

**Canadian Mental Health Association,  
Thames Valley Addiction and Mental  
Health Services**

**Financial Statements  
March 31, 2024**



## Independent auditor's report

To the Board of Directors of Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

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### Our opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services (the Organization) as at March 31, 2024 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

#### What we have audited

The Organization's financial statements comprise:

- the statement of financial position as at March 31, 2024;
  - the statement of operations for the year then ended;
  - the statement of changes in net assets for the year then ended;
  - the statement of cash flows for the year then ended; and
  - the notes to the financial statements, which include significant accounting policies and other explanatory information.
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### 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 believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Independence

We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada. We have fulfilled our other ethical responsibilities in accordance with these requirements.

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### 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 Canadian accounting standards for not-for-profit organizations, and for such internal

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\*PwC\* refers to PricewaterhouseCoopers LLP, an Ontario limited liability partnership.



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.

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### **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.

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.

*PricewaterhouseCoopers LLP*

Chartered Professional Accountants, Licensed Public Accountants

London, Ontario  
July 11, 2024

**Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services**  
**Statement of Financial Position**  
**As at March 31, 2024**

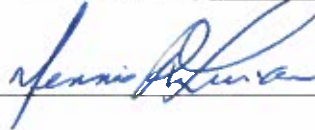
|   | 2024                 |                                |                     | 2023              |                   |
|---|----------------------|--------------------------------|---------------------|-------------------|-------------------|
|   | Operating Fund<br>\$ | Replacement Reserve Fund<br>\$ | Donation Fund<br>\$ | Total<br>\$       | Total<br>\$       |
| <b>Assets</b>                                   |                      |                                |                     |                   |                   |
| <b>Current assets</b>                           |                      |                                |                     |                   |                   |
| Cash and short-term investments (note 3)        | 9,389,608            | 544,771                        | 3,427,041           | 13,341,420        | 12,774,372        |
| Accounts receivable                             | 1,238,839            | -                              | -                   | 1,238,839         | 1,700,177         |
| Prepaid expenses and deposits                   | 280,524              | -                              | -                   | 280,524           | 382,896           |
|   | <u>10,868,971</u>    | <u>544,771</u>                 | <u>3,427,041</u>    | <u>14,840,783</u> | <u>14,857,445</u> |
| <b>Long-term assets</b>                         |                      |                                |                     |                   |                   |
| Investments (note 4)                            | -                    | 951,933                        | -                   | 951,933           | 1,115,583         |
| Property, buildings and equipment (note 5)      | 7,884,418            | -                              | -                   | 7,884,418         | 7,947,550         |
|   | <u>18,733,389</u>    | <u>1,496,704</u>               | <u>3,427,041</u>    | <u>23,657,134</u> | <u>23,920,558</u> |
| <b>Liabilities</b>                              |                      |                                |                     |                   |                   |
| <b>Current liabilities</b>                      |                      |                                |                     |                   |                   |
| Accounts payable and accrued liabilities        | 5,461,651            | -                              | -                   | 5,461,651         | 6,566,008         |
| Accrued salaries and benefits (note 11)         | 5,901,586            | -                              | -                   | 5,901,586         | 3,335,950         |
| Interfund balances                              | (2,151,946)          | 289,342                        | 1,862,604           | -                 | -                 |
| Long-term debt (note 6)                         | 895,789              | -                              | -                   | 895,789           | 933,280           |
|   | <u>10,107,080</u>    | <u>289,342</u>                 | <u>1,862,604</u>    | <u>12,259,026</u> | <u>10,835,236</u> |
| <b>Long-term liabilities</b>                    |                      |                                |                     |                   |                   |
| Long-term debt (note 6)                         | 711,879              | -                              | -                   | 711,879           | 935,073           |
| Deferred contributions                          |                      |                                |                     |                   |                   |
| Expenses of future periods (note 7)             | 5,161,152            | 855,962                        | 1,564,437           | 7,581,551         | 8,148,363         |
| Property, buildings and equipment (note 7)      | 1,256,815            | -                              | -                   | 1,256,815         | 1,515,689         |
|   | <u>7,129,846</u>     | <u>855,962</u>                 | <u>1,564,437</u>    | <u>9,550,245</u>  | <u>8,599,105</u>  |
| <b>Net assets</b>                               |                      |                                |                     |                   |                   |
| Investment in property, buildings and equipment | 4,134,816            | 351,400                        | -                   | 4,486,216         | 4,280,766         |
| Unrestricted                                    | (2,638,353)          | -                              | -                   | (2,638,353)       | 205,451           |
|   | <u>1,496,463</u>     | <u>351,400</u>                 | <u>-</u>            | <u>1,847,863</u>  | <u>4,486,217</u>  |
|   | <u>18,733,389</u>    | <u>1,496,704</u>               | <u>3,427,041</u>    | <u>23,657,134</u> | <u>23,920,558</u> |

