

The Canadian Mental Health Association
Alberta North East Region, 1994
Financial Statements
Year ending March 31, 2016

Management's Responsibility

To the Members of The Canadian Mental Health Association - Alberta North East Region, 1994:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Members to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

October 12, 2016

Management

Independent Auditors' Report

To the Board of Directors of The Canadian Mental Health Association - Alberta North East Region, 1994:

We have audited the accompanying financial statements of The Canadian Mental Health Association - Alberta North East Region, 1994, which comprise the statement of financial position as at March 31, 2016, and the statements of operations, changes in net assets and cash flows for the year ended 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 accounting standards for not-for-profit organizations, 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.

Auditors' 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 auditors' 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.

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

Basis for Qualified Opinion

The Canadian Mental Health Association, Alberta North East Region, 1994 derives revenue from workshops, fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the year ended March 31, 2016, current assets as at March 31, 2016 and net assets as at April 1, 2015 and March 31, 2016.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of The Canadian Mental Health Association - Alberta North East Region, 1994 as at March 31, 2016 and the results of its operations, changes in net assets and its cash flows for the year ended then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Fort McMurray, Alberta

October 12, 2016

MNP LLP

Chartered Professional Accountants

MNP

The Canadian Mental Health Association - Alberta North East Region, 1994
Statement of Financial Position
As at March 31, 2016

	2016	2015 <i>(Restated - Note 3)</i>
Assets		
Current		
Cash <i>(Note 4)</i>	400,002	382,365
Accounts receivable	-	1,466
Prepaid expenses and deposits	1,466	-
Good and service taxes recoverable	6,371	2,699
	407,839	386,530
Capital assets <i>(Note 5)</i>	8,959	732
	416,798	387,262
Liabilities		
Current		
Accounts payable and accruals	40,918	35,430
Deferred contributions <i>(Note 3), (Note 6)</i>	120,927	159,625
	161,845	195,055
Commitments <i>(Note 7)</i>		
Subsequent event <i>(Note 10)</i>		
Net Assets		
Unrestricted	245,994	191,475
Investment in capital assets	8,959	732
	254,953	192,207
	416,798	387,262

Approved on behalf of the Board

 Director

 Director

The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association - Alberta North East Region, 1994

Statement of Operations

For the year ended March 31, 2016

	2016	2015
Revenue		
Public support - United Way	208,296	115,577
Government support	159,272	159,346
Public support - gaming <i>(Note 6)</i>	86,913	56,019
Public support - donations	85,061	18,454
Fundraising	54,120	37,423
Workshops	29,489	22,855
Grants and sponsorships	7,520	37,000
Rental income	4,600	3,935
Other	2,038	2,870
	637,309	453,479
Expenses		
Advertising and promotion	3,284	411
Amortization	2,873	183
Bank charges and interest	3,994	3,400
Divisional fees	3,766	3,766
Donations	1,000	2,380
Fundraising expenses	53,532	19,297
Gaming expenses	2,669	2,332
Goods and services tax expenses	3,588	2,516
Independent living duplex	7,675	7,892
Insurance	9,238	6,718
Office expenses	26,446	18,538
Professional fees	15,024	12,600
Program expenses	42,355	35,943
Renovation materials	704	1,795
Rent	25,744	12,884
Repairs and maintenance	1,832	-
Salaries and benefits	336,203	276,799
Subcontracted bookkeeping services	22,526	24,840
Travel	12,116	2,898
	574,569	435,192
Excess of revenue over expenses	62,740	18,287

The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association - Alberta North East Region, 1994
Statement of Changes in Net Assets
For the year ended March 31, 2016

	<i>Unrestricted</i>	<i>Investment in capital assets</i>	2016	2015 <i>(Restated - Note 3)</i>
Net assets, beginning of year, as previously stated	218,744	732	219,476	201,189
Correction of an error <i>(Note 3)</i>	(27,269)	-	(27,269)	(27,269)
Net assets, beginning of year, as restated	191,475	732	192,207	173,920
Excess of revenue over expenses	62,746	-	62,740	18,287
Amortization of internally funded capital assets	2,873	(2,873)	-	-
Capital asset purchases	(11,100)	11,100	-	-
Net assets, end of year	245,994	8,959	254,947	192,207

The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association - Alberta North East Region, 1994
Statement of Cash Flows
For the year ended March 31, 2016

