



Consolidated Financial Statements

Canadian Mental Health Association,
Thunder Bay Branch

March 31, 2020

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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, 2020, 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, 2020, 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, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the financial statements for the year ended March 31, 2020 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.

The logo for Grant Thornton LLP, featuring the company name in a stylized, cursive script font.

Thunder Bay, Canada
July 10, 2020

Chartered Professional Accountants
Licensed Public Accountants

Canadian Mental Health Association, Thunder Bay Branch

Consolidated Statement of Financial Position

As at March 31

					2020	2019
	Branch	Health Programs	Housing Projects	MCSS/MCYS Programs	Total	Total
	\$	\$	\$	\$	\$	\$
ASSETS						
Current						
Cash and cash equivalents	576,179	1,017,704	243,130	35,324	1,872,337	1,194,104
Investments <i>[note 4]</i>	-	-	-	-	-	216,825
Accounts receivable	64,319	8,783	9,351	500	82,953	137,059
Harmonized Sales Tax recoverable	2,957	147,811	7,737	716	159,221	56,794
Prepaid expenses	31	-	-	-	31	31,103
Due from other programs	-	11,464	96,129	-	107,593	20,412
Total current assets	643,486	1,185,762	356,347	36,540	2,222,135	1,656,297
Capital assets, net <i>[note 5]</i>	470,685	403,190	307,550	-	1,181,425	1,030,193
	1,114,171	1,588,952	663,897	36,540	3,403,560	2,686,490
LIABILITIES AND NET ASSETS (DEBT)						
Current						
Accounts payable and accrued liabilities	32,429	378,417	130,562	30,258	571,666	466,275
Due to Local Health Integration Network	-	972,688	-	-	972,688	666,598
Long-term debt principal due within one year <i>[note 6]</i>	-	-	34,957	-	34,957	34,148
Due to other programs	95,127	-	-	12,466	107,593	20,412
Total current liabilities	127,556	1,351,105	165,519	42,724	1,686,904	1,187,433
Non-current						
Deferred revenue	11,860	-	-	-	11,860	18,364
Long-term debt <i>[note 6]</i>	-	-	272,593	-	272,593	308,037
Deferred capital contributions, net <i>[note 7]</i>	406,447	403,189	-	-	809,636	623,768
Total non-current liabilities	418,307	403,189	272,593	-	1,094,089	950,169
Net assets (debt)						
Investment in capital assets <i>[note 8]</i>	64,239	-	-	-	64,239	64,240
Internally restricted <i>[note 2[a]]</i>	131,087	-	-	-	131,087	131,087
Externally restricted <i>[note 2[b]]</i>	-	-	84,323	-	84,323	79,205
Operations surplus (deficit) <i>[note 2[c]]</i>	372,982	(165,342)	141,462	(6,184)	342,918	274,356
Total net assets (debt)	568,308	(165,342)	225,785	(6,184)	622,567	548,888
	1,114,171	1,588,952	663,897	36,540	3,403,560	2,686,490

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

					2020	2019
	Branch	Health	Housing	MCSS/MCYS	Total	Total
	\$	\$	\$	\$	\$	\$
REVENUES						
Amortization of deferred capital contributions	54,991	117,412	-	-	172,403	89,225
Donations and fundraising activities <i>[note 9]</i>	123,519	-	-	-	123,519	122,205
Grants and subsidies	15,000	6,389,289	336,154	220,267	6,960,710	6,273,339
Transferred to deferred capital contributions	-	(358,271)	-	-	(358,271)	(116,753)
Repayable to Local Health Integration Network	-	(313,037)	-	-	(313,037)	(316,092)
Recovered by Local Health Integration Network	-	(150,000)	-	-	(150,000)	-
CIRF repayable to Local Health Integration Network	-	-	-	-	-	(6,940)
Sessional fees funding	-	64,223	-	-	64,223	62,640
Rental	-	-	18,996	-	18,996	21,844
Community Partners	7,000	-	-	-	7,000	40,200
Other	61,916	-	-	-	61,916	57,161
Contracted services - TRHP	151,797	-	-	-	151,797	147,007
	414,223	5,749,616	355,150	220,267	6,739,256	6,373,836
EXPENSES						
Amortization of capital assets	54,991	117,412	34,699	-	207,102	123,375
Capital and one-time expenses	-	-	717	-	717	15,927
Direct and administration costs	13,430	1,124,969	149,831	34,900	1,323,130	1,162,104
Donations and fundraising activities <i>[note 9]</i>	27,200	-	-	-	27,200	20,738
Housing Registry	92	-	-	-	92	676
Interest on long-term debt	-	-	5,837	-	5,837	6,245
Public Awareness <i>[schedule]</i>	50,016	-	-	-	50,016	64,565
Salaries and benefits	44,885	4,498,236	155,085	187,495	4,885,701	4,647,838
Sessional fees	-	8,999	-	-	8,999	36,590
Transitional Rehabilitation Housing (TRHP)	153,361	-	-	-	153,361	149,021
Mobilization project	3,422	-	-	-	3,422	43,496
Other	-	-	-	-	-	9,157
	347,397	5,749,616	346,169	222,395	6,665,577	6,279,732
Excess of revenues over expenses for year	66,826	-	8,981	(2,128)	73,679	94,104