Commitments (note 10)

**On behalf of the Board**



Trustee



Trustee

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

**Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services**  
**Statement of Operations**  
**For the year ended March 31, 2024**

|  | 2024                 |                                |                     | 2023               |                   |
|--|----------------------|--------------------------------|---------------------|--------------------|-------------------|
|  | Operating Fund<br>\$ | Replacement Reserve Fund<br>\$ | Donation Fund<br>\$ | Total<br>\$        | Total<br>\$       |
| <b>Revenue</b>   |                      |                                |                     |                    |                   |
| Grants   |                      |                                |                     |                    |                   |
| South-West LHIN  | 34,555,478           | -                              | -                   | 34,555,478         | 32,123,242        |
| Ministry of Health   | 4,134,092            | 206,200                        | -                   | 4,340,292          | 3,672,414         |
| United Way   | 571,734              | -                              | -                   | 571,734            | 485,086           |
| City of London   | 2,110,619            | -                              | 1,125,924           | 3,236,583          | 2,831,919         |
| Other  | 1,147,519            | -                              | -                   | 1,147,519          | 1,206,180         |
| Donations  | -                    | -                              | 1,451,763           | 1,451,763          | 1,593,847         |
| Rental revenue   | 3,926,821            | -                              | 104,894             | 4,031,515          | 3,543,224         |
| Other revenue  | 2,783,324            | -                              | 144,147             | 2,927,471          | 3,943,952         |
| Amortization of deferred contributions related to property, buildings and equipment (note 7) | 258,854              | -                              | -                   | 258,854            | 279,853           |
|  | <b>49,488,481</b>    | <b>206,200</b>                 | <b>2,826,528</b>    | <b>52,521,209</b>  | <b>49,679,897</b> |
| <b>Operating and administration expenses</b>   |                      |                                |                     |                    |                   |
| Salaries   | 31,955,532           | -                              | 1,208,782           | 33,164,314         | 27,715,701        |
| Employee benefits  | 8,165,969            | -                              | 275,945             | 8,441,914          | 6,836,836         |
| Recruiting and development   | 287,784              | -                              | -                   | 287,784            | 353,584           |
| Program expense and supplies   | 2,336,299            | -                              | 1,027,374           | 3,363,673          | 3,660,995         |
| Mileage and vehicle expenses   | 483,180              | -                              | 82,753              | 565,933            | 575,016           |
| Sessional fees   | 713,870              | -                              | -                   | 713,870            | 878,831           |
| Office supplies (recovery)   | (131,201)            | -                              | 1,601               | (129,600)          | 625,231           |
| Computer maintenance and supplies  | 335,720              | -                              | -                   | 335,720            | 673,686           |
| Promotion and communications   | 102,583              | -                              | -                   | 102,583            | 133,312           |
| Honorariums, consulting and professional fees  | 427,280              | -                              | -                   | 427,280            | 488,392           |
| Phone, internet and cable service  | 334,406              | -                              | 5,295               | 339,701            | 458,951           |
| Insurance  | 707,362              | -                              | -                   | 707,362            | 158,887           |
| Rent paid  | 4,223,038            | -                              | 49,151              | 4,272,189          | 4,522,911         |
| Mortgage interest and municipal taxes  | 392,423              | -                              | 117,332             | 509,755            | 583,218           |
| Utilities  | 388,430              | -                              | 21,296              | 409,726            | 424,337           |
| Repairs and maintenance  | 1,145,305            | 206,200                        | 36,999              | 1,388,504          | 1,304,505         |
| Amortization of property, buildings and equipment  | 258,854              | -                              | -                   | 258,854            | 279,853           |
|  | <b>52,126,834</b>    | <b>206,200</b>                 | <b>2,826,528</b>    | <b>55,159,562</b>  | <b>49,474,246</b> |
| <b>(Deficiency) excess of revenue over expenses</b>  | <b>(2,638,353)</b>   | <b>-</b>                       | <b>-</b>            | <b>(2,638,353)</b> | <b>205,451</b>    |

