

**Canadian Mental Health Association
Kings County Branch**

Kentville, Nova Scotia

Financial Statements

March 31, 2017

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Morse Brewster Lake

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INDEPENDENT AUDITOR'S REPORT

To the Chair and Directors of the Board Canadian Mental Health Association Kings County Branch

We have audited the accompanying financial statements of Canadian Mental Health Association Kings County Branch, which comprise the statement of financial position as at March 31, 2017, and the statement of operations and cash flow for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

In common with many charitable organizations, the organization derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of donation revenue was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenditures, assets and surplus.

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

Opinion

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donation revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2017 and the results of its operations and changes in its cash flow for the year then ended, in accordance with Canadian generally accepted accounting principles.

Morse Brewster Lake

Berwick, Nova Scotia
June 23, 2017

Chartered Professional Accountants
Licensed Public Accountants

Canadian Mental Health Association Kings County Branch

Statement of Financial Position

March 31, 2017

	<u>2017</u>	<u>2016</u>
Assets		
Current		
Cash	\$ 47,995	\$ 75,486
Accounts receivable	3,103	2,537
HST receivable	<u>2,275</u>	<u>1,543</u>
	<u>53,373</u>	<u>79,566</u>
Property and Equipment (note 2)		
Land	25,000	25,000
Building	214,890	214,890
Equipment	<u>80,965</u>	<u>68,522</u>
	<u>320,855</u>	<u>308,412</u>
	<u>\$ 374,228</u>	<u>\$ 387,978</u>
Liabilities		
Current		
Payables and accruals	\$ 5,753	\$ 2,038
Forgivable Long Term Debt (note 3)	<u>26,405</u>	<u>29,339</u>
	<u>32,158</u>	<u>31,377</u>
Equity		
Investment in Capital Assets (note 4)	320,857	308,412
Surplus (note 5)	<u>21,213</u>	<u>48,189</u>
	<u>342,070</u>	<u>356,601</u>
	<u>\$ 374,228</u>	<u>\$ 387,978</u>

On Behalf of the Board

Anne Pettigrew, President M. Hebb, Treasurer

**Canadian Mental Health Association Kings County Branch
Employment Outreach**

Statement of Operations

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
ENS funding	\$ 95,835	\$ 210,802
Other income	<u>2,340</u>	<u>5,205</u>
	<u>98,175</u>	<u>216,007</u>
 Expenditures		
Advertising	-	548
Equipment lease	1,954	2,615
Insurance	1,602	1,516
Interest and bank charges	533	609
Office supplies	1,288	3,554
Materials and supplies	1,755	3,914
Professional development	1,178	4,031
Professional fees	8,297	6,282
Rent	11,083	19,097
Salaries and benefits	81,445	160,047
MERCs	5,840	10,869
Printing and communications	4,365	6,575
Travel	2,540	5,231
Workers' compensation	<u>1,274</u>	<u>2,790</u>
	<u>123,154</u>	<u>227,678</u>
 Excess (Deficiency) of Revenue over Expenditures	 <u>\$ (24,979)</u>	 <u>\$ (11,671)</u>

**Canadian Mental Health Association Kings County Branch
Community Outreach**

Statement of Operations

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Grants and Donations		
Eastern Kings Memorial Hospital	\$ 9,076	\$ -
Mental Health First Aid	6,414	17,310
AVD Clubhouse	799	24,602
Corporate donations	-	200
Private donations	5,569	5,610
Summer student funding	5,232	4,748
Wellness Initiative	-	1,500
Smoking Cessation funding	13,716	-
Fundraising and other	<u>10,441</u>	<u>17,003</u>
	<u>51,247</u>	<u>70,973</u>
 Expenditures		
Bank charges	251	375
Elaine Arsenault Fund	7,621	6,278
Food and sundry	386	1,687
MERCs	854	1,798
Materials and supplies	2,740	5,167
Office supplies	2,288	633
Printing and communications	345	960
Professional development	118	240
Professional fees	750	4,450
Travel	7,694	7,707
Wages and stipends	14,037	28,578
Workers' compensation	150	471
RSP	<u>200</u>	<u>220</u>
	<u>37,434</u>	<u>58,564</u>
 Excess of Revenue over Expenditures	 <u>\$ 13,813</u>	 <u>\$ 12,409</u>

