



Grant Thornton

Consolidated Financial Statements

**Canadian Mental Health Association,
Thunder Bay Branch**

March 31, 2019

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Independent Auditor's Report

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To the Board of Directors and Members of
Canadian Mental Health Association, Thunder Bay Branch

Qualified Opinion

We have audited the consolidated financial statements of Canadian Mental Health Association, Thunder Bay Branch ("the Branch"), which comprise the consolidated statement of financial position as at March 31, 2019, and the consolidated statements of operations, changes in net assets and 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 consolidated financial statements present fairly, in all material respects, the consolidated financial position of Canadian Mental Health Association, Thunder Bay Branch as at March 31, 2019, and its consolidated results of operations and its consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Branch derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Branch. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 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 Auditor's Responsibilities for the Audit of the consolidated financial statements section of our report. We are independent of the Branch in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statement

Management is responsible for the preparation and fair presentation of these consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Branch's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Branch or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated 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 consolidated 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 Branch'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 Branch's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Branch to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated 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.

Grant Thornton LLP

Thunder Bay, Canada
May 29, 2019

Chartered Professional Accountants
Licensed Public Accountants

**Canadian Mental Health Association, Thunder Bay Branch
Consolidated Statement of Financial Position**

As at March 31

					2019	2018
	Branch \$	Health Programs \$	Housing Projects \$	MCSS/MCYS Programs \$	Total \$	Total \$
ASSETS						
Current						
Cash and cash equivalents	229,661	601,719	282,220	80,504	1,194,104	1,043,551
Investments [note 4]	216,825	-	-	-	216,825	16,750
Accounts receivable	49,372	87,187	-	500	137,059	229,938
Harmonized Sales Tax recoverable	2,692	50,584	3,391	127	56,794	145,837
Prepaid expenses	2,743	28,360	-	-	31,103	30,111
Due from other programs	-	-	20,412	-	20,412	32,131
Total current assets	501,293	767,850	306,023	81,131	1,656,297	1,498,318
Capital assets, net [note 5]	525,678	162,330	342,185	-	1,030,193	1,036,815
	1,026,971	930,180	648,208	81,131	2,686,490	2,535,133
LIABILITIES AND NET ASSETS (DEBT)						
Current						
Accounts payable and accrued liabilities	28,759	264,657	89,219	83,640	466,275	641,760
Due to Local Health Integration Network	-	666,598	-	-	666,598	383,158
Long-term debt principal due within one year [note 6]	-	-	34,148	-	34,148	33,810
Due to other programs	16,928	1,937	-	1,547	20,412	32,131
Total current liabilities	45,687	933,192	123,367	85,187	1,187,433	1,090,859
Non-current						
Deferred revenue	18,364	-	-	-	18,364	50,725
Long-term debt [note 6]	-	-	308,037	-	308,037	342,525
Deferred capital contributions, net [note 7]	461,438	162,330	-	-	623,768	596,240
Total non-current liabilities	479,802	162,330	308,037	-	950,169	989,490
Net assets (debt)						
Investment in capital assets [note 8]	64,240	-	-	-	64,240	64,240
Internally restricted [note 2[a]]	131,087	-	-	-	131,087	131,087
Externally restricted [note 2[b]]	-	-	79,205	-	79,205	77,992
Operations surplus (deficit) [note 2[c]]	306,155	(165,342)	137,599	(4,056)	274,356	181,465
Total net assets (debt)	501,482	(165,342)	216,804	(4,056)	548,888	454,784
	1,026,971	930,180	648,208	81,131	2,686,490	2,535,133

See accompanying notes to the consolidated financial statements.

On behalf of the Board:

Director  Director 

Canadian Mental Health Association, Thunder Bay Branch
Consolidated Statement of Operations