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

**Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services**

Statement of Changes in Net Assets

For the year ended March 31, 2024

|  |                      |                                |                     | 2024        | 2023        |
|--|----------------------|--------------------------------|---------------------|-------------|-------------|
|  | Operating Fund<br>\$ | Replacement Reserve Fund<br>\$ | Donation Fund<br>\$ | Total<br>\$ | Total<br>\$ |
| Balance – Beginning of year                  | 4,134,816            | 351,400                        | -                   | 4,486,216   | 4,280,765   |
| (Deficiency) excess of revenue over expenses | (2,638,353)          | -                              | -                   | (2,638,353) | 205,451     |
| Balance – End of year                        | 1,496,463            | 351,400                        | -                   | 1,847,863   | 4,486,216   |

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

**Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services**  
**Statement of Cash Flows**  
**For the year ended March 31, 2024**

|   | 2024                 |                                |                     | 2023        |             |
|---|----------------------|--------------------------------|---------------------|-------------|-------------|
|   | Operating Fund<br>\$ | Replacement Reserve Fund<br>\$ | Donation Fund<br>\$ | Total<br>\$ | Total<br>\$ |
| <b>Cash provided by (used in)</b>   |                      |                                |                     |             |             |
| <b>Operating activities</b>   |                      |                                |                     |             |             |
| (Deficiency) excess of revenue over expenses  | (2,638,353)          | -                              | -                   | (2,638,353) | 205,451     |
| Items not affecting cash  |                      |                                |                     |             |             |
| Amortization of property, buildings and equipment                                   | 258,854              | -                              | -                   | 258,854     | 279,853     |
| Amortization of deferred contributions related to property, buildings and equipment | (258,854)            | -                              | -                   | (258,854)   | (279,853)   |
|   | (2,638,353)          | -                              | -                   | (2,638,353) | 205,451     |
| <b>Changes in non-cash working capital balances</b>                                 |                      |                                |                     |             |             |
| Accounts receivable   | 461,338              | -                              | -                   | 461,338     | (244,950)   |
| Prepaid expenses and deposits   | 122,372              | -                              | -                   | 122,372     | (253,330)   |
| Accounts payable and accrued liabilities  | (1,104,356)          | -                              | -                   | (1,104,356) | 712,872     |
| Accrued salaries and benefits   | 2,585,636            | -                              | -                   | 2,585,636   | (42,571)    |
| Interfund balance   | 505,738              | -                              | (505,738)           | -           | -           |
|   | (87,625)             | -                              | (505,738)           | (593,363)   | 377,472     |
| <b>Investing activities</b>   |                      |                                |                     |             |             |
| Net decrease (increase) in investments  | -                    | 163,630                        | -                   | 163,630     | (421,851)   |
| Purchase (recovery) of property, buildings and equipment                            | 83,132               | -                              | -                   | 83,132      | (285,354)   |
|   | 83,132               | 163,630                        | -                   | 246,762     | (687,205)   |
| <b>Financing activities</b>   |                      |                                |                     |             |             |
| Deferred contributions for property, buildings and equipment (note 7)               | (258,854)            | -                              | -                   | (258,854)   | -           |
| Deferred contributions for expenses of future periods (note 7)                      | 1,159,503            | 29,741                         | 243,944             | 1,433,188   | 1,072,128   |
| Repayment of long-term debt   | (260,685)            | -                              | -                   | (260,685)   | 319,512     |
|   | 639,964              | 29,741                         | 243,944             | 913,649     | 1,391,640   |
| <b>Increase in cash and short-term investments during the year</b>                  | 635,471              | 193,371                        | (261,794)           | 567,048     | 1,081,907   |
| <b>Cash and short-term investments – Beginning of year (note 3)</b>                 | 8,734,137            | 351,400                        | 3,888,835           | 12,774,372  | 11,692,465  |
| <b>Cash and short-term investments – End of year (note 3)</b>                       | 9,369,608            | 544,771                        | 3,427,041           | 13,341,420  | 12,774,372  |

