

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

CONSOLIDATED FINANCIAL STATEMENTS

For the year ended March 31, 2022

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

For the year ended March 31, 2022

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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 consolidated financial statements of Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch (the 'Association'), which comprise the consolidated statement of financial position as at March 31, 2022, the consolidated statements 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 consolidated cash flows for the year then ended, and notes to the consolidated 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, 2022, 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 Ontario Health.

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, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *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 3 to the consolidated financial statements, which describes the basis of accounting. The consolidated 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 consolidated 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 Ontario Health and should not be used by parties other than the Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch or Ontario Health. 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 Ontario Health, 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.

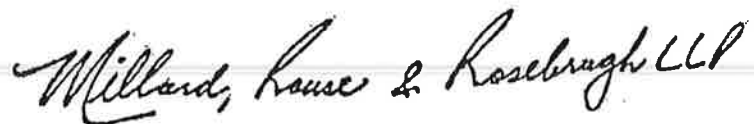
Those charged with governance are responsible for overseeing the Association's financial reporting process.

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.



June 9, 2022
Brantford, Ontario

CHARTERED PROFESSIONAL ACCOUNTANTS
Licensed Public Accountants

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

| As at March 31 | 2022 | 2021 |
|---|-----------|-----------|
| ASSETS | | |
| Current Assets | | |
| Cash | 1,750 | 1,750 |
| Bank | 2,059,897 | 2,020,063 |
| Accounts receivable - general | 21,903 | 35,948 |
| Government remittances receivable | 57,972 | 74,123 |
| Prepaid expenses | 16,892 | 17,900 |
| Investments (GICs) at Market Value | 167,297 | 141,227 |
| | 2,325,711 | 2,291,011 |
| Capital Assets (Note 4) | 298,297 | 336,871 |
| Assets of the Replacement Reserve (Note 6) | | |
| Investments (GICs) at Market Value | 458,288 | 439,311 |
| | 3,082,296 | 3,067,193 |
| LIABILITIES | | |
| Current Liabilities | | |
| Accounts payable and accrued liabilities | 634,467 | 716,369 |
| Deferred revenue (Note 7) | 230,322 | 187,776 |
| Due to Ministry of Health Housing (Note 8) | 262,505 | 206,603 |
| Due to Ontario Health (Note 9) | 482,678 | 517,177 |
| Current portion of mortgage payable (Note 5) | 39,582 | 39,013 |
| | 1,649,554 | 1,666,938 |
| Mortgage Payable (Note 5) | 257,585 | 297,857 |
| Replacement Reserve (Note 6) | 449,424 | 439,311 |
| | 707,009 | 737,168 |
| | 2,356,563 | 2,404,106 |
| NET ASSETS - Page 4 | 725,733 | 663,087 |
| | 3,082,296 | 3,067,193 |

