type of current year expenditure or disbursement and are charged to operations in the year of acquisition. Land, buildings and improvements are amortized based on the amount of principal repaid annually on the related mortgage. These policies are in accordance with Ministry of Health and Long-Term Care guidelines for reporting of Capital Assets.

(d) Excess of Revenue over Expenditure

Any Ministry of Health and Long-Term Care approved excess of revenue over expenditure or expenditure over revenue for the year is returned to or paid by the Province in the year following the variations. The programs are 100% funded by the Province of Ontario.

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2020**

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(e) Use of Estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

(f) Contributed Materials and Services

Materials and services contributed by volunteers during the year to assist the organization in carrying out its activities are not recognized in the financial statements because of the difficulty in determining their fair value.

(g) Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. It subsequently measures all financial assets and financial liabilities at amortized cost.

The financial assets subsequently measured at amortized cost include cash, GIC investments and accounts receivable. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. CAPITAL ASSETS	Cost	Accumulated Amortization	2020	2019
Land and buildings	897,240	522,715	374,525	412,250

The Association accounts for capital assets as noted in note 2(c) above.

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2020**

4. MORTGAGE PAYABLE	2020	2019
1.43% mortgage payable to the Canada Mortgage and Housing Corporation, due in monthly installments of \$1,758 on account of principal and interest, due April 1, 2022	142,209	161,148
2.418% mortgage payable to the First National Financial LP, due in monthly installments of \$2,135 on account of principal and interest, due October 1, 2022	232,317	251,102
	374,526	412,250
Less: current portion	38,171	37,884
	336,355	374,366

The mortgage payable to the Canada Mortgage and Housing Corporation is for the purchase of and renovations to 20 Lyons Avenue in Brantford, Ontario. The mortgage payable to the First National Financial LP is for the purchase of 87 King, 35 West Cherry and 37 Woodhouse Streets in Simcoe, Ontario. The mortgages are secured by the Association's land and buildings.

Estimated annual principal repayment requirements, based on renewal at current terms, are as follows:

2021 - 38,171 2022 - 39,013 2023 - 40,216 2024 - 41,275 2025 - 42,341

5. REPLACEMENT RESERVES	Homeless	RGI	2020	2019
Balance - Beginning of Year	142,535	263,375	405,910	374,794
Transfer to operations	-	-	-	(8,898)
Transfer from operations	1,600	6,660	8,260	8,260
Interest income for the year	2,794	5,223	8,017	6,054
One time reserve funding	-	-	-	25,700
Balance - End of Year	146,929	275,258	422,187	405,910

The Ministry of Health and Long-Term Care requires the Association to fund contributions to the replacement reserve from operations. During the year the Association charged operations an amount of \$8,260 (2019 - \$33,960) fund the replacement reserve.

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2020**

6. DEFERRED REVENUE	2020	2019
Suicide Prevention Fund	10,073	7,815
Alternatives Program	11,989	5,734
Consumer Resources Fund HN	5,791	-
H.O.P.E. Revenue	10,466	1,252
Consumer Resources Fund Brant	23,802	18,914
Court Program Brant	12	12
Ride Don't Hide	-	12,671
Family Initiative	2,480	2,480
R.A.C.E. Brant	96	96
R.A.C.E. HN	403	403
Lyons Ave Cable & Cleaning Fund	596	969
HPE - Mental Health Week	2,390	2,401
Christmas Party	6,652	6,723
Family Resources Fund Brant	31,922	-
Court Program HN	672	752
ENSH CM Program	450	20,928
Tenant Rent	14,025	12,820
Norfolk Housing Subsidy	20,400	-
HOPE Donations After Hours	500	-
Community Homes for Opportunity	53	-
CIRF Carryover due to COVID-19	9,147	-
	151,919	93,970

7. LEASE COMMITMENTS

The Association is committed to the lease of office premises in Brantford expiring on April 30, 2024. The lease requires annual rental payments of \$164,170.

The Association is committed to the lease of office and building premises in Brantford for H.O.P.E. expiring on February 28, 2021. The lease requires monthly rental payments of \$1,592 plus a proportionate share of municipal taxes and insurance.

The Association is committed to the lease of office premises and residential apartments in Brantford for Phoenix Place expiring on December 31, 2028. The lease requires minimum annual rental payments of \$303,981.

The Association is committed to the lease of office premises in Simcoe expiring on September 30, 2023. The lease requires annual rental payment of \$75,600 plus a proportionate share of municipal taxes.

The Association is committed to the lease of office premises in Dunnville on a month to month basis. The lease requires monthly rental payments of \$505.

CANADIAN MENTAL HEALTH ASSOCIATION - BRANT HALDIMAND NORFOLK BRANCH

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2020

8. ECONOMIC DEPENDENCE

The Canadian Mental Health Association - Brant Haldimand Norfolk Branch is primarily funded by the Local Health Integration Network (LHIN) and the Ministry of Health and Long-Term Care and its ongoing existence is dependent upon continued funding by the Local Health Integration Network and Ministry of Health and Long-Term Care. The Association received 81.39% of its revenue for the year ended March 31, 2020 (2019 - 78.72%) from the Local Health Integration Network and 11.59% of its revenue for the year ended March 31, 2020 (2019 - 13.07%) from the Ministry of Health and Long-Term Care.

9. FINANCIAL INSTRUMENTS

The Association has identified the following financial risks:

Credit Risk

The Association's exposure to credit risk relates to its accounts receivable. The risk of significant credit loss is considered remote.

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. Accounts payable and accrued liabilities are generally paid within 30 days.

10. COVID-19 PANDEMIC

Prior to and subsequent to year end, the Association has been negatively impacted by the effects of the world-wide coronavirus pandemic. The Association is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impact of this unprecedented situation. As of the date of issuance of these financial statements, the full impact to the Association's financial position is not known.

On March 17, 2020, the Government of Ontario declared an emergency in response to the corona virus pandemic and prohibited organized public events of over 50 people. As a result, the Association was required to cancel its fundraising events for the foreseeable future. This represents a significant portion of the annual budget and expected cash flow. In response, the Association has adjusted its operations to reduce costs and cash flow requirements.

**CANADIAN MENTAL HEALTH ASSOCIATION
- BRANT HALDIMAND NORFOLK BRANCH**

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2020**

11. CASH FLOW FROM OPERATIONS	2020	2019
Accounts Receivable	56,132	(35,094)
Government Remittances Receivable	(30,431)	7,375
Accounts Payable and Accrued Liabilities	135,429	45,370
Government Remittances Payable	(2,823)	(1,293)
Deferred Revenue	57,949	(55,470)
Due to Ministry of Health	72,737	4,099
Due to Local Health Integration Network	217,717	(37,606)
Replacement Reserve	16,277	31,116
	<hr/>	<hr/>
	522,987	(41,503)