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

				Operations Surplus (Deficit)				2020	2019
	Investment in Capital Assets [note 8] \$	Internally Restricted [note 2[a]] \$	Externally Restricted [note 2[b]] \$	Branch [note 2[a]] \$	Health Programs \$	Housing Projects \$	MCSS/MCYS Programs \$	Total \$	Total \$
Balance, beginning of year	64,240	131,087	79,205	306,155	(165,342)	137,599	(4,056)	548,888	454,784
Excess (deficiency) of revenues over expenses for year	-	-	-	66,826	-	8,981	(2,128)	73,679	94,104
Investment in capital assets	(1)	-	-	1	-	-	-	-	-
Externally imposed restrictions	-	-	5,118	-	-	(5,118)	-	-	-
Balance, end of year	64,239	131,087	84,323	372,982	(165,342)	141,462	(6,184)	622,567	548,888

See accompanying notes to the consolidated financial statements.

**Canadian Mental Health Association, Thunder Bay
Branch
Consolidated Statement of Cash Flows**

Year ended March 31	2020	2019
	\$	\$
OPERATING ACTIVITIES		
Excess of revenues over expenses for year	73,679	94,104
Add charges (deduct credits) to operations not involving a current payment (receipt) of cash		
Amortization of capital assets	207,102	123,375
Amortization of deferred capital contributions	(172,403)	(89,225)
	108,378	128,254
Net change in non-cash working capital balances related to operations <i>[note 10[a]]</i>	394,232	288,885
Cash provided by operating activities	502,610	417,139
INVESTMENT ACTIVITIES		
Additions to capital assets	(358,271)	(116,753)
Decrease in investments	216,825	(200,075)
Cash used in investment activities	(141,446)	(316,828)
FINANCING ACTIVITIES		
Decrease in deferred revenue	(6,567)	(32,361)
Increase in deferred capital contributions	358,271	116,753
Principal payments on mortgage	(34,635)	(34,150)
Cash provided by financing activities	317,069	50,242
Increase in cash and cash equivalents during year	678,233	150,553
Cash and cash equivalents, beginning of year	1,194,104	1,043,551
Cash and cash equivalents, end of year	1,872,337	1,194,104
Represented by		
Cash on hand and balances with bank	1,872,337	1,194,104

See accompanying notes to the consolidated financial statements.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2020

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, 2020

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, 2020

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, 2020

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, 2020

[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 \$243,130 includes \$58,256 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 \$303,812 includes \$20,572 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 [2019 - \$nil] was drawn at year-end. The operating line of credit is secured by a general security agreement and bears interest at prime [2.45% at March 31, 2020].

4. INVESTMENTS

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

	2020	2019
	\$	\$
Guaranteed Investment Certificates	-	200,000
Money market investments	-	16,825
	-	216,825

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2020

5. CAPITAL ASSETS

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

	Cost \$	Accumulated amortization \$	2020 Net book value \$	2019 Net book value \$
Branch				
Building - 200 Van Norman Street	1,302,011	1,147,910	154,101	209,094
Computer equipment	30,504	30,504	-	-
Furniture and equipment	96,110	96,110	-	-
Parking lot	16,153	16,153	-	-
Signage	7,105	7,105	-	-
Vehicle	20,430	20,430	-	-
	1,472,313	1,318,212	154,101	209,094
Land	316,584	-	316,584	316,584
	1,788,897	1,318,212	470,685	525,678
Health Programs				
Computer equipment	19,188	19,188	-	-
Building improvements	714,521	391,277	323,244	71,437
Equipment	320,444	240,498	79,946	85,763
Systems software	81,281	81,281	-	5,130
	1,135,434	732,244	403,190	162,330
Housing Projects				
Land and building				
Dufferin Street	289,908	186,671	103,237	116,269
Pioneer Drive	542,157	337,844	204,313	225,916
	832,065	524,515	307,550	342,185

