

**CANADIAN MENTAL HEALTH ASSOCIATION**

**PEEL DUFFERIN BRANCH**

**FINANCIAL STATEMENTS**

**MARCH 31, 2018**

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
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MARCH 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of:

### CANADIAN MENTAL HEALTH ASSOCIATION/PEEL DUFFERIN BRANCH

We have audited the accompanying financial statements of Canadian Mental Health Association/Peel Dufferin Branch which comprise the statement of financial position as at March 31, 2018 and the statements of changes in net assets, operations, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

#### Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

#### Basis for Qualified Opinion

In common with many charitable organizations, the Association derives a portion of its revenue from fundraising, the completeness of which is not susceptible to satisfactory audit verification. Our verification of these revenues was limited to the amounts recorded in the records of the Association. We were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenue over expenses, assets and net assets.

**Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Canadian Mental Health Association/Peel Dufferin Branch as at March 31, 2018 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.



June 18, 2018  
Mississauga, Ontario

Chartered Professional Accountants  
Licensed Public Accountants

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
STATEMENT OF FINANCIAL POSITION  
AS AT MARCH 31, 2018**

|  | <b>Assets</b>      | <b>2018</b>      | <b>2017</b>         |
|--|--------------------|------------------|---------------------|
| <b>Current</b>   |                    |                  |                     |
| Cash and cash equivalents                              | \$                 | 1,586,185        | \$ 2,125,570        |
| Short-term investments (note 4)                        |                    | 1,005,882        | 938,361             |
| Accounts receivable (note 5)                           |                    | 326,329          | 157,062             |
| Prepaid expenses                                       |                    | 117,729          | 40,839              |
|  |                    | <u>3,036,125</u> | <u>3,261,832</u>    |
| <b>Long-Term Investments (note 6)</b>                  |                    | 799,110          | 340,955             |
| <b>Rent Deposits</b>                                   |                    | 63,906           | 63,906              |
| <b>Capital Assets (note 7)</b>                         |                    | 1,020,777        | 1,035,595           |
|  | \$                 | <u>4,919,918</u> | <u>\$ 4,702,288</u> |
|  | <b>Liabilities</b> |                  |                     |
| <b>Current</b>   |                    |                  |                     |
| Accounts payable and accrued liabilities (note 8)      | \$                 | 2,075,303        | \$ 1,788,408        |
| Ministry of Health and Long-Term Care payable (note 9) |                    | 363,155          | 597,547             |
| Deferred revenue (note 10)                             |                    | 180,239          | 181,110             |
| Deferred capital contributions (note 11)               |                    | 323,385          | 288,946             |
|  |                    | <u>2,942,082</u> | <u>2,856,011</u>    |
| <b>Future Employee Benefits (note 12)</b>              |                    | 481,861          | 433,172             |
| <b>Deferred Capital Contributions (note 11)</b>        |                    | 697,392          | 746,649             |
|  |                    | <u>4,121,335</u> | <u>4,035,832</u>    |
|  | <b>Net Assets</b>  |                  |                     |
| <b>Internally Restricted (note 17)</b>                 |                    | 141,697          | 135,847             |
| <b>Unrestricted</b>                                    |                    | 656,886          | 530,609             |
|  |                    | <u>798,583</u>   | <u>666,456</u>      |
|  | \$                 | <u>4,919,918</u> | <u>\$ 4,702,288</u> |

APPROVED ON BEHALF OF THE BOARD

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The accompanying notes are an integral part of these financial statements.

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
STATEMENT OF CHANGES IN NET ASSETS  
FOR THE YEAR ENDED MARCH 31, 2018**

|                                   | Internally              |                   |                   |                   |
|-----------------------------------|-------------------------|-------------------|-------------------|-------------------|
|                                   | Restricted<br>(note 17) | Unrestricted      | Total<br>2018     | Total<br>2017     |
| <b>Balance, beginning of year</b> | \$ 135,847              | \$ 530,609        | \$ 666,456        | \$ 635,608        |
| Excess of revenues over expenses  | 5,850                   | 126,277           | 132,127           | 30,848            |
| <b>Balance, end of year</b>       | <u>\$ 141,697</u>       | <u>\$ 656,886</u> | <u>\$ 798,583</u> | <u>\$ 666,456</u> |

The accompanying notes are an integral part of these financial statements .

