

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC
Financial Statements
Year Ended March 31, 2021

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC
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Year Ended March 31, 2021

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INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Mental Health Association Manitoba and Winnipeg Inc

Opinion

We have audited the financial statements of Canadian Mental Health Association Manitoba and Winnipeg Inc (the organization), which comprise the statement of financial position as at March 31, 2021, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2021, 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 (ASNPO).

Basis for Opinion

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 Financial Statements* section of our report. We are independent of the organization in accordance with ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the organization'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 organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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 financial statements.

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Independent Auditor's Report to the Members of Canadian Mental Health Association Manitoba and Winnipeg Inc (*continued*)

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the organization'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 organization'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 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 organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



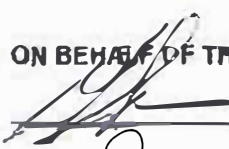
Winnipeg, MB
July 5, 2021

CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC
Statement of Financial Position
March 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 1,756,247	\$ 1,186,267
Accounts receivable	906,198	666,251
Inventory	-	51,052
Goods and services tax recoverable	21,194	41,715
Prepaid expenses	22,264	29,392
Due from related parties (Note 10)	-	5,137
	<u>2,705,903</u>	<u>1,979,844</u>
CAPITAL ASSETS (Note 6)	2,764,832	2,846,748
	<u>\$ 5,470,735</u>	<u>\$ 4,826,592</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 763,299	\$ 519,551
Current portion of long term debt (Note 8)	74,207	70,259
Deferred income	904,811	504,236
Due to related parties (Note 10)	26,439	-
	<u>1,768,756</u>	<u>1,094,046</u>
LONG TERM DEBT (Note 8)	1,546,785	1,620,977
DEFERRED CAPITAL CONTRIBUTIONS	612,326	654,762
OPERATING RESERVE FUND	70,000	-
	<u>3,997,867</u>	<u>3,369,785</u>
NET ASSETS		
General fund	(100,611)	(187,723)
Restricted fund	1,148,717	1,143,780
Invested in capital assets	424,762	500,750
	<u>1,472,868</u>	<u>1,456,807</u>
	<u>\$ 5,470,735</u>	<u>\$ 4,826,592</u>

ON BEHALF OF THE BOARD


 _____ Director
 Jeremy Bereza
 _____ Director

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**Statement of Revenues and Expenditures****Year Ended March 31, 2021**

	2021	2020
REVENUES		
Winnipeg Regional Health Authority	\$ 1,863,564	\$ 1,859,064
Province of Manitoba	1,326,386	1,396,082
United Way	804,587	487,207
Other grants	524,271	171,000
Donations and fundraising	249,496	138,992
Canada Emergency Wage Subsidy	278,856	-
General	268,974	473,363
Province of Manitoba Department of Families	200,000	-
Program revenue	155,312	191,074
Revenue from deferred capital contributions	64,315	54,598
Mental Health - First Aid Training	13,135	69,852
Interest income	4,937	26,205
	5,753,833	4,867,437
EXPENDITURES		
Amortization	160,406	135,475
COVID 19 expenses	49,750	-
Fundraising expense	23,930	23,416
Meeting and conferences	6,671	16,107
Occupancy	568,451	230,455
Office	220,664	193,989
Programming expenses	235,443	87,883
Public education	481,615	357,462
Purchased services	283,556	459,749
Salaries and wages	3,650,518	3,158,546
Staff recruitment and development	22,869	21,249
Travel	33,899	78,991
	5,737,772	4,763,322
EXCESS OF REVENUES OVER EXPENDITURES	\$ 16,061	\$ 104,115

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Statement of Changes in Net Assets

Year Ended March 31, 2021

	General Fund	Restricted Fund	Invested in Capital Assets	2021	2020
NET ASSETS - BEGINNING OF YEAR	\$ (187,723)	\$ 1,143,780	\$ 500,750	\$ 1,456,807	\$ 1,352,692
EXCESS OF REVENUES OVER EXPENDITURES	176,467	-	(160,406)	16,061	104,115
Investment in capital assets	(84,418)	-	84,418	-	-
Transfers to reserve fund	(4,937)	4,937	-	-	-
	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ (100,611)	\$ 1,148,717	\$ 424,762	\$ 1,472,868	\$ 1,456,807