Year ended March 31

					2019	2018
	Branch	Health	Housing	MCSS/MCYS	Total	Total
	\$	Programs	Projects	Programs	\$	\$
		\$	\$	\$		
REVENUES						
Amortization of deferred capital contributions	54,999	34,226	-	-	89,225	101,223
Donations and fundraising activities [note 9]	122,205	-	-	-	122,205	83,961
Grants and subsidies	48,522	5,716,616	299,844	208,357	6,273,339	5,649,903
Transferred to deferred capital contributions	-	(116,753)	-	-	(116,753)	(64,728)
Repayable to Local Health Integration Network	-	(316,092)	-	-	(316,092)	(317,541)
CIRF repayable to Local Health Integration Network	-	(6,940)	-	-	(6,940)	-
Sessional fees funding	-	62,640	-	-	62,640	62,640
Housing Registry grant	-	-	-	-	-	229,360
Rental	-	-	21,844	-	21,844	20,664
Community Partners	40,200	-	-	-	40,200	-
Other	57,161	-	-	-	57,161	52,348
Contracted services - TRHP	147,007	-	-	-	147,007	182,262
	470,094	5,373,697	321,688	208,357	6,373,836	6,000,092
EXPENSES						
Amortization of capital assets	54,971	34,226	34,178	-	123,375	137,786
Capital and one-time expenses	-	6,002	9,925	-	15,927	16,195
Direct and administration costs	14,367	978,275	134,389	35,073	1,162,104	1,208,779
Donations and fundraising activities [note 9]	20,738	-	-	-	20,738	14,942
Housing Registry	676	-	-	-	676	229,360
Interest on long-term debt	-	-	6,245	-	6,245	6,756
Public Awareness [schedule]	64,565	-	-	-	64,565	74,068
Salaries and benefits	28,205	4,318,604	130,215	170,814	4,647,838	3,964,614
Sessional fees	-	36,590	-	-	36,590	11,160
Transitional Rehabilitation Housing (TRHP)	149,021	-	-	-	149,021	181,468
Mobilization project	43,496	-	-	-	43,496	90,653
Other	9,157	-	-	-	9,157	23,881
	385,196	5,373,697	314,952	205,887	6,279,732	5,959,662
Excess of revenues over expenses for year	84,898	-	6,736	2,470	94,104	40,430

See accompanying notes to the consolidated financial statements.

**Canadian Mental Health Association, Thunder Bay Branch
Consolidated Statement of Changes in Net Assets**

Year ended March 31

	Investment in Capital Assets [note 8] \$	Internally Restricted [note 2[a]] \$	Externally Restricted [note 2[b]] \$	Operations Surplus (Deficit)			2019	2018	
				Branch [note 2[a]] \$	Health Programs \$	Housing Projects \$	MCSS/MCYS Programs \$	Total \$	Total \$
Balance, beginning of year	64,240	131,087	77,992	255,407	(165,342)	97,926	(6,526)	454,784	435,917
Excess (deficiency) of revenues over expenses for year	(34,150)	-	-	84,898	-	40,886	2,470	94,104	40,430
Previous year adjustments	-	-	-	-	-	-	-	-	(21,563)
Investment in capital assets	34,150	-	-	(34,150)	-	-	-	-	-
Externally imposed restrictions	-	-	1,213	-	-	(1,213)	-	-	-
Balance, end of year	64,240	131,087	79,205	306,155	(165,342)	137,599	(4,056)	548,888	454,784

See accompanying notes to the consolidated financial statements.

**Canadian Mental Health Association, Thunder Bay
Branch**

Consolidated Statement of Cash Flows

Year ended March 31	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses for year	94,104	40,430
Add charges (deduct credits) to operations not involving a current payment (receipt) of cash		
Amortization of capital assets	123,375	137,785
Amortization of deferred capital contributions	(89,225)	(101,222)
Previous year adjustment	-	(21,563)
	128,254	55,430
Net change in non-cash working capital balances related to operations <i>[note 10[a]]</i>	288,885	238,255
Cash provided by operating activities	417,139	293,685
INVESTMENT ACTIVITIES		
Additions to capital assets	(116,753)	(64,728)
Increase in investments	(200,075)	(57)
Cash used in investment activities	(316,828)	(64,785)
FINANCING ACTIVITIES		
Increase in deferred revenue	(32,361)	(20,777)
Increase in deferred capital contributions	116,753	64,728
Principal payments on mortgage	(34,150)	(33,644)
Cash provided by financing activities	50,242	10,307
Increase in cash and cash equivalents during year	150,553	239,207
Cash and cash equivalents, beginning of year	1,043,551	804,344
Cash and cash equivalents, end of year	1,194,104	1,043,551
Represented by		
Cash on hand and balances with bank	1,194,104	1,043,551

See accompanying notes to the consolidated financial statements.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2019

GENERAL

The Canadian Mental Health Association, Thunder Bay Branch (the "Branch") is a not-for-profit organization and is a registered charity under the Income Tax Act (Canada). The principal activities of the Branch include improving treatment and rehabilitation services for the mentally ill, improving attitudes towards mental illness, and promoting mental health and the prevention of mental illness.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. The standards require entities to select policies appropriate for their circumstances from choices provided in the specific standards. Following are details of the choices selected by the Branch and applied in these financial statements.