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFERIN BRANCH  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2018**

|   | CWLHIN            | Region of Peel   | Ontario<br>Trillium<br>Foundation | United Way<br>& Other | 2018<br>Total     |
|---|-------------------|------------------|-----------------------------------|-----------------------|-------------------|
| <b>Revenues (note 1)</b>                |                   |                  |                                   |                       |                   |
| CWLHIN                                  | \$ 15,403,737     | \$ -             | \$ -                              | \$ -                  | \$ 15,403,737     |
| Region of Peel                          | -                 | 1,404,984        | -                                 | -                     | 1,404,984         |
| United Way of Peel                      | -                 | -                | -                                 | 281,135               | 281,135           |
| Grants                                  | -                 | -                | 13,832                            | 70,559                | 84,391            |
| Interest income                         | 8,270             | 58               | -                                 | 14,801                | 23,129            |
| Other income                            | 85,194            | 164,799          | -                                 | 469,583               | 719,576           |
|   | <u>15,497,201</u> | <u>1,569,841</u> | <u>13,832</u>                     | <u>836,078</u>        | <u>17,916,952</u> |
| <b>Expenses</b>                         |                   |                  |                                   |                       |                   |
| Salaries                                | 9,758,030         | 1,060,062        | -                                 | 408,372               | 11,226,464        |
| Benefits                                | 1,955,961         | 236,369          | -                                 | 75,333                | 2,267,663         |
| Rent                                    | 839,407           | -                | -                                 | 20,388                | 859,795           |
| Program supplies                        | 524,428           | 106,449          | 6,000                             | 72,769                | 709,646           |
| Staff training                          | 506,276           | 21,427           | -                                 | 14,712                | 542,415           |
| Professional fees                       | 430,798           | 13,439           | -                                 | 69,780                | 514,017           |
| Telephone                               | 384,759           | 5,783            | -                                 | 10,840                | 401,382           |
| Amortization                            | 280,452           | 746              | -                                 | 6,166                 | 287,364           |
| Staff travel                            | 236,131           | 33,333           | -                                 | 5,967                 | 275,431           |
| Public relations                        | 203,241           | 74,664           | -                                 | 13,461                | 291,366           |
| Office supplies & postage               | 126,798           | 3,056            | 7,832                             | 8,825                 | 146,511           |
| Utilities, maintenance & taxes          | 85,098            | 4,066            | -                                 | 2,246                 | 91,410            |
| Sessional fees                          | 75,437            | -                | -                                 | -                     | 75,437            |
| Insurance                               | 45,387            | 4,161            | -                                 | 859                   | 50,407            |
| Audit                                   | 44,998            | 6,286            | -                                 | 83                    | 51,367            |
|   | <u>15,497,201</u> | <u>1,569,841</u> | <u>13,832</u>                     | <u>709,801</u>        | <u>17,790,675</u> |
| <b>Excess of Revenues over Expenses</b> | <u>\$ -</u>       | <u>\$ -</u>      | <u>\$ -</u>                       | <u>\$ 126,277</u>     | <u>\$ 126,277</u> |

The accompanying notes are an integral part of these financial statements.