Approved on behalf of the Board of Directors



..... Mark Solomon, President



..... Eric Harrop, Treasurer

See accompanying notes

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

CONSOLIDATED STATEMENT OF OPERATIONS

| For the year ended March 31 | 2022 | 2021 |
|--|------------------|------------------|
| Revenues | | |
| Ontario Health | | |
| Undistributed | 6,226,775 | 6,141,929 |
| Helping Ourselves Through Peer Support & Employment | 288,612 | 286,608 |
| Pandemic funding | - | 43,807 |
| Interest and cost recoveries | 49,701 | 35,648 |
| Helping Ourselves Through Peer Support & Employment - other | 27,221 | 6,891 |
| | 6,592,309 | 6,514,883 |
| Ministry of Health Housing | | |
| Non-Profit Housing | 154,500 | 153,739 |
| Rent Supplements | 898,484 | 830,585 |
| Community Infrastructure Renewal Fund (CIRF) | 17,098 | 15,771 |
| Rental Income - Non-Profit Housing | 30,208 | 37,352 |
| Rental Income - Phoenix Place and Rent Supplements | 333,096 | 349,081 |
| Phoenix Place - other | 27,992 | 18,076 |
| | 1,461,378 | 1,404,604 |
| Other Funding and Activities | | |
| Other Funding - Page 9 | 350,530 | 390,347 |
| QuicKlean - Page 10 | 44,238 | 42,796 |
| | 394,768 | 433,143 |
| Total Revenues | 8,448,455 | 8,352,630 |
| Expenditures | | |
| Ontario Health | | |
| Administration and Support Services - Page 5 | 1,380,204 | 1,462,876 |
| Case Management - Mental Health - Page 5 | 2,103,805 | 1,988,822 |
| Counselling & Treatment - Page 6 | 54,002 | 78,243 |
| Primary Care - Mental Health - Vocational/Employment - Page 6 | 54,374 | 47,878 |
| Primary Care - Mental Health - Diversion & Court Support - Page 6 | 661,394 | 656,269 |
| Primary Care - Mental Health - Social Rehabilitation/Recreation - Page 6 | 129,378 | 133,298 |
| Consumer/Survivor/Family Initiatives - H.O.P.E. - Page 7 | 306,632 | 298,091 |
| Consumer/Survivor/Family Initiatives - Family - Page 7 | 64,411 | 58,400 |
| Crisis Support and Safe Beds - Page 7 | 1,730,996 | 1,483,036 |
| Addictions Treatment - Page 7 | 92,761 | 60,081 |
| | 6,577,957 | 6,266,994 |
| Ministry of Health Housing | | |
| Community Infrastructure Renewal Fund (CIRF) | 17,098 | 15,771 |
| Residential Services - Mental Health - Non-Profit Housing - Page | 169,743 | 177,536 |
| Residential Services - Mental Health - Rent Supplement - Page 8 | 1,195,959 | 1,080,185 |
| | 1,382,800 | 1,273,492 |
| Other Funding and Activities Expenditures | | |
| Other Funding - Page 9 | 313,819 | 348,007 |
| QuicKlean - Page 10 | 30,960 | 33,920 |
| | 344,779 | 381,927 |
| Total Expenditures | 8,305,536 | 7,922,413 |
| Excess of Revenues over Expenditures | 142,919 | 430,217 |

See accompanying notes

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

CONSOLIDATED STATEMENT OF NET ASSETS

| For the year ended March 31 | 2022 | 2021 |
|--|----------------|----------------|
| Net Assets - Beginning of Year | 663,087 | 598,316 |
| Excess of Revenues over Expenditures | 142,919 | 430,217 |
| Payable to Ontario Health | (14,354) | (247,889) |
| Payable to Ministry of Health Housing | (63,612) | (117,557) |
| Payable to FEDCAP Canada | (3,255) | - |
| Transfer from Replacement Reserve (Note 6) | 948 | - |
| Net Assets - End of Year | 725,733 | 663,087 |

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

SCHEDULE OF EXPENDITURES

| For the year ended March 31 | 2022 | 2021 |
|--|------------------|------------------|
| Administration and Support Services | | |
| Salaries | 498,824 | 542,670 |
| Benefits | 78,113 | 81,601 |
| Supplies | 3,497 | 2,658 |
| Staff travel and education | 38,234 | 20,504 |
| General | 103,761 | 137,003 |
| Equipment - general administration | 32,268 | 51,409 |
| Equipment - information systems support | 41,897 | 89,930 |
| Building occupancy | 280,389 | 284,264 |
| Contracted out - general administration | 84,343 | 41,982 |
| Contracted out - information systems support | 161,603 | 152,373 |
| Utilities | 9,868 | 9,873 |
| Insurance | 47,407 | 34,859 |
| Pandemic supplies | - | 13,750 |
| | 1,380,204 | 1,462,876 |
| Case Management - Mental Health | | |
| Salaries | 1,629,605 | 1,565,262 |
| Benefits | 397,821 | 340,129 |
| Supplies | 895 | 2,702 |
| Staff travel | 42,310 | 35,272 |
| General | 20,102 | 8,955 |
| Equipment | 5,833 | 20,908 |
| RACE | - | 94 |
| Rent | 7,239 | 10,000 |
| Pandemic Supplies | - | 5,500 |
| | 2,103,805 | 1,988,822 |