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



# Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

Notes to Financial Statements

March 31, 2024

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## 1 Purpose of Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

Effective April 1, 2022, the Canadian Mental Health Association, Elgin-Middlesex, Addiction Services Thames Valley and the Canadian Mental Health Association, Elgin merged to create Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services (the Organization). The mission statement of the Organization is as follows: At CMHA Thames Valley Addiction and Mental Health Services, our mission is to ignite hope and foster change by providing a continuum of mental health and addiction education, supports, and services to our community.

The Organization is a registered charity and is classified as a charitable organization under the Income Tax Act (Canada).

## 2 Summary of significant accounting policies

### Basis of presentation

These financial statements have been prepared in accordance with accounting standards for not-for-profit organizations (ASNPO) within the framework of the accounting policies summarized below.

### Merger accounting

The combination has been accounted for as a merger of three not-for-profit entities by combining the carrying values of the predecessor organizations as at April 1, 2022.

### Fund accounting

All financial transactions have been recorded in three funds: Operating Fund, Replacement Reserve Fund, and Donation Fund.

The Operating Fund reflects housing, therapeutic, and administrative activities of the Organization. Funding is provided by the Province of Ontario. Any excess of funds from operations related to Ministry of Health programs may be deducted from the approved budget for subsequent years. Additional funding is provided by the Ministry of Health-Supportive Housing through an interest reduction program on some of the Organization's long-term debt.

The Replacement Reserve Fund is used for major maintenance of owned rental properties.

The Donation Fund is funded by donations and interest and is used to finance clients' activities.

### Revenue recognition

The Organization follows the deferral method of accounting for contributions which include donations and government grants.

# Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

Notes to Financial Statements

March 31, 2024

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Operating grants are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. Where a portion of a grant relates to a future period, it is deferred and recognized in the subsequent period.

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.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are recognized. Contributions restricted for the purchase of property, buildings, and equipment are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related property, buildings and equipment.

Rental revenue is recognized when services are provided.

## Property, buildings and equipment

Purchased property, buildings and equipment are recorded at cost. Contributed property, buildings and equipment are recorded at fair value at the date of contribution. Repairs and maintenance costs are charged to expense. Betterments, which extend the estimated life of an asset, are capitalized. When a capital asset no longer contributes to the Organization's ability to provide services, its carrying amount is written down to its residual value.

Property, buildings and equipment are amortized on a straight-line basis using the following annual rates:

|                   |   |
|-------------------|---|
| Buildings         | 35 years                                  |
| Equipment         | 5 years                                   |
| Vehicles          | 7 years                                   |
| Computer hardware | 2 years                                   |
| Leasehold         | Lesser of asset useful life or lease term |

Certain restrictions and guidelines exist with respect to land and buildings subsidized by Canada Mortgage and Housing Corporation and the Ontario Ministry of Health. Property, buildings and equipment that are held for sale are recorded at the lower of cost or estimated net realizable value. When property, buildings and equipment meet the criteria to be presented as held for sale, they are no longer amortized.

## Compensated absences

Compensation expense is accrued for all employees as entitlements to these payments are earned, in accordance with the Organization's benefit plans for vacation.

# Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

Notes to Financial Statements

March 31, 2024

## Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

## Financial instruments

All financial instruments are initially recorded on the statement of financial position at fair value. They are subsequently valued at amortized cost, except for investments in equity instruments, which are measured at cost less any reduction for impairment or fair value if they are quoted in an active market.

It is management's opinion that the Organization is not exposed to significant market risk, foreign currency risk, credit risk or interest rate risk as a result of these financial instruments.