Basis of consolidation

These consolidated financial statements reflect the assets and liabilities, revenues and expenses of the Canadian Mental Health Association, Thunder Bay Branch activities, Dufferin Street and Pioneer Drive Housing Projects, New Foundations Programs, Early Psychosis Intervention, Court Diversion and Case Management Programs, Crisis Program, Crisis Residential Program, the Ministry of Community and Social Services Programs (MCSS), the Ministry of Community and Youth Services Programs (MCYS), the Youth Court Program, the Homelessness Initiative Program, the Homeless and Children and the Bridging the GAPPS Program. All inter-program assets and liabilities, revenues and expenses have been eliminated.

Revenue recognition

The Branch uses the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are deferred and recognized as revenue in the year in which the related expenses are recognized.

Capital contributions

Contributions to fund Branch capital assets are initially recorded as deferred capital contributions, and are then amortized to income on the same basis as the related capital asset.

Allocation of shared expenses

It is the Branch's policy to allocate administrative and supervisory salaries, employee benefits, utilities, property taxes and certain other expenses to the various programs that it sponsors based on budgeted amounts which have been approved by the various funding agencies.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2019

Volunteer supplies and services

Due to the difficulty in determining the fair value of donated supplies and services, contributions of this nature are not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and balances with banks.

They include balances subject to certain restrictions, as defined in note 2.

Capital assets

[a] Branch, Health and Homelessness Initiative Programs

Capital assets are initially recorded at cost less accumulated amortization.

Amortization is provided on the straight-line basis at the rates set out below. It is expected that these procedures will charge the consolidated statement of operations with the cost of the related capital assets over their estimated useful lives. Gain or loss on the disposal of individual assets is recognized in the consolidated statement of operations in the year of disposal.

Building	4%
Building improvements	33 - 50%
Computer equipment	20%
Furniture and equipment	20%
Parking lot	6%
Signage	20%
Systems software	20%
Vehicle	14%

As necessary, these assets have been tested for impairment.

[b] Housing Projects

In the Housing Projects, capital assets comprised of land and buildings and initial purchases of appliances are initially recorded at an amount equal to their total capital cost. Amortization is recorded in annual amounts equal to the principal reduction in the related mortgage debt.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2019

Trust funds

The Branch acts as trustee for various Thunder Bay mental health organizations in administering a pool of funds for mental health workshops and other educational endeavours. The cash funds held by the Branch amounting to \$15,373 at March 31, 2019 [2018 - \$15,131] have not been audited and are not included in the accompanying consolidated financial statements.

Financial instruments

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

- Cash and cash equivalents
- Investments
- Accounts receivable
- Accounts payable and accrued liabilities
- Due to Local Health Integration Network
- Long-term debt
- Interfund balances

A financial asset or liability is recognized when the Branch becomes party to contractual provisions of the instrument.

Measurement

Financial assets or liabilities obtained in arm's-length transactions are initially measured at their fair value. In the case of a financial asset or liability not being subsequently measured at fair value, the initial fair value will be adjusted for financing fees and transaction costs that are directly attributable to its origination, acquisition, issuance or assumption.

Financial assets or liabilities are subsequently measured at cost or amortized cost less any reduction for impairment, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the consolidated statement of operations.

Financial assets measured at cost or amortized cost include cash and cash equivalents, accounts receivable and interfund balances. Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities, due to Local Health Integration Network, long-term debt and interfund balances.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2019

Derecognition

The Branch removes financial liabilities, or a portion of, when the obligation is discharged, cancelled or expires.

Impairment

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

Use of estimates

Management reviews the carrying amounts of items in the financial statements at each statement of financial position date to assess the need for revision or any possibility of impairment. Many items in the preparation of these financial statements require management's best estimate. Management determines these estimates based on assumptions that reflect the most probable set of economic conditions and planned courses of action.

These estimates are reviewed periodically and adjustments are made to net income as appropriate in the year they become known.

Items subject to significant management estimates include grant revenue/balances repayable to funding agencies [see note 13], as well as the useful lives and amortization rates for capital assets.

2. RESTRICTIONS ON ASSETS

[a] The Board of Directors has placed internal restrictions on the net assets of the Branch as follows:

Internally restricted assets

Certain assets comprising income from specific fundraising events and donations, net of applicable expenses, are to be used for building and related capital expenses as approved by the Board.

Certain assets comprising estate proceeds have been internally restricted and are to be used towards annual scholarships.

