

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
SIMCOE, ONTARIO**

**FINANCIAL STATEMENTS
MARCH 31, 2009**

MILLARD, ROUSE & ROSEBRUGH LLP
CHARTERED ACCOUNTANTS

85 ROBINSON STREET
SIMCOE, ONTARIO

AUDITORS' REPORT

To the Board of Directors of
Canadian Mental Health Association Haldimand-Norfolk

We have audited the statement of financial position of Canadian Mental Health Association Haldimand-Norfolk as at March 31, 2009 and the statements of changes in net assets, operations and cash flow for the year then ended. These financial statements have been prepared to comply with the MIS guidelines issued by the Ministry of Health and Long Term Care. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, Canadian Mental Health Association Haldimand-Norfolk derives revenue from donations, the completeness of which is not susceptible to complete audit verification. Accordingly, our verification of revenue from donations was limited to a comparison of recorded receipts with bank deposits. We were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses for the year and net assets.

In our opinion, except for the effects of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of donation revenue referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2009 and the results of its operations and its cash flow for the year then ended in accordance with the basis of accounting described in Note 2 to these financial statements.

These financial statements, which have not been, and were not intended to be, prepared in accordance with Canadian generally accepted accounting principles, are solely for the information and use of the Board of Directors of Canadian Mental Health Association Haldimand-Norfolk and the Ministry of Health and Long Term Care to comply with the Ministry's requirements. The financial statements are not intended to be and should not be used by anyone other than the specified users, or for any other purpose.

Simcoe, Ontario
May 28, 2009

Millard, Rouse & Rosebrugh LLP

Chartered Accountants
Licensed Public Accountants

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2009**

	MIS Program \$	ENSH Inc. Program \$	MRS Program \$	2009 Total \$	2008 Total \$
ASSETS					
CURRENT ASSETS					
Bank	84,098	5,240	1,000	90,338	135,266
Investments - Note 3	188,385	50,000	-	238,385	167,805
Accounts Receivable	45,896	5,761	7,865	59,522	577,540
Inter-Fund Balances - Note 4	<u>(90,448)</u>	<u>90,448</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<u>227,931</u>	<u>151,449</u>	<u>8,865</u>	<u>388,245</u>	<u>880,611</u>
LAND, BUILDINGS AND EQUIPMENT - Note 5					
	<u>409,590</u>	<u>731,635</u>	<u>-</u>	<u>1,141,225</u>	<u>883,672</u>
	<u>637,521</u>	<u>883,084</u>	<u>8,865</u>	<u>1,529,470</u>	<u>1,764,283</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable and Accrued Liabilities	43,843	122	-	43,965	90,094
Current Portion of Long Term Debt	<u>9,205</u>	<u>10,683</u>	<u>-</u>	<u>19,888</u>	<u>174,115</u>
	<u>53,048</u>	<u>10,805</u>	<u>-</u>	<u>63,853</u>	<u>264,209</u>
LONG TERM DEBT - Note 6	<u>400,385</u>	<u>36,073</u>	<u>-</u>	<u>436,458</u>	<u>431,721</u>
DEFERRED REVENUE - Note 7	<u>-</u>	<u>524,323</u>	<u>-</u>	<u>524,323</u>	<u>558,053</u>
NET ASSETS					
Unrestricted	(23,820)	311,883	8,865	296,928	322,090
Unrestricted - Promo and Education Program	17,156	-	-	17,156	16,197
Restricted for Repairs and Maintenance	<u>190,752</u>	<u>-</u>	<u>-</u>	<u>190,752</u>	<u>172,013</u>
	<u>184,088</u>	<u>311,883</u>	<u>8,865</u>	<u>504,836</u>	<u>510,300</u>
	<u>637,521</u>	<u>883,084</u>	<u>8,865</u>	<u>1,529,470</u>	<u>1,764,283</u>

The accompanying notes are an integral part of these financial statements.