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

SCHEDULE OF EXPENDITURES

| For the year ended March 31 | 2022 | 2021 |
|--|----------------|----------------|
| Counselling & Treatment | | |
| Salaries | 40,241 | 61,337 |
| Benefits | 8,510 | 12,643 |
| Supplies | - | 40 |
| Staff travel | 1,167 | 833 |
| General | 4,084 | 2,214 |
| Equipment | - | 1,176 |
| | 54,002 | 78,243 |
| Primary Care - Mental Health - Vocational/Employment | | |
| Salaries | 43,457 | 38,419 |
| Benefits | 9,971 | 9,216 |
| Supplies | 82 | - |
| Staff travel and client education | 358 | - |
| General | 506 | 243 |
| | 54,374 | 47,878 |
| Primary Care - Mental Health - Diversion & Court Support | | |
| Salaries | 524,719 | 511,057 |
| Benefits | 111,496 | 109,350 |
| Supplies | 54 | 90 |
| Staff travel | 9,126 | 5,681 |
| General | 15,366 | 21,914 |
| Equipment | 633 | 8,177 |
| | 661,394 | 656,269 |
| Primary Care - Mental Health - Social Rehabilitation/Recreation | | |
| Salaries | 99,724 | 100,881 |
| Benefits | 15,305 | 22,951 |
| Supplies | 3,465 | 5,738 |
| Staff travel | 2,532 | 1,570 |
| General | 990 | 298 |
| Equipment | 7,362 | 1,860 |
| | 129,378 | 133,298 |

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

SCHEDULE OF EXPENDITURES

| For the year ended March 31 | 2022 | 2021 |
|--|-----------|-----------|
| Consumer/Survivor/Family Initiatives - H.O.P.E. | | |
| Salaries | 203,085 | 193,725 |
| Benefits | 41,227 | 38,765 |
| Supplies | 9,799 | 3,551 |
| Staff travel and education | 3,353 | 733 |
| General | 14,137 | 12,325 |
| Equipment | 12,888 | 16,080 |
| Building occupancy | 22,143 | 32,912 |
| | 306,632 | 298,091 |
| Consumer/Survivor/Family Initiatives - Family | | |
| Salaries | 49,561 | 47,546 |
| Benefits | 8,245 | 8,832 |
| Supplies | 126 | 83 |
| Staff travel and education | 1,249 | 717 |
| General | 559 | 475 |
| Equipment | 4,671 | 747 |
| | 64,411 | 58,400 |
| Crisis Support and Safe Beds | | |
| Salaries | 1,213,148 | 928,883 |
| Benefits | 207,198 | 152,502 |
| Supplies - utilities | 16,631 | 13,752 |
| - general | 16,413 | 17,113 |
| Staff travel and education | 17,431 | 3,769 |
| General | 21,881 | 12,235 |
| Equipment | 112,428 | 278,779 |
| Catering | 50,581 | 30,730 |
| Rent | 72,193 | 41,488 |
| Insurance | 3,092 | 3,785 |
| | 1,730,996 | 1,483,036 |
| Addictions Treatment | | |
| Contracted out compensation | 92,761 | 50,081 |
| Rent | - | 10,000 |
| | 92,761 | 60,081 |

See accompanying notes

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

SCHEDULE OF EXPENDITURES

| For the year ended March 31 | 2022 | 2021 |
|--|-----------|-----------|
| Residential Services - Mental Health - Non-Profit Housing | | |
| Salaries | 42,148 | 50,516 |
| Benefits | 9,278 | 11,312 |
| Supplies - utilities | 20,999 | 20,370 |
| General - insurance | 4,367 | 3,560 |
| - other | 4,888 | 5,207 |
| Equipment | 4,070 | 5,662 |
| Building occupancy - general | 21,353 | 19,333 |
| - bad debts | 145 | - |
| - replacement reserve | 6,660 | 6,660 |
| - building amortization | 38,573 | 37,655 |
| - mortgage interest | 7,011 | 7,300 |
| - municipal taxes | 10,251 | 9,961 |
| | 169,743 | 177,536 |
| Residential Services - Mental Health - Rent Supplement | | |
| Supplies - utilities | 150,871 | 176,078 |
| Building occupancy - market rent | 1,013,888 | 872,866 |
| - addictions (ASH units) | 31,200 | 31,241 |
| | 1,195,959 | 1,080,185 |