Revenue derived from billings to the City of Thunder Bay for the cleaning of bus shelters, net of expenses, was historically restricted in use by the Board. The Board of Directors have passed a resolution to remove the internal restriction relating to bus shelter activities.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2019

[b] Externally restricted assets consist of:

Housing capital reserve fund

In accordance with the terms of the Branch's operating agreements with the Ontario Ministry of Health and Long-Term Care, a specified portion of annual grants received are set aside in a reserve fund for the repairs and replacement of furnishings and equipment. These funds, together with accumulated interest thereon, are to be used for the replacement of stoves and refrigerators, mechanical laundry equipment, roofs, plumbing, heating equipment and other items of a minor capital nature approved by the Minister. The balance of the capital reserve fund is disclosed as an externally restricted fund.

The total cash and cash equivalents balance of \$282,220 includes \$48,686 of cash in an account restricted for purposes of supporting this reserve fund.

[c] Other restrictions consist of:

Bingo and raffle accounts

The total cash and cash equivalents Branch balance of \$229,661 includes \$8,447 of accumulated bingo and raffle cash for which certain restrictions in use apply. These same restrictions apply to the portion of the operations surplus represented by the accumulated bingo and nevada cash and accounts receivable, net of accounts payable.

3. LINE OF CREDIT

The Branch has negotiated a line of credit up to a maximum of \$115,000 with HSBC Bank, of which \$nil [2018 - \$nil] was drawn at year-end. The operating line of credit is secured by a general security agreement and bears interest at prime [2.70% at March 31, 2019].

4. INVESTMENTS

Investments are carried at fair value and consist of the following:

	2019 \$	2018 \$
Guaranteed Investment Certificates	200,000	-
Money market investments	16,825	16,750
	216,825	16,750

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2019

5. CAPITAL ASSETS

Details of year-end capital asset balances are as follows:

	Cost \$	Accumulated amortization \$	2019 Net book value \$	2018 Net book value \$
Branch				
Building - 200 Van Norman Street	1,302,013	1,092,919	209,094	261,173
Computer equipment	30,504	30,504	-	-
Furniture and equipment	96,110	96,110	-	-
Parking lot	16,152	16,152	-	(1)
Signage	7,105	7,105	-	-
Vehicle	20,430	20,430	-	2,919
	1,472,314	1,263,220	209,094	264,091
Land	316,584	-	316,584	316,584
	1,788,898	1,263,220	525,678	580,675
Health Programs				
Computer equipment	19,188	19,188	-	-
Building improvements	380,271	308,834	71,437	-
Equipment	297,216	211,453	85,763	69,545
Systems software	81,281	76,151	5,130	10,260
	777,956	615,626	162,330	79,805
Housing Projects				
Land and building				
Dufferin Street	289,908	173,639	116,269	129,174
Pioneer Drive	542,157	316,241	225,916	247,161
	832,065	489,880	342,185	376,335

**Canadian Mental Health Association, Thunder Bay
Branch**

Notes to the Consolidated Financial Statements

March 31, 2019

6. LONG-TERM DEBT

	2019 \$	2018 \$
Canada Mortgage and Housing Corporation		
First mortgage on land and building (Dufferin Street), repayable at \$1,440 monthly, including principal and interest at 1.01% per annum, maturing February 1, 2021. Collateral security is provided by first security interest on various furnishings and fixtures and an assignment of rents and leases.	116,269	129,174
First mortgage on land and building (Pioneer Drive), repayable at \$2,199 monthly, including principal and interest at 2.2% per annum, maturing September 1, 2028. Collateral security is provided by a Chattel Security Agreement and an assignment of rents and leases.	225,916	247,161
	342,185	376,335
Less principal due within one year	34,148	33,810
Long-term portion	308,037	342,525

Principal repayment of long-term debt due over the next five years and thereafter, assuming refinancing at maturities under similar terms, is as follows:

	\$
2020	34,148
2021	34,955
2022	35,785
2023	36,633
2024	37,503
Thereafter	163,161
	342,185

**Canadian Mental Health Association, Thunder Bay
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Notes to the Consolidated Financial Statements

March 31, 2019

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of grants, donations and fundraising proceeds received for the purchase of capital assets. The change in the deferred capital contributions balance is as follows:

	2019 \$	2018 \$
Balance, beginning of year	596,240	632,735
Amortization of deferred capital contributions	(89,225)	(101,223)
Ontario Ministry of Health and Long-Term Care funding	116,753	64,728
Balance, end of year	623,768	596,240

8. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets consists of the following:

	2019 \$	2018 \$
Capital assets, net	1,030,193	1,036,815
Deferred capital contributions	(623,768)	(596,240)
Mortgages payable	(342,185)	(376,335)
Balance, end of year	64,240	64,240

The change in investment in capital assets is calculated as follows:

	2019 \$	2018 \$
Purchase of capital assets	116,753	64,728
Amortization of capital assets	(123,375)	(137,786)
Amortization of deferred capital contributions	89,225	101,223
Amounts funded by Ontario Ministry of Health and Long-Term Care	(116,753)	(64,728)
Repayment of mortgage principal	34,150	33,644
	-	(2,919)

**Canadian Mental Health Association, Thunder Bay
Branch**

Notes to the Consolidated Financial Statements

March 31, 2019

9. DONATIONS AND FUNDRAISING ACTIVITIES

Donations and fundraising activities consist of the following:

	2019		2018	
	Gross revenue \$	Direct expenses \$	Gross revenue \$	Direct expenses \$
Sources				
Bingo	-	-	3,912	-
Golf tournament	28,669	-	16,381	-
Donations	46,407	-	24,583	-
Intervention workshop	20,441	10,487	17,339	7,881
Other	26,688	10,251	21,746	7,061
	122,205	20,738	83,961	14,942

10. STATEMENT OF CASH FLOWS

[a] The net change in non-cash working capital balances related to operations consists of the following:

	2019 \$	2018 \$
Decrease (increase) in current assets		
Accounts receivable	92,879	(123,779)
Harmonized Sales Tax recoverable	89,043	19,768
Prepaid expenses	(992)	(2,080)
Due from other programs	11,719	(13,813)
	192,649	(119,904)
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	(175,485)	135,441
Due to Local Health Integration Network	283,440	208,905
Due to other programs	(11,719)	13,813
	96,236	358,159
	288,885	238,255

[b] Cash outflows during the year for interest were as follows:

	2019 \$	2018 \$
Interest paid	6,245	6,756

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2019

11. COMMITMENTS

The future minimum annual lease payments on operating leases are as follows:

	\$
2020	176,284
2021	61,798
2022	4,800
2023	4,800
2024	4,800
2025 and thereafter	1,200
Total minimum lease payments	253,682

12. PENSION PLAN

Substantially all of the employees of the Branch are members of the CMHA Pension Plan ("the Plan"), which is a defined contribution plan available to all eligible employees of the participating Branch. The Plan is administered nation-wide by CMHA National.

Contributions to the Plan made by the Branch during the year amounted to \$211,227 [2018 - \$188,141] and are included in the consolidated statement of operations.

13. CONTINGENCIES

Surpluses

The Ontario Ministry of Health and Long-Term Care provides funding for the Health and Housing programs based on annual budget submissions. At year-end, total expenses as calculated in accordance with Ministry guidelines are compared to the approved budget and, at the discretion of the Ministry, any excess funding may be refunded to the Ministry or affect the funding available to the programs/projects in the succeeding year. Any differences between the actual Ministry settlement amounts and the balances reflected as receivable/payable in these financial statements will be recognized in the year in which a settlement is reached.

**Canadian Mental Health Association, Thunder Bay
Branch**

Notes to the Consolidated Financial Statements

March 31, 2019

14. FINANCIAL INSTRUMENTS

[a] Credit risk

Credit risk is the risk that a third party will fail to discharge its obligation to the Branch reducing the expected cash inflow from the Branch assets recorded on the consolidated statement of financial position date. Credit risk can be concentrated in debtors that are similarly affected by economic or other conditions. The Branch management does not feel that it is exposed to significant concentration or credit risk.

[b] Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Branch is exposed to interest rate risk for certain financial assets and liabilities. The Branch has long-term debt which could expose the Branch to fluctuations in interest rates and a fair value risk.

15. ECONOMIC DEPENDENCE

The Branch is dependent on annual contributions from various government agencies to finance its operations. Should these contributions cease, the Branch would be unable to continue its current operations.

16. COMPARATIVE CONSOLIDATED FINANCIAL STATEMENTS

The comparative consolidated financial statements have been reclassified from statements previously presented to conform to the presentation of the 2019 consolidated financial statements.

**Canadian Mental Health Association, Thunder Bay
Branch** **Schedule**
Public Awareness Expenses

Year ended March 31	2019	2018
	\$	\$
Advertising and promotion	1,686	114
Books and publications	5,051	5,198
Office supplies and postage	1,818	1,221
Other	616	415
Salaries and benefits	52,845	66,123
Staff development and workshops	2,361	738
Travel	188	259
	64,565	74,068