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

March 31, 2020

6. LONG-TERM DEBT

	2020 \$	2019 \$
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.	103,237	116,269
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.	204,313	225,916
	307,550	342,185
Less principal due within one year	34,957	34,148
Long-term portion	272,593	308,037

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

	\$
2021	34,957
2022	35,784
2023	36,633
2024	37,503
2025	38,393
Thereafter	124,280
	307,550

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2020

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:

	2020 \$	2019 \$
Balance, beginning of year	623,768	596,240
Amortization of deferred capital contributions	(172,403)	(89,225)
Ontario Ministry of Health and Long-Term Care funding	358,271	116,753
Balance, end of year	809,636	623,768

8. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets consists of the following:

	2020 \$	2019 \$
Capital assets, net	1,181,425	1,030,193
Deferred capital contributions	(809,636)	(623,768)
Mortgages payable	(307,550)	(342,185)
Balance, end of year	64,239	64,240

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

	2020 \$	2019 \$
Purchase of capital assets	358,271	116,753
Amortization of capital assets	(207,102)	(123,375)
Amortization of deferred capital contributions	172,403	89,225
Amounts funded by Ontario Ministry of Health and Long-Term Care	(358,271)	(116,753)
Repayment of mortgage principal	34,699	34,150
	-	-

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2020

9. DONATIONS AND FUNDRAISING ACTIVITIES

Donations and fundraising activities consist of the following:

	2020		2019	
	Gross revenue \$	Direct expenses \$	Gross revenue \$	Direct expenses \$
Sources				
Raffle	23,260	11,190	-	-
Golf tournament	32,254	-	28,669	-
Donations	41,871	-	46,407	-
Intervention workshop	14,205	8,806	20,441	10,487
Other	11,929	7,204	26,688	10,251
	123,519	27,200	122,205	20,738

10. STATEMENT OF CASH FLOWS

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

	2020 \$	2019 \$
Decrease (increase) in current assets		
Accounts receivable	54,106	92,879
Harmonized Sales Tax recoverable	(102,427)	89,043
Prepaid expenses	31,072	(992)
Due from other programs	(87,181)	11,719
	(104,430)	192,649
Increase (decrease) in current liabilities		
Accounts payable and accrued liabilities	105,391	(175,485)
Due to Local Health Integration Network	306,090	283,440
Due to other programs	87,181	(11,719)
	498,662	96,236
	394,232	288,885

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

	2020 \$	2019 \$
Interest paid	5,837	6,245

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2020

11. COMMITMENTS

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

	\$
2021	164,085
2022	143,290
2023	144,119
2024	144,119
2025	134,018
2026 and thereafter	5,109
Total minimum lease payments	734,740

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 \$199,338 [2019 - \$211,227] 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.

Operations

The Branch is party to several employee grievances. An estimate of potential liability is not determinable. Settlement, if any, will be accounted for in the year it occurs.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2020

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. CHANGE IN ACCOUNTING POLICY

On April 1, 2019, the Branch adopted new accounting standards Section 4433 Tangible capital assets held by not-for-profit organizations, which requires tangible capital assets to be separated into their component parts when practicable and when estimates can be made of the separate components. In addition, the standard outlines when tangible capital assets are to be written-down to fair value or replacement cost to reflect partial impairments.

The change in accounting policy was applied prospectively, as prescribed by the transitional provisions of the Section. The impact of the adoption of the new Section resulted in no adjustments to the financial statements.

17. COVID-19 IMPACT

Since early 2020, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses were forced to cease or limit operations for long periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Canadian Mental Health Association, Thunder Bay Branch

Notes to the Consolidated Financial Statements

March 31, 2020

The Branch's financial position and results of operations as of and for the year ended March 31, 2020 have not been materially impacted by the COVID-19 pandemic. In response to provincial COVID-19 measures, the Branch has been advised by the Ministry of Health that previously approved budgets will not be amended and additional relief funding is expected in regards to increased demand for COVID related expenses incurred. Within the Housing program, tenant revenues have been delayed for the month of April. The Branch is expecting a reduction in fundraising and donation revenue due to several events being cancelled through the summer of 2020.

The duration and impact of the COVID-19 pandemic, as well as the effectiveness of government and central bank responses, remains unclear at this time. It is not possible to reliably estimate the duration and severity of these consequences, as well as their impact on the financial position and results of the Branch for future periods.

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

Year ended March 31	2020	2019
	\$	\$
Advertising and promotion	-	1,686
Books and publications	6,064	5,051
Office supplies and postage	28	1,818
Other	668	616
Salaries and benefits	40,286	52,845
Staff development and workshops	2,770	2,361
Travel	200	188
	50,016	64,565