

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC
Financial Statements
Year Ended March 31, 2022

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

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Year Ended March 31, 2022

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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, 2022, 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, 2022, 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
June 14, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS


CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC


Statement of Financial Position

March 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash (Note 4)	\$ 1,630,532	\$ 1,756,247
Accounts receivable	378,172	906,198
Goods and services tax recoverable	40,945	21,194
Prepaid expenses (Note 5)	32,356	22,264
	2,082,005	2,705,903
CAPITAL ASSETS (Note 6)	2,628,908	2,764,832
LONG TERM INVESTMENTS (Note 7)	1,184,648	-
	\$ 5,895,561	\$ 5,470,735
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 476,692	\$ 763,299
Current portion of long term debt (Note 9)	78,393	74,207
Deferred income	1,555,973	904,811
Due to related parties	-	26,439
	2,111,058	1,768,756
LONG TERM DEBT (Note 9)	1,468,392	1,546,785
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	584,568	612,326
OPERATING RESERVE FUND	70,000	70,000
	4,234,018	3,997,867
NET ASSETS		
General fund	24,363	(100,611)
Restricted fund (Note 11)	1,139,625	1,148,717
Invested in capital assets	497,555	424,762
	1,661,543	1,472,868
	\$ 5,895,561	\$ 5,470,735

ON BEHALF OF THE BOARD

 Board Chair

 Board Treasurer

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Statement of Revenues and Expenditures

Year Ended March 31, 2022

	2022	2021
REVENUES		
Winnipeg Regional Health Authority	\$ 1,866,576	\$ 1,863,564
Province of Manitoba	1,255,236	1,082,807
United Way	899,245	804,587
Donations and fundraising	602,758	249,496
Province of Manitoba Department of Families	477,000	443,579
CMHA Grants	403,781	266,471
Interlake East Regional Health Authority	398,188	142,653
Projects and other miscellaneous revenue	306,172	275,159
Administration fees	317,100	228,961
RBC Foundation	118,887	-
Revenue from deferred capital contributions	52,966	64,315
Training revenue	18,899	48,447
Interest income	3,338	4,937
Canada Emergency Wage Subsidy	-	278,856
Unrealized gain/loss on investments	(15,352)	-
	6,704,794	5,753,832
EXPENDITURES		
Amortization	141,404	160,406
COVID 19 expenses	-	49,750
Fundraising expense	23,453	23,930
General and administrative expenses	317,100	150,030
Meeting and conferences	3,459	6,671
Occupancy	403,918	550,950
Office	328,411	220,664
Operating expense	46,011	24,467
Programming expenses	413,266	285,244
Public education	415,479	481,615
Purchased services	123,392	133,526
Salaries and wages	4,454,010	3,650,518
	6,669,903	5,737,771
EXCESS OF REVENUES OVER EXPENDITURES	\$ 34,891	\$ 16,061

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Statement of Changes in Net Assets

Year Ended March 31, 2022

	General Fund	Restricted Fund	Invested in Capital Assets	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ (100,611)	\$ 1,148,717	\$ 424,762	\$ 1,472,868	\$ 1,456,807
EXCESS OF REVENUES OVER EXPENDITURES	189,440	(13,145)	(141,404)	34,891	16,061
Investment in capital assets	(214,197)	-	214,197	-	-
Transfers to reserve fund	-	-	-	-	-
Selkirk and District amalgamation	149,731	4,053	-	153,784	-
NET ASSETS - END OF YEAR	\$ 24,363	\$ 1,139,625	\$ 497,555	\$ 1,661,543	\$ 1,472,868

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 34,891	\$ 16,061
Item not affecting cash:		
Amortization of capital assets	141,404	160,406
	<u>176,295</u>	<u>176,467</u>
Changes in non-cash working capital:		
Accounts receivable	528,026	(239,947)
Inventory	-	51,052
Accounts payable	(286,607)	243,747
Deferred income	651,162	400,575
Prepaid expenses	(10,092)	7,128
Goods and services tax payable	(19,751)	20,551
Deferred capital contributions	(27,758)	(42,436)
Operating reserve fund	-	70,000
	<u>834,980</u>	<u>510,670</u>
Cash flow from operating activities	<u>1,011,275</u>	<u>687,137</u>
INVESTING ACTIVITIES		
Purchase of capital assets	(5,480)	(78,489)
	-	-
Long term Investments	(1,184,648)	-
Amalgamation	153,784	-
	<u>(1,036,344)</u>	<u>(78,489)</u>
Cash flow used by investing activities	<u>(1,036,344)</u>	<u>(78,489)</u>
FINANCING ACTIVITIES		
Advances from (to) related parties	(26,439)	31,576
Repayment of long term debt	(74,207)	(70,244)
	<u>(100,646)</u>	<u>(38,668)</u>
Cash flow used by financing activities	<u>(100,646)</u>	<u>(38,668)</u>
INCREASE (DECREASE) IN CASH FLOW	(125,715)	569,980
Cash - beginning of year	<u>1,756,247</u>	<u>1,186,267</u>
CASH - END OF YEAR	<u>\$ 1,630,532</u>	<u>\$ 1,756,247</u>