## 3 Cash and short-term investments

|                           | 2024<br>\$        | 2023<br>\$        |
|---------------------------|-------------------|-------------------|
| Cash and cash equivalents | 12,796,649        | 12,422,972        |
| Short-term investment     | 544,771           | 351,400           |
|                           | <u>13,341,420</u> | <u>12,774,372</u> |

## 4 Investments

Investments consist of guaranteed investment certificates (GICs) with stated interest ranging from 1.41% to 2.60% and maturity dates greater than one year. The GICs mature between May 2024 and May 2026.

## 5 Property, buildings and equipment

|                          | <u>2024</u>       |                                   | <u>2023</u>      |                  |
|--------------------------|-------------------|-----------------------------------|------------------|------------------|
|                          | Cost<br>\$        | Accumulated<br>amortization<br>\$ | Net<br>\$        | Net<br>\$        |
| Land and buildings       | 14,343,451        | (8,604,411)                       | 5,739,040        | 5,769,081        |
| Leaseholds               | 2,304,954         | (2,304,954)                       | -                | -                |
| Equipment                | 885,598           | (885,598)                         | -                | 21,352           |
| Vehicles                 | 1,234,271         | (1,068,489)                       | 165,782          | 211,150          |
| Computer hardware        | 1,244,206         | (1,230,577)                       | 13,629           | -                |
| Construction-in-progress | 1,945,967         | -                                 | 1,945,967        | 1,945,967        |
|                          | <u>21,958,447</u> | <u>(14,094,029)</u>               | <u>7,864,418</u> | <u>7,947,550</u> |

# Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

Notes to Financial Statements

March 31, 2024

## 6 Long-term debt

|   | 2024<br>\$       | 2023<br>\$       |
|---|------------------|------------------|
| Exeter North Housing Program  |                  |                  |
| 1.040% mortgage, payable in monthly instalments of principal and interest of \$742, due May 2025  | 10,699           | 19,364           |
| 4.05% mortgage, payable in monthly instalments of principal and interest of \$2,154, due June 2023  | -                | 6,439            |
| Exeter North Housing III Program  |                  |                  |
| 5.912% mortgage, payable in monthly instalments of principal and interest of \$1,994, due January 2024                                    | 101,010          | 118,371          |
| Piccadilly Street Housing Program   |                  |                  |
| 9.625% mortgage, payable in monthly instalments of principal and interest of \$391, due January, 2028                                     | 14,898           | 18,264           |
| Project 3000 Housing Program  |                  |                  |
| 4.05% mortgage, payable in monthly instalments of principal and interest of \$2,898, due June 2023  | -                | 8,662            |
| 2.040% mortgage, payable in monthly instalments of principal and interest of \$1,640, due October 2023                                    | -                | 11,238           |
| Permanent Housing Program   |                  |                  |
| 1.820% mortgage, payable in monthly instalments of principal and interest of \$1,674, due June 2024                                       | 4,992            | 24,747           |
| 1.040% mortgage, payable in monthly instalments of principal and interest of \$1,721, due June 2025                                       | 28,262           | 48,334           |
| 4.05% mortgage, payable in monthly instalments of principal and interest of \$1,554, due May 2026   | 38,704           | 54,409           |
| 1.010% mortgage, payable in monthly instalments of principal and interest of \$2,103, due September 2027                                  | 87,439           | 111,431          |
| 1.920% mortgage, payable in monthly instalments of principal and interest of \$1,970, due April 2024                                      | 112,491          | 133,760          |
| 50-52 Steele Street   |                  |                  |
| 1.01% mortgage, payable in monthly instalments of principal and interest of \$2,661, due September 2025                                   | 48,484           | 79,554           |
| 282 Highview Drive  |                  |                  |
| 1.855% mortgage, payable in monthly instalments of principal and interest of \$3,836, due June 2028                                       | 188,189          | 231,280          |
| 657 Talbot Street, St. Thomas   |                  |                  |
| nil% mortgage, forgivable on August 2033 as long as CMHA, Elgin Middlesex continues to own and operate the seven-bed facility, until then | 300,000          | 300,000          |
| 754 Maitland, London  |                  |                  |
| Prime plus 0.5% demand loan, payable in monthly instalments of \$2,500  | 672,500          | 702,500          |
|   | <u>1,607,668</u> | <u>1,868,353</u> |
| Less: Current portion   | 895,789          | 933,280          |
|   | <u>711,879</u>   | <u>935,073</u>   |

# Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

Notes to Financial Statements

March 31, 2024

Future principal payments are as follows:

|      | \$               |
|------|------------------|
| 2024 |                  |
| 2025 | 223,289          |
| 2026 | 191,226          |
| 2027 | 1,027,701        |
| 2028 | 106,420          |
|      | <u>59,032</u>    |
|      | <u>1,607,668</u> |

The Organization has a \$200,000 operating line of credit to provide working capital and for general corporate purposes, available at prime plus 1.0%.