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

**Statement of Cash Flows
Year Ended March 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 16,061	\$ 104,115
Item not affecting cash:		
Amortization of capital assets	<u>160,406</u>	135,475
	<u>176,467</u>	239,590
Changes in non-cash working capital:		
Accounts receivable	(239,947)	(568,799)
Inventory	51,052	(51,052)
Accounts payable	243,747	142,595
Deferred income	400,575	148,736
Prepaid expenses	7,128	(16,553)
Goods and services tax payable	20,551	(41,745)
Deferred capital contributions	(42,436)	42,792
Operating reserve fund	<u>70,000</u>	-
	<u>510,670</u>	(344,026)
Cash flow from (used by) operating activities	<u>687,137</u>	(104,436)
INVESTING ACTIVITY		
Purchase of capital assets	<u>(78,489)</u>	(144,850)
FINANCING ACTIVITIES		
Advances from (to) related parties	31,576	(18,119)
Repayment of long term debt	<u>(70,244)</u>	(66,250)
Cash flow used by financing activities	<u>(38,668)</u>	(84,369)
INCREASE (DECREASE) IN CASH FLOW	569,980	(333,655)
Cash - beginning of year	<u>1,186,267</u>	1,519,922
CASH - END OF YEAR	<u>\$ 1,756,247</u>	<u>\$ 1,186,267</u>

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2021

1. PURPOSE OF THE ASSOCIATION

Canadian Mental Health Association, Manitoba and Winnipeg Inc. (the Association) is organized with the mission that people with mental illness are full participants in society. The Association is incorporated under the Corporations Act of Manitoba and is a registered charity under the Income Tax Act.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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 reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

Net assets

- a) Net assets invested in capital assets represents the organization's net investment in capital assets which is comprised of the unamortized amount of capital assets purchased with restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

Revenue recognition

Canadian Mental Health Association Manitoba and Winnipeg Inc follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2021

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
Furniture and equipment	20%	declining balance method
Computer equipment	30%	declining balance method

4. CASH

	<u>2021</u>	<u>2020</u>
Cash	\$ 607,530	\$ 164,073
Restricted cash	1,148,717	1,022,194
	-	-
	<u>\$ 1,756,247</u>	<u>\$ 1,186,267</u>

5. PREPAID EXPENSES

	<u>2021</u>	<u>2020</u>
Prepaid expenses	\$ 3,710	1760
Prepaid insurance	18,554	27632
	<u>\$ 22,264</u>	<u>\$ 29,392</u>

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land	\$ 300,000	\$ -	\$ 300,000	\$ 300,000
Buildings	3,223,168	962,036	2,261,132	2,355,346
Furniture and equipment	340,002	221,796	118,206	147,757
Computer equipment	195,622	150,708	44,914	14,950
Computer software	63,036	22,456	40,580	28,695
	<u>\$ 4,121,828</u>	<u>\$ 1,356,996</u>	<u>\$ 2,764,832</u>	<u>\$ 2,846,748</u>

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

<u>2021</u>	<u>2020</u>
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CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2021

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES *(continued)*

	<u>2021</u>	<u>2020</u>
Accounts payable	\$ 150,622	\$ 234,585
Accrued liabilities	334,878	8,850
Accrued wages	<u>277,799</u>	<u>276,116</u>
	<u>\$ 763,299</u>	<u>\$ 519,551</u>

8. LONG TERM DEBT

	<u>2021</u>	<u>2020</u>
Caisse Groupe Financier Ltee loan bearing interest at 5.5% per annum, repayable in monthly blended payments of \$13,460. The loan matures on April 30, 2023 and is secured by a general security agreement, a first ranked multi-purpose mortgage on the building, assignment of rent and leases, and fire insurance.	\$ 1,620,992	\$ 1,691,236
Amounts payable within one year	<u>(74,207)</u>	<u>(70,259)</u>
	<u>\$ 1,546,785</u>	<u>\$ 1,620,977</u>

Principal repayment terms are approximately:

2022	\$ 74,207
2023	78,393
2024	82,814
2025	87,486
2026	92,421
Thereafter	<u>1,205,671</u>
	<u>\$ 1,620,992</u>

9. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 654,762	\$ 611,970
Contributions received during year	15,315	97,390
Less: amortized to revenue	<u>(57,751)</u>	<u>(54,598)</u>
	<u>\$ 612,326</u>	<u>\$ 654,762</u>

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2021

10. DUE TO RELATED PARTY

As of April, 2017, Canadian Mental Health Association, Manitoba and Winnipeg Inc. assumed administrative responsibilities for the Selkirk and District Canadian Mental Health Association Incorporated and took over financial management of collecting and distributing funds on its behalf. The due to amount balance is non-interest bearing, no fixed terms of repayment and due on demand.