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2009**

	MIS Program \$	Promo and Education Program \$	ENSH Inc. Program \$	MRS Program \$	2009 Total \$	2008 Total \$
UNRESTRICTED						
Balance - Beginning of the Year	6,505	16,197	308,300	7,285	338,287	354,376
Excess of Revenue over Expenses for the Year	-	959	3,583	1,580	6,122	6,227
Excess (Deficiency) of Revenue over Expenses for the Year - Admin and Support Program	(25,577)	-	-	-	(25,577)	3,188
Excess (Deficiency) of Revenue over Expenses for the Year - Physical Housing Program	5,771	-	-	-	5,771	(13,111)
Transfer to Reserve for Repairs and Maintenance	<u>(10,519)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,519)</u>	<u>(12,393)</u>
Balance - End of the Year	<u>(23,820)</u>	<u>17,156</u>	<u>311,883</u>	<u>8,865</u>	<u>314,084</u>	<u>338,287</u>
RESTRICTED FOR REPAIRS AND MAINTENANCE						
Balance - Beginning of the Year	172,013	-	-	-	172,013	156,297
Interest Earned	8,220	-	-	-	8,220	3,323
Transfer from Unrestricted Fund	<u>10,519</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>10,519</u>	<u>12,393</u>
Balance - End of the Year	<u>190,752</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>190,752</u>	<u>172,013</u>

The accompanying notes are an integral part of these financial statements.

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2009**

	MIS Admin and Support Program \$	MIS Physical Housing Program - Page 10 - \$	Promo and Education Program \$	ENSH Inc. Program \$	MRS Program \$	2009 Total \$	2008 Total \$
REVENUE							
Ministry of Health and Long Term Care	1,681,387	243,959	-	-	-	1,925,346	1,771,181
CMHA-Family Initiatives The United Way of Haldimand and Norfolk	-	-	16,598	-	-	16,598	-
Rentals	-	188,722	-	53,548	61,363	303,633	281,185
Donations	-	-	9,908	-	-	9,908	-
Miscellaneous	19,041	1,407	6,403	8,222	-	35,073	26,956
Amortization of Deferred Revenue	-	-	-	33,730	-	33,730	16,023
	<u>1,700,428</u>	<u>434,088</u>	<u>46,089</u>	<u>95,500</u>	<u>61,363</u>	<u>2,337,468</u>	<u>2,095,345</u>
EXPENSES							
Advertising	22,536	3,742	-	-	-	26,278	12,159
Amortization	-	8,643	-	33,730	-	42,373	32,704
Bad Debts	-	2,261	-	804	-	3,065	4,682
Buildings Maintenance	-	21,563	-	24,115	-	45,678	50,772
Equipment Maintenance	7,888	1,468	2,426	-	-	11,782	9,751
Insurance	18,354	-	-	-	-	18,354	15,698
Meeting Expense	20,678	445	-	-	-	21,123	25,266
Minor Equipment	3,955	4,226	-	-	-	8,181	20,531
Mortgage Interest	-	27,869	-	1,640	-	29,509	36,726
Municipal Taxes	-	6,319	-	8,631	-	14,950	13,674
Office Supplies	29,390	7,282	883	369	191	38,115	41,212
Occupancy Costs	87,842	-	2,500	-	-	90,342	47,274
Professional Fees	34,892	48,827	-	2,000	-	85,719	80,072
Rent Supplements	-	252,857	-	-	59,592	312,449	333,282
Salaries and Benefits	1,313,652	-	36,777	197	-	1,350,626	1,116,385
Salaries and Benefits - Pay Equity	25,479	-	-	-	-	25,479	-
Six Nations ICM	63,747	-	-	-	-	63,747	85,000
Software Maintenance	13,521	4,466	-	-	-	17,987	12,573
Staff Education	5,547	-	1,530	-	-	7,077	11,642
Staff Travel	57,454	17,235	1,014	-	-	75,703	90,736
Telephone	21,070	8,724	-	-	-	29,794	25,578
Utilities	-	12,390	-	20,431	-	32,821	33,324
	<u>1,726,005</u>	<u>428,317</u>	<u>45,130</u>	<u>91,917</u>	<u>59,783</u>	<u>2,351,152</u>	<u>2,099,041</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>(25,577)</u>	<u>5,771</u>	<u>959</u>	<u>3,583</u>	<u>1,580</u>	<u>(13,684)</u>	<u>(3,696)</u>