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
STATEMENT OF OPERATIONS  
FOR THE YEAR ENDED MARCH 31, 2017**

|   | <u>CWLHIN</u>     | <u>Region of Peel</u> | <u>United Way<br/>&amp; Other</u> | <u>2017<br/>Total</u> |
|---|-------------------|-----------------------|-----------------------------------|-----------------------|
| <b>Revenues (note 1)</b>                |                   |                       |                                   |                       |
| CWLHIN                                  | \$ 14,500,368     | \$ -                  | \$ -                              | \$ 14,500,368         |
| Region of Peel                          | -                 | 1,349,064             | -                                 | 1,349,064             |
| United Way of Peel                      | -                 | -                     | 284,495                           | 284,495               |
| Federal government grants               | -                 | -                     | 22,627                            | 22,627                |
| Interest income                         | 11,684            | 3,103                 | 8,977                             | 23,764                |
| Other income                            | 79,090            | 6,246                 | 291,469                           | 376,805               |
|   | <u>14,591,142</u> | <u>1,358,413</u>      | <u>607,568</u>                    | <u>16,557,123</u>     |
| <b>Expenses</b>                         |                   |                       |                                   |                       |
| Salaries                                | 9,238,671         | 929,351               | 334,903                           | 10,502,925            |
| Benefits                                | 1,804,183         | 185,505               | 62,981                            | 2,052,669             |
| Rent                                    | 798,309           | 938                   | 19,222                            | 818,469               |
| Staff training                          | 524,134           | 19,671                | 22,391                            | 566,196               |
| Program supplies                        | 304,134           | 112,938               | 6,958                             | 424,030               |
| Professional fees                       | 388,005           | 15,274                | 5,556                             | 408,835               |
| Telephone                               | 366,838           | 15,962                | 5,512                             | 388,312               |
| Amortization                            | 316,850           | 6,064                 | 577                               | 323,491               |
| Staff travel                            | 245,834           | 22,844                | 5,324                             | 274,002               |
| Office supplies & postage               | 157,875           | 22,179                | 9,265                             | 189,319               |
| Public relations                        | 143,971           | 12,143                | 17,372                            | 173,486               |
| Utilities, maintenance & taxes          | 129,445           | 9,083                 | 2,364                             | 140,892               |
| Fundraising                             | -                 | -                     | 78,746                            | 78,746                |
| Sessional fees                          | 75,601            | -                     | -                                 | 75,601                |
| Audit                                   | 49,084            | 4,970                 | -                                 | 54,054                |
| Insurance                               | 48,208            | 1,492                 | 802                               | 50,502                |
|   | <u>14,591,142</u> | <u>1,358,413</u>      | <u>571,972</u>                    | <u>16,521,527</u>     |
| <b>Excess of Revenues over Expenses</b> | <u>\$ -</u>       | <u>\$ -</u>           | <u>\$ 35,596</u>                  | <u>\$ 35,596</u>      |

The accompanying notes are an integral part of these financial statements.



**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED MARCH 31, 2018**

| <b>Operating Activities</b>                               | <u>2018</u>                | <u>2017</u>                |
|---|----------------------------|----------------------------|
| Excess of Revenues over Expenses for the Year             | \$ 126,277                 | \$ 35,596                  |
| Items not involving Cash                                  |                            |                            |
| Amortization  | 287,364                    | 323,491                    |
|   | <u>413,641</u>             | <u>359,087</u>             |
| Changes in non-cash working capital items                 |                            |                            |
| Accounts receivable                                       | (169,267)                  | 209,955                    |
| Prepaid expenses  | (76,890)                   | 23,251                     |
| Rent deposits   | -                          | (974)                      |
| Accounts payable and accrued liabilities                  | 286,895                    | (212,164)                  |
| Ministry of Health and Long-Term Care payable             | (234,392)                  | 78,416                     |
| Future employee benefits                                  | 48,689                     | 52,282                     |
| Deferred revenue  | (871)                      | (304,057)                  |
| Internally restricted reserves                            | 5,850                      | (4,748)                    |
|   | <u>(139,986)</u>           | <u>(158,039)</u>           |
| Cash flow from operating activities                       | 273,655                    | 201,048                    |
| <b>Financing Activities</b>                               |                            |                            |
| Deferred capital contributions                            | (14,818)                   | (132,081)                  |
| <b>Investing Activities</b>                               |                            |                            |
| Short-term investments - net change                       | (67,521)                   | (604,911)                  |
| Long-term investments - net change                        | (458,155)                  | 166,045                    |
| Purchase of capital assets                                | (272,546)                  | (191,409)                  |
| Cash flow used in investing activities                    | <u>(798,222)</u>           | <u>(630,275)</u>           |
| <b>Decrease in Cash and Cash Equivalents for the Year</b> | <b>(539,385)</b>           | <b>(561,308)</b>           |
| <b>Cash and Cash Equivalents, Beginning of Year</b>       | <b>2,125,570</b>           | <b>2,686,878</b>           |
| <b>Cash and Cash Equivalents, End of Year</b>             | <b>\$ <u>1,586,185</u></b> | <b>\$ <u>2,125,570</u></b> |
| <b>Supplementary Information:</b>                         |                            |                            |
| Interest received   | <u>\$ 23,129</u>           | <u>\$ 23,764</u>           |