**Canadian Mental Health Association Kings County Branch
Project Hope (formerly "Shelter Me")**

Statement of Operations

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
ESDC funding	\$ 35,096	\$ 155,108
AHANS funding	101,790	-
Other income	<u>210</u>	<u>255</u>
	<u>137,096</u>	<u>155,363</u>
 Expenditures		
Advertising	-	211
Bad debt	-	1,147
Client travel	620	900
Insurance	444	-
Interest and bank charges	329	339
Housing emergency assistance	23,836	19,046
Living expenses	3,063	2,860
Office supplies	565	236
Materials and supplies	418	800
Professional development	1,063	435
Programming costs	684	300
Rent	1,785	1,826
Salaries and benefits	97,038	96,344
MERCs	6,608	6,692
Stipends	-	90
Printing and communications	1,981	2,282
Travel	4,154	7,075
Workers' compensation	<u>1,331</u>	<u>1,656</u>
	<u>143,919</u>	<u>142,239</u>
 Excess (Deficiency) of Revenue over Expenditures	 <u><u>\$ (6,823)</u></u>	 <u><u>\$ 13,124</u></u>

**Canadian Mental Health Association Kings County Branch
Haelen House**

Statement of Operations

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Donations	\$ -	\$ 13,622
Rental	9,820	10,360
AHANS funding	-	7,100
Loan forgiven	<u>2,934</u>	<u>-</u>
	<u>12,754</u>	<u>31,082</u>
 Expenditures		
Bank charges	52	60
Dues & fees	-	79
Insurance	2,243	2,127
Office supplies	-	75
Professional fees	-	2,339
Property taxes	2,099	1,102
Repair and maintenance	9,233	2,035
Stipends	50	130
Taxes and utilities	4,613	5,470
Travel	<u>93</u>	<u>124</u>
	<u>18,383</u>	<u>13,541</u>
 Excess (Deficiency) of Revenue over Expenditures	 <u>\$ (5,629)</u>	 <u>\$ 17,541</u>

**Canadian Mental Health Association Kings County Branch
At Work/Au Travail**

Statement of Operations

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Funding	\$ 219,700	85,771
Other	<u>315</u>	<u>634</u>
	<u>220,015</u>	<u>86,405</u>
 Expenditures		
Advertising	160	558
Bank charges	319	104
Dues & fees	160	-
Insurance	740	62
Miscellaneous	185	776
Office supplies	525	739
Printing and communications	327	43
Professional fees	-	29
Rent	2,448	975
Rent subsidy	22,172	-
Salaries and benefits	161,743	84,730
Software	305	-
Telephone	2,233	1,443
Training	12,420	2,485
Travel	<u>8,601</u>	<u>3,297</u>
	<u>212,338</u>	<u>95,241</u>
 Excess (Deficiency) of Revenue over Expenditures	 \$ <u>7,677</u>	 \$ <u>(8,836)</u>

**Canadian Mental Health Association Kings County Branch
Board**

Statement of Operations

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Revenue		
Donations	\$ 2,745	\$ 3,687
Fundraising	2,401	2,343
Other income	<u>60</u>	<u>100</u>
	<u>5,206</u>	<u>6,130</u>
Expenditures		
Affordable housing project	300	-
Dues and fees	31	31
Bank charges	105	46
Calkin building appraisal	1,438	-
Fundraising	48	291
Meeting and conferences	800	137
Office supplies	32	325
Wages	<u>1,042</u>	<u>505</u>
	<u>3,796</u>	<u>1,335</u>
Excess of Revenue over Expenditures	<u>\$ 1,410</u>	<u>\$ 4,795</u>