The accompanying notes are an integral part of these financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
STATEMENT OF CASH FLOW
FOR THE YEAR ENDED MARCH 31, 2009

	2009	2008
	\$	\$
CASH PROVIDED BY (USED IN)		
OPERATING ACTIVITIES		
Excess (Deficiency) of Revenue over Expenses for the Year	(13,684)	(3,696)
Increase in Restricted Net Assets for Interest Income	8,220	3,323
Items not Requiring an Outlay of Cash:		
Amortization	42,373	32,704
Amortization of Deferred Revenue	<u>(33,730)</u>	<u>(16,023)</u>
	<u>3,179</u>	<u>16,308</u>
Changes in Non-Cash Working Capital Amounts:		
(Increase) Decrease in Accounts Receivable	518,018	(548,886)
(Decrease) Increase in Accounts Payable and Accrued Liabilities	<u>(46,129)</u>	<u>26,263</u>
	<u>471,889</u>	<u>(522,623)</u>
	<u>475,068</u>	<u>(506,315)</u>
INVESTING ACTIVITIES		
Purchases of Land, Buildings and Equipment	(299,926)	-
Proceeds from Disposal of Land, Buildings and Equipment	-	61,806
(Increase) in Investments	<u>(70,580)</u>	<u>(15,526)</u>
	<u>(370,506)</u>	<u>46,280</u>
FINANCING ACTIVITIES		
Repayment of Long Term Debt	(174,490)	(23,096)
Proceeds from Long Term Debt	25,000	-
Increase in Deferred Revenue	<u>-</u>	<u>511,164</u>
	<u>(149,490)</u>	<u>488,068</u>
INCREASE (DECREASE) IN CASH DURING THE YEAR	(44,928)	28,033
BANK - Beginning of the Year	<u>135,266</u>	<u>107,233</u>
BANK - End of the Year	<u>90,338</u>	<u>135,266</u>

The accompanying notes are an integral part of these financial statements.

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

1. INCORPORATION AND ACTIVITIES

On January 25, 2008 Erie's North Shore Support Services and Canadian Mental Health Association Haldimand-Norfolk amalgamated to form Canadian Mental Health Association Haldimand-Norfolk. The organization is incorporated without share capital under the Ontario Corporations Act and is exempt from income tax.

The objects of the corporation include:

- To improve treatment and rehabilitation services for the mentally ill.
- To work for the promotion of mental health and the prevention of mental illness.
- To improve attitudes toward mental illness and community acceptance and understanding of and responsibility for the mentally ill.
- To provide and operate housing accommodation primarily for persons of low or modest income.
- To provide community support services to persons with serious and persistent mental illnesses.
- To provide court support services to persons with serious and persistent mental illnesses.
- To provide crisis intervention services to persons with serious and persistent mental illnesses.
- To provide community services to people with substance abuse/addiction issues.

2. SIGNIFICANT ACCOUNTING POLICIES

The organization follows Canadian generally accepted accounting principles which are modified to comply with the MIS guidelines of the Ministry of Health and Long Term Care.

a) Revenue Recognition

The organization follows the deferral method of accounting for revenue.

Unrestricted revenue is recognized in the appropriate fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted revenue is recognized in the appropriate fund in the year in which the related expenses are incurred.

b) Expenses

Expenses are reported on the accrual basis of accounting, which records the cost of goods and services acquired in the period whether or not payment has been made for the invoices received.

c) Fund Accounting

The association has 3 different funds described below:

MIS Fund - This fund is the main operating fund used to deliver the core programs and administrative expenses and also the MIS physical housing program which provides and operates housing accommodations for persons of low or modest income.

Promo and Education Program - This fund provides resource materials for education about mental illness and the promotion of mental health.

ENSH Inc. Fund - This fund owns assets to provide and operate housing accommodation for persons of low or modest income.