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2018**

**1. Operations**

Canadian Mental Health Association/Peel Dufferin Branch (“CMHA/Peel Dufferin” or the “Association”), a registered charity, received its charter as a branch of CMHA on May 3, 1962. CMHA/Peel Dufferin was issued Letters Patent on November 22, 1983 and, as such, is exempt from income taxes.

Programs and services are funded by four main funders and supported by donations and fundraising.

**a) Central West Local Health Integration Network (“CWLHIN”) funded programs:**

- Access Services:
  - Central Intake to mental health and addiction services at CMHA/Peel Dufferin and other regional social services.
  - In-STED: intake and short-term case management services which diverts individuals from hospital emergency services to community supports and short-term support while awaiting community services.
- Launch Services:
  - Access to Recovery: intensive case management.
  - FACT Peel+: early intervention case management.
  - Supported Housing: case management component of supported housing.
  - Treat at Home: case management for seniors with complex mental health and physical health issues; Aging at Home initiative.
  - Impact: youth addictions support component of CWLHIN Narcotics Strategy.
  - Addictions: substance abuse support services.
  - Mental Health Counselling: brief counselling.
- Assertive Community Treatment Team: rehabilitation and intensive treatment for complex mental health issues and addictions.
- Mental Health & Justice Services: diversion case management, release from custody and supported housing for those who have interfaced with the justice system.
- Recovery West: program responds to varying needs and promotes recovery through groups, activities and/or one-on-one support.
- Recovery West Drop-In: consumer initiative with peer-focused groups and activities.
- Vocational Services: support with education, volunteer and/or employment goals.
- Crisis Response Services:
  - 24.7 Crisis Support Peel in partnership with Peel Regional Police and Caledon OPP detachment, as well as Spectra Community Support Services. 24.7 Crisis Support Peel offers timely response to adults (16 years and over) experiencing a mental health or addictions crisis, individuals having trouble coping, and family, caregivers and friends needing support.
- Rapid Access Addiction Clinic:
  - Provides barrier-free immediate access and care to clients struggling with addiction and withdrawal from substances. This clinic is accessible to clients without appointments or medical referrals; supports include substance use management strategies including medications, counselling and psychological interventions.
- Seniors Intensive Case Management:
  - This program is for seniors who are experiencing serious and persistent mental health concerns. Seniors having challenges accessing supports due to geography, isolation or changes in informal support system are considered a priority for this service.
- Transitional Aged Youth System Coordination: a system approach to coordinating services for high needs youth transitioning from children to adult mental health and addiction services.
- McEvenue Home Works: emergency funds to assist consumers to maintain/improve their housing.

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2018**

- Peel Human Services & Justice Coordinating Committee (PHS&JCC): a provincially mandated committee tasked with identifying and addressing gaps at a systemic level; provides flow through funding to Dufferin HS&JCC.