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

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - OTHER FUNDING

| For the year ended March 31 | 2022 | 2021 |
|--|---------|---------|
| Revenues | | |
| Fundraising | 39,919 | 26,487 |
| Community Homes for Opportunity | - | 59,152 |
| ENSH | 84,708 | 78,480 |
| MRS | 100,393 | 102,154 |
| MTCU - Sustainable Employment Initiative | 71,506 | 64,156 |
| - Interest Income | 4 | 4 |
| City of Brantford - Investment in Affordable Housing | 54,000 | 51,383 |
| Brantford Drug Outreach | - | 8,531 |
| | 350,530 | 390,347 |
| Expenditures | | |
| Mental Health Promotion | 29,204 | 13,344 |
| Community Homes for Opportunity | 243 | 52,244 |
| ENSH | 45,187 | 51,469 |
| MRS | 105,538 | 97,355 |
| Fundraising | 10,716 | 5,401 |
| MTCU - Sustainable Employment Initiative | 68,637 | 63,773 |
| City of Brantford - Investment in Affordable Housing | 53,830 | 55,890 |
| Brantford Drug Outreach | 464 | 8,531 |
| | 313,819 | 348,007 |
| Excess of Revenues over Expenditures | 36,711 | 42,340 |
| Net Assets - Beginning of Year | 252,333 | 209,993 |
| Net Assets - End of Year | 289,044 | 252,333 |

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

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCE - QUICKLEAN

| For the year ended March 31 | 2022 | 2021 |
|---|-------------|-------------|
| Revenues | | |
| Business revenue | 42,021 | 37,768 |
| Interest | 202 | 379 |
| Donations | 2,015 | 4,649 |
| | 44,238 | 42,796 |
| Expenditures | | |
| General expenses | 7,165 | 8,723 |
| Cleaning supplies | 11,185 | 11,153 |
| Wages | 12,047 | 13,361 |
| Employee benefits | 563 | 683 |
| | 30,960 | 33,920 |
| Excess of Revenues over Expenditures | 13,278 | 8,876 |
| Net Assets - Beginning of Year | 58,885 | 50,009 |
| Net Assets - End of Year | 72,163 | 58,885 |

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

CONSOLIDATED STATEMENT OF CASH FLOWS

| For the year ended March 31 | 2022 | 2021 |
|--|-----------|-----------|
| Cash Flows From Operating Activities | | |
| Revenues over Expenditures | 142,919 | 430,217 |
| Ontario Health/Ministry of Health/FEDCAP recoveries | (81,221) | (365,446) |
| Transfer from Replacement Reserve | 948 | - |
| Charge (credit) to income not involving cash Amortization | 38,573 | 37,655 |
| | 101,219 | 102,426 |
| Net change in non-cash working capital balances related to operations (Note 14) | 23,365 | 403,457 |
| | 124,584 | 505,883 |
| Cash Flows From Financing Activities | | |
| Mortgage payable | (39,703) | (37,656) |
| Cash Flows From Investing Activities | | |
| Investments - restricted | (18,977) | (17,124) |
| Investments - unrestricted | (26,070) | (26,375) |
| | (45,047) | (43,499) |
| Net Increase in Cash and Bank | 39,834 | 424,728 |
| Opening Cash and Bank | 2,021,813 | 1,597,085 |
| Closing Cash and Bank | 2,061,647 | 2,021,813 |
| Cash and Bank Comprised of: | | |
| Cash | 1,750 | 1,750 |
| Bank | 2,059,897 | 2,020,063 |
| | 2,061,647 | 2,021,813 |