MRS Fund - This fund is used for money received from Norfolk County to pay for rent subsidy arrangements for persons of low or modest income.

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

2. SIGNIFICANT ACCOUNTING POLICIES - Continued

d) Land, Buildings and Equipment

Land, buildings and equipment are stated at historical cost less accumulated amortization. Amortization of land, buildings and equipment in the MIS program is equal to the principal payments on the mortgage in that program. Amortization of buildings and equipment in the ENSH Inc. program is recorded using the declining balance method at 4% and 20% respectively, which are estimated to amortize the cost of those assets over their useful lives except that one-half these rates are used in the year of acquisition. Land in the ENSH Inc. program is not amortized.

e) Reserve for Repairs and Maintenance

Pursuant to agreements with and guidelines of the Ministry of Health and Long Term Care, the organization is required to maintain and fund annually, prescribed amounts to a reserve for repairs to the buildings and other unforeseen expenses.

f) Investments

All of the investments are classified as held-for-trading and are recorded at market value. Any change in market value is recognized in income in the period in which the change occurs.

g) Measurement Uncertainty

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. In determining estimates of accrued liabilities, the Association relies on assumptions regarding applicable industry performance and prospects, as well as general business and economic conditions that prevail and are expected to prevail. Actual results could differ from those estimates.

3. INVESTMENTS

Investments consist of guaranteed investment certificates bearing interest at rates varying from 2.15% to 3.75% per annum and maturing on various dates from June 2009 to December 2010.

4. INTER-FUND BALANCES

Occasionally expenses belonging to one fund are paid by another fund. At the year end date, these amounts had not been repaid between the respective funds.

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

5. LAND, BUILDINGS AND EQUIPMENT

	MIS Program \$	ENSH Inc. Program \$	Total 2009 \$	Total 2008 \$
Cherry Street - Land	35,194	-	35,194	35,194
Cherry Street - Building	105,583	-	105,583	105,583
King Street - Land	42,507	-	42,507	42,507
King Street - Building	127,522	-	127,522	127,522
Woodhouse Street - Land	40,934	-	40,934	40,934
Woodhouse Street - Building	121,040	-	121,040	121,040
Norfolk Street - Land	-	90,524	90,524	-
Norfolk Street - Building	-	271,572	271,572	62,169
Chapel Street - Land	-	34,324	34,324	34,324
Chapel Street - Building	-	102,971	102,971	102,971
Elm Street - Land	-	33,642	33,642	33,642
Elm Street - Building	-	100,927	100,927	100,927
Scott Street - Land	-	48,813	48,813	48,813
Scott Street - Building	-	146,439	146,439	146,439
Furniture and Equipment	53,164	-	53,164	103,365
Furniture and Equipment	-	59,790	59,790	9,590
	<u>525,944</u>	<u>889,002</u>	<u>1,414,946</u>	<u>1,115,020</u>
Accumulated Amortization	<u>(116,354)</u>	<u>(157,367)</u>	<u>(273,721)</u>	<u>(231,348)</u>
	<u><u>409,590</u></u>	<u><u>731,635</u></u>	<u><u>1,141,225</u></u>	<u><u>883,672</u></u>

6. LONG TERM DEBT

	2009 \$	2008 \$
i) First mortgage bearing interest at 6.4% per annum and repayable in blended monthly installments of principal and interest of \$2,901. The mortgage is secured by land and buildings and is due for renewal in October 2009. There are no anticipated problems with the renewal and therefore the mortgage has been classified as long term.	409,590	418,233
ii) First mortgage bearing interest at 4.79% per annum and repayable in blended monthly installments of principal and interest of \$528. The mortgage is secured by land and buildings and is due in June 2015.	22,181	27,411
iii) Term loan, which was used for pay equity settlements, bearing interest at 3.25% per annum and repayable in blended monthly installments of principal and interest at \$425. The loan is secured by investments. Security for the loan is a GIC.	24,575	-
iv) In May 2008 the mortgage was repaid.	-	160,192
	<u>456,346</u>	<u>605,836</u>
LESS - Current Portion	<u>19,888</u>	<u>174,115</u>
	<u><u>436,458</u></u>	<u><u>431,721</u></u>