Canadian Mental Health Association Kings County Branch

Cash Flow Statement

Year Ended March 31, 2017

	<u>2017</u>	<u>2016</u>
Cash flow from operating activities:		
Excess (Deficiency) of Revenue over Expenditures	\$ (14,531)	\$ 27,362
Changes in		
Accounts receivable	(566)	(355)
HST receivable	(732)	3,925
Payables and accruals	<u>3,715</u>	<u>(212)</u>
	<u>(12,114)</u>	<u>30,720</u>
Cash flow from financing activities:		
Proceeds from long term debt	-	29,339
Reduction in long term debt	<u>(2,934)</u>	<u>-</u>
	<u>(2,934)</u>	<u>29,339</u>
Cash flow from investing activities:		
Purchase of property and equipment	<u>(12,443)</u>	<u>(32,911)</u>
	<u>(12,443)</u>	<u>(32,911)</u>
Cash Increase (Decrease)	(27,491)	27,148
Cash and Equivalencies, beginning of year	<u>75,486</u>	<u>48,338</u>
Cash and Equivalencies, end of year	<u>\$ 47,995</u>	<u>\$ 75,486</u>

Canadian Mental Health Association Kings County Branch

Notes to Financial Statements

March 31, 2017

1. Nature of Organization

The Association provides two outreach services to support mental health consumers of Kings County.

CMHA-Kings Outreach Employment Services is a longstanding program to clients who require assistance in overcoming barriers to employment. In August 2015, CMHA-Kings became a site for At Work/Au Travail, a CMHA National initiative to provide supportive employment.

CMHA-Kings also provides the Project Hope (formerly “Shelter Me” program), designed to assist individuals living with mental illness in Kings County who are homeless or at risk of homelessness to implement long-term solutions to obtain and retain housing. The services provided include housing placement, eviction prevention, referral to appropriate agencies, skills training, ongoing support, and case management to minimize barriers to finding and retaining housing.

The Association also provides community outreach services for persons living with mental illness through various programs to allow social interaction and support.

The Association owns a two-unit building, Haelen House, which is rented to tenants who live with mental illness. This is in partnership with NS Health. Mental Health and Addictions provides support

The Association is exempt from income taxes under Section 149(1)(l) of the Income Tax Act.

2. Significant Accounting Policies

Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not for profit organizations.

Contributed Services

Volunteers contribute many hours per year to assist the partnership in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Capital Assets

Capital assets are recorded at cost and are not amortized.

Fair Value of Financial Assets and Financial Liabilities

Financial instruments consist of mainly cash, accounts receivable and accounts payable. The carrying value of these financial instruments approximate their fair value unless otherwise indicated.

Canadian Mental Health Association Kings County Branch

Notes to Financial Statements

March 31, 2017

2. Significant Accounting Policies (continued)

Revenue Recognition

Revenue from funding partners is recognized based on claims submitted for funding.

Use of Estimates

In preparing the financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses. Actual amount could differ from these estimates.

3. Long Term Debt

	<u>2017</u>	<u>2016</u>
Housing Nova Scotia - RRAP forgivable loan secured by the Haelen House property. The loan is forgivable over a ten year period at the rate of 10% per year.	\$ <u>26,405</u>	\$ <u>29,339</u>

4. Investment in Capital Assets

	<u>2017</u>	<u>2016</u>
Investment in capital assets, beginning of year	\$ 308,412	\$ 276,046
Add:		
Capital asset additions	<u>12,445</u>	<u>32,366</u>
Investment in capital assets, end of year	\$ <u>320,857</u>	\$ <u>308,412</u>

5. Surplus

	<u>2017</u>	<u>2016</u>
Surplus, beginning of year	\$ 48,189	\$ 53,193
Add (Deduct):		
Excess (Deficiency) of Revenue over Expenditures		
- Employment Outreach	(24,979)	(11,671)
- Community Outreach	13,813	12,409
- Project Hope (Shelter Me)	(6,823)	13,124
- Haelen House	(5,629)	17,541
- At Work	7,677	(8,836)
- Board	1,410	4,795
- Capital assets additions	<u>(12,445)</u>	<u>(32,366)</u>
Surplus, end of year	\$ <u>21,213</u>	\$ <u>48,189</u>