11. RESTRICTED NET ASSETS

In 2015, management established two internally restricted funds, one for special projects and a reserve fund per EL 1.3.1 using excess donations received from various fundraisers. The special project fund is established to address programming priorities. The reserve fund is to be used for unforeseen circumstances not covered through normal revenue streams and upon dissolution to fund severances and pay outstanding obligations. During 2018, the board restricted a \$1,000,000 donation received and any revenues earned from donation during the year and transferred that to the reserve fund. Annually the interest earned on the restricted funds is transferred into the restricted fund.

	<u>2021</u>	<u>2020</u>
Special projects fund	\$ 82,237	\$ 82,237
Reserve fund	<u>1,066,480</u>	<u>1,061,543</u>
	<u>\$ 1,148,717</u>	<u>\$ 1,143,780</u>

12. LEASE COMMITMENTS

The organization has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2021, are as follows:

2022	\$ 2,620
2023	<u>2,620</u>
	<u>\$ 5,240</u>

13. EMPLOYEE BENEFIT PLAN

All employees of the Association are members of the United Way Agencies' Employee Benefits Plan, a multi-employer defined benefits plan, which will provide employee pension benefits based on a calculation of gross basic earnings and contributing services.

The employees and the Association each contribute 7% (2020 - 7%) of their monthly gross basic earnings, up to the Yearly Maximum Pensionable Earnings (YMPE) as set annually by the Canada Pension Plan (2021-\$61,600) (2020 - \$58,700) and 8.75% (2020 - 8.75%) of their earnings above the YMPE. This plan, to which contributions for the Association during the year totalled \$161,982 (2020 - \$156,703) is accounted for as a defined contribution plan.

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2021

14. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2021.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its funders, donors and other related sources, long-term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

15. INDEMNIFICATION

The Association has indemnified its present and future directors, officers and employees against expenses, judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of the Association. The nature of the indemnity prevents the Association from reasonably estimating the maximum exposure. The Association has purchased directors' and officers' insurance with respect to this indemnification.

16. PROVINCE OF MANITOBA DEPARTMENT OF FAMILIES FUNDING RECONCILIATION

	<u>2021</u>
Association reporting	
Total funding per Association	\$ 200,000
Province of Manitoba Department of Families	
Per Department of Families Funding Confirmation	<u>200,000</u>
Difference	<u>\$ -</u>

17. COMPARATIVE FIGURES

The prior year comparative figures were audited by another firm of Chartered Professional Accountants.

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2021

18. SUBSEQUENT EVENTS

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the organization's operations as at the date of these financial statements.

19. STATEMENT OF REVENUES AND EXPENDITURES SUMMARY

	Revenues	Expenses	Total Column
Agency	\$ 1,214,800	\$ 1,199,957	\$ 14,843
Bounce Back - CMHA National	52,900	51,798	1,102
Bounce Back - Interlake East	140,000	140,363	(363)
Bounce Back - RBC	38,886	38,880	6
Bounce Back - Wawanesa	350	350	-
Bounce Back - WRHA	150,000	150,835	(835)
CMHA Other programs	209,520	209,510	10
Community Housing	608,736	608,725	11
Divisional Support	146,000	146,113	(113)
Employment with Support - COVID 19	66,961	66,961	-
Employment with Support - Province of Manitoba	200,000	199,333	667
Employment with Support - CMHA Toronto	171,610	171,610	-
Futures Forward	218,729	217,975	754
Portable Housing	110,000	109,909	91
Reaching Home	66,605	66,605	-
Rehabilitation Services - WRHA	1,090,032	1,089,818	214
Rehabilitation Services Program	90,000	89,688	312
Resource Guide - WRHA	10,296	10,297	(1)
Thrival Kit Project	557,753	557,753	-
Virtual Learning Centre	13,435	13,435	-
Well Being Learning Centre	17,935	18,725	(790)
Wellness Skills Support	243,579	243,579	-
Youth Hub Initiative	248,416	248,416	-
Youth Mental Health Education	87,290	87,137	153
	<u>\$ 5,753,833</u>	<u>\$ 5,737,772</u>	<u>\$ 16,061</u>