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2022

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, 2022

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>2022</u>	<u>2021</u>
Cash	\$ 1,630,532	\$ 607,530
Restricted cash	-	1,148,717
	-	-
	<u>\$ 1,630,532</u>	<u>\$ 1,756,247</u>

5. PREPAID EXPENSES

	<u>2022</u>	<u>2021</u>
Prepaid expenses	\$ 19,195	3710
Prepaid insurance	13,161	18554
	<u>\$ 32,356</u>	<u>\$ 22,264</u>

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land	\$ 300,000	\$ -	\$ 300,000	\$ 300,000
Buildings	3,223,168	1,052,481	2,170,687	2,261,132
Furniture and equipment	358,580	264,015	94,565	118,206
Computer equipment	201,066	165,816	35,250	44,913
Computer software	63,036	34,630	28,406	40,581
	<u>\$ 4,145,850</u>	<u>\$ 1,516,942</u>	<u>\$ 2,628,908</u>	<u>\$ 2,764,832</u>

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2022

7. LONG TERM INVESTMENTS

	<u>2022</u>	<u>2021</u>
RBC Dominion - Mutual fund Account 1	\$ 115,007	\$ -
RBC Dominion - Mutual fund Account 2	425,992	-
RBC Dominion - US/CDN Share and Securities Account	659,001	-
	<u>\$ 1,200,000</u>	<u>\$ -</u>
Market value	<u>\$ 1,184,648</u>	<u>\$ -</u>

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2022</u>	<u>2021</u>
Accounts payable	\$ 16,397	\$ 150,622
Accrued liabilities	116,263	334,878
Accrued wages	344,032	277,799
	<u>\$ 476,692</u>	<u>\$ 763,299</u>

9. LONG TERM DEBT

	<u>2022</u>	<u>2021</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.	\$ 1,546,785	\$ 1,620,992
Amounts payable within one year	<u>(78,393)</u>	<u>(74,207)</u>
	<u>\$ 1,468,392</u>	<u>\$ 1,546,785</u>

Principal repayment terms are approximately:

2023	\$ 78,393
2024	82,814
2025	87,486
2026	92,421
2027	97,634
Thereafter	<u>1,108,037</u>
	<u>\$ 1,546,785</u>

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2022

10. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 612,326	\$ 654,762
Contributions received during year	25,208	15,315
Less: amortized to revenue	<u>(52,966)</u>	<u>(57,751)</u>
	<u>\$ 584,568</u>	<u>\$ 612,326</u>

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>2022</u>	<u>2021</u>
Special projects fund	\$ 82,237	\$ 82,237
Reserve fund	1,057,388	1,066,480
	-	-
	<u>\$ 1,139,625</u>	<u>\$ 1,148,717</u>

12. LEASE COMMITMENTS

The organization has a long term lease with respect to its equipment. Future minimum lease payments as at March 31, 2022, are as follows:

2023	<u>\$ 2,620</u>
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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% (2021 - 7%) of their monthly gross basic earnings, up to the Yearly Maximum Pensionable Earnings (YMPE) as set annually by the Canada Pension Plan (2022-\$64,900) (2021 - \$61,600) and 8.75% (2021 - 8.75%) of their earnings above the YMPE. This plan, to which contributions for the Association during the year totalled \$198,080 (2021 - \$161,982) is accounted for as a defined contribution plan.

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2022

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, 2022.

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.

Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on investments held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

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>2022</u>
Association reporting	
Total funding per Association	\$ 477,000
Province of Manitoba Department of Families	
Per Department of Families Funding Confirmation	<u>477,000</u>
Difference	<u>\$ -</u>

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2022

17. 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.

18. STATEMENT OF REVENUES AND EXPENDITURES SUMMARY

	Revenues	Expenses	Total Column
Agency	\$ 1,203,990	\$ 1,155,341	\$ 48,649
Bounce Back - CMHA National	176,829	176,829	-
Bounce Back - Interlake East	116,667	116,742	(75)
Bounce Back - RBC	118,887	118,887	-
Bounce Back - WRHA	150,000	150,695	(695)
CMHA Projects	282,622	282,622	-
Community Housing Support	608,736	614,010	(5,274)
Divisional Support	146,000	146,000	-
Employment with Support - COVID 19	23,520	23,520	-
Employment with Support - Province of Manitoba	200,000	200,047	(47)
Employment with Support - CMHA Toronto	183,433	183,433	-
Futures Forward	229,207	229,207	-
Manitoba Education Initiative	216,976	216,980	(4)
OSI-CAN	60,180	60,180	-
Portable Housing Benefit	110,000	110,007	(7)
Rehabilitation Services - WRHA	1,107,840	1,110,887	(3,047)
Rehabilitation Services - Selkirk	229,331	229,235	96
Rise	53,773	53,773	-
Selkirk - Portable Rehabilitation Services	52,191	52,122	69
Thrival Kit Project	553,053	553,053	-
United Way Older Adult	108,167	108,167	-
Well Being Learning Centre	11,863	11,728	135
Wellness Skills Support	277,000	277,021	(21)
Workplace Mental Health	3,161	3,161	-
Youth Hub Initiative	406,368	410,355	(3,987)
Youth Mental Health Education	75,000	75,901	(901)
	<u>\$ 6,704,794</u>	<u>\$ 6,669,903</u>	<u>\$ 34,891</u>