**b) Region of Peel** funded programs:

- Outreach Services: provides housing-focused interventions to those experiencing or at imminent risk of homelessness, including access to mental health, addictions, nursing, family and housing supports.
- Peel Community Mobilization Program: collaboration with Peel Regional Police that offers non-crisis, time-limited interventions for persons identified as 'elevated risk' to self or others.

**c) United Way of Peel Region** funded programs:

- Youth Net: for youth, by youth mental health awareness program that promotes resiliency and connects youth to information and services.
- Short-term Community Support: short-term mental health case management, including immediate access to information, resources, referrals and advocacy, where appropriate.
- Mental Health Literacy: offers public education to promote increased mental health and addictions awareness and stigma reduction in the community and workplace.

**d) Ontario Trillium Foundation** funded programs:

- Information & Referral Services: give information over the phone or in person to walk-in inquiries, actively provide up to date information and make referrals to resources.
- Brief Mental Health Counselling: provide 1-2 sessions of solution focused therapy that concentrates on a primary stressor.

## **2. Accounting Policies**

These financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNPO") and reflect the following accounting policies:

### **a) Revenue Recognition**

The Association follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue when received or receivable, if the amount to be received is measurable and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are incurred. All other revenue and expenses are recorded on the accrual basis, whereby, they are reflected in the accounts in the year which they have been earned and incurred.

Excess revenues over expenses in the fiscal year pertaining to the restricted contributions are set up as accounts payable and subsequently repaid to the Ministry of Health and Long-Term Care ("MOHLTC") or applicable government agencies.

### **b) Cash and Cash Equivalents**

Cash and cash equivalents represent internally restricted and unrestricted cash and cash equivalents. Internally restricted cash represents money set aside to fund specific activities identified by management and approved by the Board of Directors. The funds are not available for the Association's general operations. Unrestricted cash represents funds available for the Association's general operations. These include short-term investments with a term to maturity of three months or less.

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2018**

**c) Capital Assets**

Capital assets are stated at cost less accumulated amortization. Amortization is recorded using the straight-line method over the estimated useful life of the asset as follows:

|                        |                    |
|------------------------|--------------------|
| Furniture & equipment  | 5 years            |
| Computer equipment     | 4 years            |
| Software               | 2 years            |
| Leasehold improvements | over term of lease |

If a capital asset no longer has any long-term service potential to the Association, the excess of its net carrying amount over any residual value would be recognized as an expense in the statement of operations.

**d) Contributed Services**

The efforts of volunteer workers are not reflected in the accompanying financial statements, as no objective basis is available to measure the value of such services. A substantial number of volunteers have donated significant amounts of their time to the Association.

**e) Donated Goods**

Donated goods are recorded at their estimated fair value. Donated goods are recorded as revenue at such time as the goods are deployed for charitable purposes to the end-user agencies.

**f) Employee Future Benefits**

The Association provides a future benefit to its employees in the form of accumulated sick pay, which is accounted for as a defined benefit. The annual cost of the benefit consists of actuarial gains and losses and accumulated benefits for current service.

The Association also provides future benefits to substantially all its employees through one of two pension plans, a defined contribution pension plan offered through SunLife and a defined benefit pension plan offered through the Healthcare of Ontario Pension Plan ("HOOPP").

HOOPP is a multi-employer, defined benefit, final average earnings, and contributory pension plan. HOOPP is accounted for as a defined contribution pension plan, whereby contributions are expensed on an accrual basis, as CMHA/Peel Dufferin has insufficient information to apply defined benefit plan accounting. CMHA/Peel Dufferin contributions to HOOPP during the year amounted to \$716,368. The most recent audited financial statements available by HOOPP as at December 31, 2017 disclosed net assets available for benefit of \$77,755 million with pension obligations of \$59,602 million, resulting in a surplus of \$18,153 million.