CANADIAN MENTAL HEALTH ASSOCIATION - BRANT HALDIMAND NORFOLK BRANCH

NOTES TO THE FINANCIAL STATEMENTS For the year ended March 31, 2022

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. BASIS FOR CONSOLIDATION

The Canadian Mental Health Association - Brant Haldimand Norfolk Branch internally reserves a portion of their Ontario Health funded budget for Helping Ourselves Through Peer Support and Employment (H.O.P.E.), as a separate legal, not-for-profit entity. In the current year \$288,612 (2021 - \$286,608) was internally committed. Additionally, H.O.P.E. supplements its activities through its QuicKlean operations which are presented as a separate statement included in these consolidated financial statements. The combined surplus of H.O.P.E. and QuicKlean in the year was \$22,476 (2021 - \$7,784). QuicKlean surpluses are rolled into the operating reserve.

3. 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 Ontario Health. 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 Housing guidelines for reporting of Capital Assets.

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

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Excess of Revenue over Expenditure

Any Ministry of Health Housing 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.

(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.

| 4. CAPITAL ASSETS | Cost | Accumulated Amortization | 2022 | 2021 |
|--------------------|---------|-----------------------------|---------|---------|
| Land and buildings | 897,241 | 598,944 | 298,297 | 336,871 |

The Association accounts for capital assets as noted in note 3(c) above.

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

**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022**

| 5. MORTGAGE PAYABLE | 2022 | 2021 |
|---|---------|---------|
| 2.27% mortgage payable to the Canada Mortgage and Housing Corporation, due in monthly installments of \$1,795 on account of principal and interest, due April 1, 2027 | 103,381 | 122,989 |
| 2.99% 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 | 193,786 | 213,881 |
| | 297,167 | 336,870 |
| Less: current portion | 39,582 | 39,013 |
| | 257,585 | 297,857 |

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:

2023 - 39,583 2024 - 40,538 2025 - 41,646 2026 - 42,743 2027 - 43,884

| 6. REPLACEMENT RESERVES | Homeless | RGI | 2022 | 2021 |
|------------------------------|----------------|----------------|----------------|----------------|
| Balance - Beginning of Year | 150,827 | 288,484 | 439,311 | 422,187 |
| Transfer to operations | - | - | - | - |
| Transfer from operations | 1,600 | 6,660 | 8,260 | 8,260 |
| Interest income for the year | 758 | 2,043 | 2,801 | 8,864 |
| Transfer to Surplus | - | (948) | (948) | - |
| Balance - End of Year | 153,185 | 296,239 | 449,424 | 439,311 |

The Ministry of Health Housing requires the Association to fund contributions to the replacement reserve from operations. During the year, the Organization began consolidating its investment approach and invested an additional \$8,864 into the GIC replacement reserve investment.

**CANADIAN MENTAL HEALTH ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022**

| 7. DEFERRED REVENUE | 2022 | 2021 |
|---|----------------|----------------|
| Suicide Prevention Fund | 9,933 | 9,933 |
| Alternatives Program | 20,710 | 16,747 |
| Consumer Resources Fund HN | 6,461 | 7,644 |
| H.O.P.E. Revenue | 17,946 | 10,696 |
| Consumer Resources Fund Brant | 23,440 | 25,134 |
| Court Program Brant | 12 | 12 |
| Imperial Oil donation for spring conference | 20,000 | - |
| 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 | 407 | - |
| HPE - Mental Health Week | 50,964 | 28,483 |
| Christmas Party | 3,941 | 5,721 |
| Family Resources Fund Brant | 31,922 | 31,922 |
| Court Program HN | 672 | 672 |
| ENSH CM Program | - | 450 |
| Tenant Rent | 11,977 | 12,825 |
| Norfolk Housing Subsidy | 9,350 | 11,050 |
| Campus Mental Health Project | 16,100 | 20,000 |
| Mental Health Week 2021 | 3,508 | 3,508 |
| | 230,322 | 187,776 |
| 8. DUE TO MINISTRY OF HEALTH HOUSING | 2022 | 2021 |
| Year ended March 31, 2019 repayable | 8,114 | 10,700 |
| Year ended March 31, 2020 repayable | 73,222 | 78,346 |
| Year ended March 31, 2021 repayable | 117,557 | 117,557 |
| Year ended March 31, 2022 repayable | 63,612 | - |
| | 262,505 | 206,603 |