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

6. LONG TERM LIABILITIES - Continued

Approximate annual repayments prior to scheduled refinancing are as follows:

	\$
2010	19,888
2011	20,806
2012	20,800
2013	16,574
2014	14,011
Thereafter	<u>364,267</u>
	<u>456,346</u>

7. DEFERRED REVENUE

Deferred revenue represents funds received for buildings and equipment and is being recognized at the same rate as those buildings and equipment are amortized over their estimated useful life.

Deferred revenue is comprised of the following:

	Total 2009 \$	Total 2008 \$
Deferred Revenue - Beginning of the Year	558,053	62,911
Increases (Decreases) During the Year	16,089	511,165
Prior Year Opening Amortization	-	-
Amortized During the Year	<u>(33,730)</u>	<u>(16,023)</u>
Deferred Revenue - End of the Year	<u>540,412</u>	<u>558,053</u>

8. ECONOMIC DEPENDENCE

The Ministry of Health and Long Term Care (MHLTC) provides the majority of the required funds for the organization, and is therefore dependent on continued funding from the Ministry for its ongoing existence.

9. LEASEHOLD COMMITMENTS

The organization has leases on 3 vehicles with expiry dates in 2010 and 2011. Anticipated costs for the leases are \$10,050 for the 2010 fiscal year and \$7,032 for the 2011 fiscal year.

The organization has a lease on its office space for \$5,000 per month for the first 3 years and increases to \$5,500 for the last two years expiring in September 2013.

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2009**

10. FINANCIAL INSTRUMENTS

Bank, accounts receivable, accounts payable and accrued liabilities are all short term in nature and as such, their carrying amounts approximate fair value.

Investments are stated at market value as described in Note 2(f) as such represents their fair values. Mortgages are at prevailing market rates and therefore approximate fair value.

11. COMPARATIVE AMOUNTS

Certain comparative figures have been reclassified to conform to the method of presentation adopted for the current year.

**CANADIAN MENTAL HEALTH ASSOCIATION HALDIMAND-NORFOLK
SCHEDULE OF REVENUE AND EXPENSES - MIS PHYSICAL HOUSING PROGRAM
FOR THE YEAR ENDED MARCH 31, 2009**

	Housing	Rent Supplement	2009	2008
	\$	\$	\$	\$
REVENUE				
Ministry of Health and Long Term Care	102,578	141,381	243,959	233,724
Rentals	38,995	149,727	188,722	182,414
Miscellaneous	515	892	1,407	3,341
Amortization of Deferred Revenue	-	-	-	-
	<u>142,088</u>	<u>292,000</u>	<u>434,088</u>	<u>419,479</u>
EXPENSES				
Advertising	3,742	-	3,742	-
Amortization	8,643	-	8,643	14,257
Bad Debts	-	2,261	2,261	4,682
Buildings and Grounds Maintenance	21,563	-	21,563	24,129
Equipment Maintenance	1,468	-	1,468	196
Meeting Expense	445	-	445	406
Minor Equipment Purchases	4,226	-	4,226	6,348
Mortgage Interest	27,869	-	27,869	34,813
Municipal Taxes	6,319	-	6,319	6,033
Office Supplies	7,282	-	7,282	3,085
One-Time Expenses	-	-	-	2,599
Professional Fees	48,827	-	48,827	18,734
Rent Supplements	-	252,857	252,857	289,617
Salaries and Benefits	-	-	-	747
Software Maintenance	4,466	-	4,466	150
Staff Travel	17,235	-	17,235	10,365
Telephone	8,724	-	8,724	2,719
Utilities	12,390	-	12,390	13,710
	<u>173,199</u>	<u>255,118</u>	<u>428,317</u>	<u>432,590</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	<u>(31,111)</u>	<u>36,882</u>	<u>5,771</u>	<u>(13,111)</u>

The accompanying notes are an integral part of these financial statements.