**g) Measurement Uncertainty**

The preparation of financial statements in conformity with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Estimates include accrued receivables, the useful life of capital assets, accrued liabilities, deferred capital contributions, future employee benefits, and cost allocations to various programs. These estimates are based on management's best knowledge of current events and actions that the Association may undertake in the future. Actual results could differ from these estimates.

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2018**

**h) Financial Instruments**

*Measurement of financial instruments*

The Association initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash and cash equivalents, short-term and long-term investments, and accounts receivable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, the Ministry of Health and Long-Term Care payable, and employee future benefits.

*Impairment*

Financial assets measured at cost are tested for impairment where there are indicators of impairment. The amount of write-down is recognized in excess of revenue over expenses. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of reversal had the impairment not been recognized previously. The amount of the reversal is recognized in excess of revenue over expenses.

**3. Financial Instruments**

The Association is exposed to credit risk through its accounts receivable, which are by nature unsecured. The Association has credit management procedures in place to mitigate the risk to any one party and to the aggregate balance. Concentration or credit risk arises when a group of clients having a similar characteristic such that their obligations are expected to be affected similarly by changes in economic or other conditions. Management does not estimate that they have any significant credit risk with respect to a single organization.

The Association is subject to liquidity risk through its debts and obligations. To ensure the Association is able to fund its obligations as they come due, it maintains accessible sources of liquidity. These sources consist of excess cash balances and short-term investments.

It is management's opinion that the Association is not subject to significant currency, interest rate, or other price risk.

**4. Short-Term Investments**

Short-term investments represent Guaranteed Investment Certificates ("GICs") of \$1,005,882 with effective interest rates ranging from 1.25% to 2.12% and maturity dates ranging from September 22, 2018 to March 28, 2019.

**5. Accounts Receivable**

|                                 | <b>2018</b> | <b>2017</b> |
|---------------------------------|-------------|-------------|
| Trade receivables               | \$ 210,787  | \$ 74,250   |
| Harmonized sales tax receivable | 115,542     | 82,812      |
|                                 | \$ 326,329  | \$ 157,062  |

**CANADIAN MENTAL HEALTH ASSOCIATION  
PEEL DUFFERIN BRANCH  
NOTES TO THE FINANCIAL STATEMENTS  
MARCH 31, 2018**

**6. Long-Term Investments**

Long-term investments represent GICs of \$799,110 with effective interest rates ranging from 1.50% to 2.40% and maturity dates ranging from September 22, 2019 to February 18, 2020.

**7. Capital Assets**

The CWLHIN provided funding for the acquisition of certain capital assets. The Association is therefore not free to dispose of capital assets with an original cost greater than \$25,000 or use the assets for any other purposes without the consent of the CWLHIN.

|                          | <b>Cost</b>         | <b>Accumulated<br/>Amortization</b> | <b>2018<br/>Net Book<br/>Value</b> | <b>2017<br/>Net Book<br/>Value</b> |
|--------------------------|---------------------|-------------------------------------|------------------------------------|------------------------------------|
| <b>CWLHIN Funded</b>     |                     |                                     |                                    |                                    |
| Furniture & equipment    | \$ 1,326,072        | \$ 1,085,065                        | \$ 241,007                         | \$ 149,475                         |
| Computer equipment       | 831,095             | 708,509                             | 122,586                            | 188,850                            |
| Software                 | 305,229             | 262,189                             | 43,040                             | 47,710                             |
| Leasehold improvements   | 1,958,405           | 1,368,058                           | 590,348                            | 618,852                            |
|                          | <u>4,420,801</u>    | <u>3,423,820</u>                    | <u>996,980</u>                     | <u>1,004,887</u>                   |
| <b>Non-CWLHIN funded</b> |                     |                                     |                                    |                                    |
| Furniture & equipment    | 9,306               | 9,306                               | -                                  | 1,326                              |
| Leasehold improvements   | 78,121              | 54,324                              | 23,797                             | 29,382                             |
|                          | <u>87,427</u>       | <u>63,630</u>                       | <u>23,797</u>                      | <u>30,708</u>                      |
|                          | <u>\$ 4,508,228</u> | <u>\$ 3,487,450</u>                 | <u>\$ 1,020,777</u>                | <u>\$ 1,035,595</u>                |