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| 9. DUE TO ONTARIO HEALTH | 2022 | 2021 |
|-------------------------------------|---------|---------|
| Year ended March 31, 2018 repayable | - | 1,847 |
| Year ended March 31, 2019 repayable | 1,935 | 49,724 |
| Year ended March 31, 2020 repayable | 218,500 | 217,717 |
| Year ended March 31, 2021 repayable | 247,889 | 247,889 |
| Year ended March 31, 2022 repayable | 14,354 | - |
| | 482,678 | 517,177 |

10. 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 \$165,804.

The Association is committed to the lease of office and building premises in Brantford for H.O.P.E. expiring on March 31, 2023. The lease requires monthly rental payments of \$1,500 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 \$78,000 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.

11. ECONOMIC DEPENDENCE

The Canadian Mental Health Association - Brant Haldimand Norfolk Branch is primarily funded by Ontario Health and the Ministry of Health Housing and its ongoing existence is dependent upon continued funding by Ontario Health and Ministry of Health Housing. The Association received 77.12% of its revenue for the year ended March 31, 2022 (2021 - 76.96%) from Ontario Health and 12.67% of its revenue for the year ended March 31, 2022 (2021 - 11.97%) from the Ministry of Health Housing.

**CANADIAN MENTAL HEALTH ASSOCIATION
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**NOTES TO THE FINANCIAL STATEMENTS
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12. 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.

13. COVID-19 PANDEMIC

During and subsequent to year end, the Organization has been impacted by the effects of the world-wide coronavirus pandemic. The Organization is closely monitoring its operations, liquidity, and capital resources and is actively working to minimize the current and future impacts of this unprecedented situation.

Additional financial costs incurred as a result of COVID-19 include supplies and personal protective equipment. The Organization has received additional government funding to help offset these costs. As well, the Organization was not able to host various fundraising events due to restrictions from the pandemic.

The above impacts to expenses and revenues will carry over to fiscal 2023 and it is not possible to determine the ultimate financial impact to the Organization at this time.

| 14. CASH FLOW FROM OPERATIONS | 2022 | 2021 |
|--|---------------|----------------|
| Accounts Receivable | 14,045 | (19,350) |
| Government Remittances Receivable | 16,151 | 10,776 |
| Prepaid expenses | 1,008 | (17,900) |
| Accounts Payable and Accrued Liabilities | (81,901) | 13,533 |
| Deferred Revenue | 42,546 | 35,857 |
| Due to Ministry of Health Housing | 55,902 | 117,557 |
| Due to Ontario Health | (34,499) | 245,860 |
| Replacement Reserve | 10,113 | 17,124 |
| | 23,365 | 403,457 |

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**NOTES TO THE FINANCIAL STATEMENTS
For the year ended March 31, 2022**

15. COMPARATIVE FIGURES

Certain of the prior year's figures, provided for purposes of comparison, have been reclassified to conform with current year's presentation.

16. PUBLIC SECTOR SALARY DISCLOSURE ACT

The *Public Sector Salary Disclosure Act*, 1996, requires organizations to disclose annually the names, positions, salaries, and taxable benefits of employees paid \$100,000 or more in 2021. In 2021, Canadian Mental Health Association - Brant-Haldimand-Norfolk Branch had two employees paid \$100,000 or more in the calendar year. This information can be found on the Ministry of Finance website at:

<https://www.ontario.ca/public-sector-salary-disclosure/2021/all-sectors-and-seconded-employees/>