	2016	2015
Cash provided by (used for) the following activities		
Operating		
Cash receipts from contributions <i>(Note 2)</i>	569,876	492,812
Cash paid to suppliers <i>(Note 2)</i>	(202,182)	(120,690)
Cash paid for salaries and benefits	(337,001)	(282,959)
Cash paid for interest	(3,994)	(3,402)
Cash receipts from interest	2,038	2,870
	28,737	88,631
Investing		
Purchase of capital assets	(11,100)	(915)
Increase in cash resources	17,637	87,716
Cash resources, beginning of year	382,365	294,649
Cash resources, end of year	400,002	382,365

The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association - Alberta North East Region, 1994

Notes to the Financial Statements

For the year ended March 31, 2016

1. Incorporation and nature of the organization

The Canadian Mental Health Association - Alberta North East Region, 1994 (the "Association") is a not-for-profit organization which was registered under the Alberta Societies Act on November 9, 1994 and is a registered charity under the Income Tax Act and thus is exempt from income taxes.

The Association's purpose is to promote the mental health of all and support people experiencing mental illness. The Association is a member of a nation-wide voluntary organization.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Revenue recognition

The Association 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.

Cash and cash equivalents

Cash and cash equivalents include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	55 %
Office equipment	straight-line	5 years

Contributed materials and services

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Association's operations and would otherwise have been purchased.

During the year, the Association recorded \$28,163 (2015 - \$2,205) in contributed materials and services. These amounts have been excluded from the statement of cash flows.

The Canadian Mental Health Association - Alberta North East Region, 1994

Notes to the Financial Statements

For the year ended March 31, 2016

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Association recognizes its financial instruments when the Association becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value except for certain related party transactions that are initially measured at their carrying or exchange amount in accordance with CPA Section 3840 *Related Party Transactions*.

The Association subsequently measures all of its financial assets and liabilities at cost or amortized cost, except for equity instruments that are quoted in an active market which are measured at fair value. Fair value is determined by published price quotations.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment:

The Association assesses impairment of all of its financial assets measured at cost or amortized cost when there are indicators of impairment. Any impairment, which is not considered temporary, is recognized in earnings.

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 amounts 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 reporting period.

Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

3. Correction of an error

During the year the Association determined that certain public support - gaming revenues recognized prior to the 2015 fiscal year should have been deferred. The retroactive application of this correction of an error resulted in a decrease in net assets and increase in deferred contributions of \$27,269 as at April 1, 2014 and March 31, 2015.

4. Cash

	2016	2015
Unrestricted cash	297,825	268,757
Restricted cash	102,177	113,608
	400,002	382,365

The regulations of Alberta Gaming and Liquor Commission provide that the use of the net proceeds from bingos and casinos are restricted to certain approved expenditures of the Association. The Association defers recognition of bingo and casino revenues until such time as the allowable expenditures are incurred.

The Canadian Mental Health Association - Alberta North East Region, 1994
Notes to the Financial Statements
For the year ended March 31, 2016

5. Capital assets

	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2016 Net book value</i>	<i>2015 Net book value</i>
Computer equipment	6,265	1,723	4,542	-
Office equipment	5,750	1,333	4,417	732
	12,015	3,056	8,959	732

6. Deferred contributions

	<i>Regional Municipality of Wood Buffalo</i>	<i>Casino</i>	<i>2016</i>	<i>2015</i>
				<i>(Restated - Note 3)</i>
Balance, beginning of year	18,750	140,875	159,625	151,909
Funding received	75,000	48,215	123,215	138,735
Funding recognized as revenue during the year	(75,000)	(86,913)	(161,913)	(131,019)
Balance, end of year	18,750	102,177	120,927	159,625

7. Commitments

The Association has entered into an equipment lease and a rental lease agreement for the use of office space with estimated minimum annual payments as follows:

2017	31,164
2018	26,565
2019	26,525
2020	26,525

8. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

9. Economic dependence

The Association's primary source of revenue are United Way, Alberta Government and Alberta Health Services. The funding can be cancelled if the Association does not observe certain established guidelines. The Association's ability to continue viable operations is dependent upon the funding and following the guidelines. As at the date of these financial statements, the Association believes that it is in compliance with the guidelines.

10. Subsequent event

On May 3, 2016, the city of Fort McMurray was evacuated due to a forest wildfire. The extent of damages to the Association's properties due to this wildfire and the related mandatory evacuation are currently unknown.