**8. Accounts Payable and Accrued Liabilities**

|  | <b>2018</b>         | <b>2017</b>         |
|--|---------------------|---------------------|
| Trade payables and accrued liabilities | \$ 1,019,123        | \$ 716,433          |
| Payroll related liabilities            | 870,146             | 902,608             |
| Region of Peel payable                 | 45,176              | 43,705              |
| Government remittances payable         | 140,858             | 125,662             |
|  | <u>\$ 2,075,303</u> | <u>\$ 1,788,408</u> |

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**9. Ministry of Health and Long-Term Care payable (“MOHLTC”)**

At the year end, there was a total payable to the MOHLTC, representing unspent funds as follows:

|                  | <b>2018</b>       | <b>2017</b>       |
|------------------|-------------------|-------------------|
| Current year     | \$ 77,126         | \$ 78,416         |
| Prior years      | 597,547           | 519,131           |
| In Year Recovery | (311,518)         | -                 |
|                  | <u>\$ 363,155</u> | <u>\$ 597,547</u> |

Funding and expenditures for current, prior and future periods are subject to review and possible funding adjustment by the MOHLTC.

**10. Deferred Revenue**

Deferred revenue represents operating funding received or receivable in the current year and relates to expenditures in a subsequent year.

|                             | <b>2018</b>       | <b>2017</b>       |
|-----------------------------|-------------------|-------------------|
| Region of Peel              | \$ 85,274         | \$ 172,422        |
| Ontario Trillium Foundation | 91,568            | -                 |
| Others                      | 3,397             | 8,688             |
|                             | <u>\$ 180,239</u> | <u>\$ 181,110</u> |

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**11. Deferred Capital Contributions**

Deferred capital contributions represent funding received, regarding capital asset acquisitions, which have not been fully amortized. Current year's funding for capital additions are treated as increases to the capital contributions.

Revenue is recognized over the life of the Capital assets on the same basis as they are amortized.

|   | <b>2018</b>                | <b>2017</b>                |
|---|----------------------------|----------------------------|
| <b>Balance, Beginning of Year CWLHIN funded</b>     | \$ 995,943                 | \$ 1,121,384               |
| Current year receipts                               | 272,546                    | 191,409                    |
| Funding recognized in current year                  | <u>(280,452)</u>           | <u>(316,850)</u>           |
| <b>Balance, End of Year</b>                         | <u>988,037</u>             | <u>995,943</u>             |
| <b>Balance, Beginning of Year Non-CWLHIN funded</b> | 39,652                     | 46,293                     |
| Current year receipts                               | -                          | -                          |
| Funding recognized in current year                  | <u>(6,912)</u>             | <u>(6,641)</u>             |
| <b>Balance, End of Year</b>                         | <u>32,740</u>              | <u>39,652</u>              |
| <b>Total</b>  | <u><u>\$ 1,020,777</u></u> | <u><u>\$ 1,035,595</u></u> |
| Current   | \$ 323,385                 | \$ 288,946                 |
| Long-Term   | <u>697,392</u>             | <u>746,649</u>             |
|   | <u><u>\$ 1,020,777</u></u> | <u><u>\$ 1,035,595</u></u> |

**12. Future Employee Benefits**

As part of the benefit package offered to employees, CMHA/Peel Dufferin offers a self-insured sick leave benefits plan for the first 17 weeks of sick leave. Employees accumulate 1.5 days of sick leave per month of service. Unused credits are carried over to following years.

The amount recorded is based on an actuarial evaluation performed as of April 15, 2016. An actuarial evaluation is completed every three years.