As at March 31, 2024, the Organization was in breach of its contractual covenant related to TD Bank. The loan has been presented as current and the bank has the right to demand accelerated repayment related to the Organization's contractual covenant related to the loan.

## 7 Deferred contributions

### a) Expenses of future periods

Deferred contributions related to expenses of future periods represent unspent externally restricted grants and donations.

|  | 2024<br>\$       | 2023<br>\$       |
|--|------------------|------------------|
| Balance – Beginning of year                        | 6,148,363        | 5,076,235        |
| Amount received related to the following year      | 1,433,188        | 1,072,128        |
|  | <u>7,581,551</u> | <u>6,148,363</u> |
| Less: Amount recognized as revenue during the year | -                | -                |
| Balance – End of period                            | <u>7,581,551</u> | <u>6,148,363</u> |

### b) Property, buildings and equipment

Deferred capital contributions related to property, buildings and equipment represent the unamortized amount and unspent amount of donations and grants received for the purchase of property, buildings and equipment. The amortization of capital contributions is recorded as revenue in the statement of operations.

# Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

Notes to Financial Statements

March 31, 2024

|  | 2024<br>\$       | 2023<br>\$       |
|--|------------------|------------------|
| Balance – Beginning of year                        | 1,515,669        | 1,795,522        |
| Amount received relating to the following year     | -                | -                |
|  | <u>1,515,669</u> | <u>1,795,522</u> |
| Less: Amount recognized as revenue during the year | (258,854)        | (279,853)        |
| Balance – End of period                            | <u>1,256,815</u> | <u>1,515,669</u> |

## 8 Adjustment for prior period funding

The statements for the year ended March 31, 2023 and other prior periods are subject to review by the Ministry of Health and consequently, a portion of the unrestricted net assets of the Organization may be refundable to the Ministry of Health. As at March 31, 2023, the following years of funding were still unassessed – 2018/2019, 2019/2020, 2020/2021, 2021/2022, 2022/2023 and the current year.

## 9 Commitments

The Organization is committed under operating leases to rent premises. The leases may be cancelled in the event that funding for the program is unavailable. The combined future lease payments are approximately as follows:

|      | \$      |
|------|---------|
| 2024 | 707,201 |
| 2025 | 664,001 |
| 2026 | 630,941 |
| 2027 | 570,941 |
| 2028 | 457,541 |

## 10 Pension plan

The majority of full-time employees of the previous CMHA Middlesex are members of the Healthcare of Ontario Pension Plan (HOOPP). This plan is a multi-employer, defined benefit pension plan. Plan members will receive benefits based on the length of service and on the average of annualized earnings during the five consecutive years prior to retirement, termination or death, which provide the highest earnings. Employer contributions made to the plan during the year amounted to \$2,596,064 (2023 – \$2,139,786). The cost of pension benefits is determined by HOOPP at \$1.26 per every dollar of employee contributions.

The financial statements for the year ended December 31, 2023 for HOOPP disclosed net assets available for benefits of \$112,635,000 (2023 – \$103,674,000) with pension obligations of \$102,454,000 (2023 – \$92,721,000), resulting in a surplus of \$10,181,000 (2023 – \$10,953,000).

# Canadian Mental Health Association, Thames Valley Addiction and Mental Health Services

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## 11 Government remittances

Included in accrued salaries and benefits are statutory remittances due as follows:

|                                   | 2024<br>\$       | 2023<br>\$     |
|-----------------------------------|------------------|----------------|
| EHT                               | 86,776           | 26,470         |
| Income tax withholdings – EI, CPP | 2,032,321        | 319,088        |
|                                   | <u>2,119,097</u> | <u>345,558</u> |

None of these remittances are in arrears.