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**13. Lease Commitments**

The Association rents premises under six operating leases which expire March 31, 2019, October 31, 2019, December 30, 2020, February 27, 2021, August 31, 2022, and February 28, 2030. The future commitments are as follows:

|            |    |                  |
|------------|----|------------------|
| 2019       | \$ | 890,483          |
| 2020       |    | 865,250          |
| 2021       |    | 735,948          |
| 2022       |    | 276,396          |
| 2023       |    | 217,226          |
| Thereafter |    | 1,334,675        |
|            | \$ | <u>4,319,978</u> |

**14. Contractual Obligations**

CMHA/Peel Dufferin entered into agreements with funders for programs and services, as identified in Note 1:

- CWLHIN – a one year renewal of the previous year Multi-Sector Services Accountability Agreement is effective covering the period April 1, 2018 to March 31, 2019.
- Region of Peel – a one year agreement for the period January 1, 2018 to December 31, 2018 has been signed.
- United Way of Peel – a one year funding term from April 1, 2018 to March 31, 2019 has been agreed to by both parties, with an agreement expected to be executed by early summer 2018.
- Ontario Trillium Foundation – a three year funding agreement covering January 1, 2018 to December 31, 2020 has been signed.

**15. Subcontractor Funding**

The Association receives funds from the CWLHIN and Region of Peel and subcontracts to several not-for-profit organizations for the operation of certain CMHA/Peel Dufferin programs. CMHA/Peel Dufferin has ultimate responsibility for reporting the revenue and expenses of this funding.

Services are provided by the following organizations:

- CANES Community Care
- Community Living Mississauga
- Family Association for Mental Health Everywhere (“FAME”)
- Peel Addiction Assessment & Referral Centre (“PAARC”)
- Peel Regional Police (“PRP”)
- ReConnect
- SPECTRA Community Support Services
- Supportive Housing In Peel (“SHIP”)

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**16. Paymaster Funding**

The Association receives paymaster funding from the CWLHIN, through SHIP, for the operation of some of CMHA/Peel Dufferin's programs. CMHA/Peel Dufferin reports the revenue and expenses for this funding.

CMHA/Peel Dufferin also provides paymaster funding received from the CWLHIN to SHIP, for SHIP's Safe Bed Program. SHIP is ultimately responsible for reporting the revenue and expenses for this funding.

**17. Internally Restricted Net Assets**

The Association's net assets are comprised of internally restricted and unrestricted net assets. At year end, the balance in internally restricted net assets is \$141,697. This balance consists of the following items:

|  | <b>2018</b>       | <b>2017</b>       |
|--|-------------------|-------------------|
| <b>Estate of W.O. Davidson Reserve</b> |                   |                   |
| Beginning balance                      | \$ 115,161        | \$ 115,061        |
| Interest earned                        | 5,043             | 3,371             |
| Donations                              | -                 | 100               |
| Scholarships awarded                   | (3,166)           | (3,371)           |
|  | <u>117,038</u>    | <u>115,161</u>    |
| <b>Special Projects Reserve</b>        |                   |                   |
| Beginning balance                      | 20,686            | 25,534            |
| Interest earned                        | 550               | 550               |
| Board approved additions               | 3,973             | 3,340             |
| Donations                              | 12,442            | 2,572             |
| Expenditures                           | (12,992)          | (11,310)          |
|  | <u>24,659</u>     | <u>20,686</u>     |
| <b>Total</b>                           | <u>\$ 141,697</u> | <u>\$ 135,847</u> |

In 1989, a reserve was established as a result of a bequest from the Estate of W.O. Davidson. This reserve has been the foundation for providing the Davidson scholarships annually to clients and in 2017, the Board of Directors approved that the agency may grow the reserve from fundraising, new donations, and other sources, which will be reported annually to the Board.

In 2013, the Board of Directors established a Special Projects Reserve to be used towards activities that promote and enhance client services.

**18. Comparative Figures**

Certain figures presented for comparative purposes have been reclassified to conform to this year's presentation.