

The Canadian Mental Health Association, Alberta North East Region, 1994
Financial Statements
March 31, 2018

Management's Responsibility

To the Board of Directors 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.

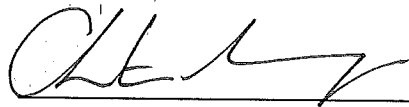
In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records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



Director



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 statement of The Canadian Mental Health Association, Alberta North East Region, 1994, which comprise the statement of financial position as at March 31, 2018, and the statements of operations, changes in net assets and cash flows 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 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

Due to staff turnover during the prior fiscal year, satisfactory audit evidence could not be provided for certain revenues relating to public support - donations and grants and sponsorships. As such, we were unable to satisfy ourselves concerning the fulfillment of the revenue recognition criteria for these revenue streams as at March 31, 2017 and 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, 2017, current liabilities as at March 31, 2017 and net assets as at March 31, 2017. Since opening liabilities enter into the determination of results of operations, we were unable to determine whether adjustments to revenue, excess of revenue over expenses and opening net assets might be necessary.

The Canadian Mental Health Association, Alberta North East Region, 1994 derives revenue from workshops, fundraising and public support - 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 years ended March 31, 2018 and 2017, current assets as at March 31, 2018 and 2017 and net assets as at April 1 and March 31 for both the 2018 and 2017 years.

Our audit opinion on the financial statements for the year ended March 31, 2017 was modified accordingly because of the possible effects of these limitations in scope.

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, 2018 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.

Fort McMurray, Alberta

Chartered Professional Accountants

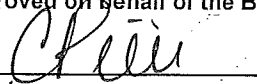
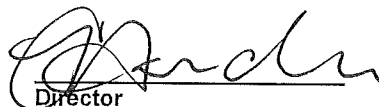
**The Canadian Mental Health Association, Alberta North East Region, 1994
Statement of Financial Position**

As at March 31, 2018

	2018	2017 <i>(Restated - Note 3)</i>
Assets		
Current		
Cash (Note 4)	661,855	469,322
Accounts receivable	18,750	73,408
Prepaid expenses and deposits	836	-
Good and service taxes recoverable	4,044	10,135
	685,485	552,865
Capital assets (Note 5)	10,276	5,311
	695,761	558,176
Liabilities		
Current		
Accounts payable and accruals	143,236	38,492
Deferred contributions (Note 6) (Note 3)	185,410	148,765
	328,646	187,257
Commitments (Note 7)		
Net Assets		
Unrestricted	275,428	284,197
Investment in capital assets	10,276	5,311
Internally restricted funds (Note 8)	81,411	81,411
	367,115	370,919
	695,761	558,176

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, 2018

	2018	2017 (Restated - Note 3)
Revenue		
Public support - United Way (Note 6)	249,826	201,178
Government support	154,061	151,499
Public support - donations	89,239	155,605
Public support - gaming (Note 6)	67,364	29,050
Grants and sponsorships	63,647	24,274
Fee for service and workshops	44,077	16,950
Other	3,923	1,417
Fundraising	490	18,716
Rental income	-	260
	672,627	598,949
Expenses		
Advertising and promotion	13,959	2,672
Amortization	4,852	3,648
Bank charges and interest	6,915	6,126
Divisional fees	4,283	3,766
Donations	519	1,000
Event expenses	65,739	30,812
Gaming expenses	-	1,751
Independent living duplex	-	2,165
Insurance	5,773	-
Office expenses	23,746	22,862
Professional fees	12,941	13,103
Program expenses	39,350	33,960
Rent	27,184	22,965
Repairs and maintenance	2,265	239
Salaries and benefits	434,120	323,227
Subcontracted bookkeeping services	14,546	6,405
Travel	20,248	9,873
	676,440	484,574
Excess (deficiency) of revenue over expenses before other items	(3,813)	114,375
Other items		
Insurance proceeds	-	8,056
Fire related expenses	-	(6,456)
	-	1,600
Excess (deficiency) of revenue over expenses	(3,813)	115,975

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, 2018

	<i>Unrestricted</i>	<i>Investment in capital assets</i>	<i>Internally restricted funds</i>	2018	2017
Net assets, beginning of year, as previously stated	303,693	5,311	81,411	390,415	254,953
Correction of error <i>(Note 3)</i>	(19,487)	-	-	(19,487)	-
Net assets, beginning of year, as restated	284,206	5,311	81,411	370,928	254,953
Excess (deficiency) of revenue over expenses	(3,813)	-	-	(3,813)	115,975
Amortization of internally funded capital assets	4,852	(4,852)	-	-	-
Capital asset purchases	(9,817)	9,817	-	-	-
Net assets, end of year	275,428	10,276	81,411	367,115	370,928

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, 2018

	2018	2017
Cash provided by (used for) the following activities		
Operating		
Cash receipts from contributions <i>(Note 2)</i>	760,007	538,039
Cash paid to suppliers <i>(Note 2)</i>	(233,079)	(143,462)
Cash paid for salaries and benefits	(321,586)	(323,227)
Cash paid for interest	(6,915)	(6,126)
Cash receipts from interest	3,923	1,417
Insurance proceeds	-	2,679
	202,350	69,320
Investing		
Purchase of capital assets	(9,817)	-
Increase in cash resources	192,533	69,320
Cash resources, beginning of year	469,322	400,002
Cash resources, end of year	661,855	469,322

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, 2018

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

These 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.

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 %
Computer software	declining balance	33 %
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 \$nil (2017 - \$13,923) in contributed materials and services. These amounts have been excluded from the statement of cash flows.

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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. 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.

The Canadian Mental Health Association, Alberta North East Region, 1994
Notes to the Financial Statements
For the year ended March 31, 2018

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 excess of revenue over expenses.

3. **Correction of error**

During the year, \$19,487 of expenses incurred were disallowed by Alberta Gaming Lottery Commission. It was determined that certain public support - gaming revenues recognized in the 2017 fiscal year should have been deferred. The retroactive application of this correction of error has resulted in prior year public support gaming revenues, excess of revenue over expenses and current year opening net assets being decreased by \$19,487 and an increase in deferred contributions as at March 31, 2017.

4. **Cash**

	2018	2017
Unrestricted cash		
Externally restricted cash	548,504	331,432
Internally restricted cash	31,940	56,479
	81,411	81,411
	661,855	469,322

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

5. **Capital assets**

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer equipment	8,514	5,964	2,550	2,044
Computer software	1,486	743	743	-
Office equipment	11,833	4,850	6,983	3,267
	21,833	11,557	10,276	5,311

The Canadian Mental Health Association, Alberta North East Region, 1994
Notes to the Financial Statements
For the year ended March 31, 2018

6. Deferred contributions

	<i>Regional Municipality of Wood Buffalo</i>	<i>Casino</i>	<i>Heart Math</i>	<i>Canadian Red Cross</i>	<i>United Way</i>	2018	<i>2017 (Restated - Note 3)</i>
Balance, beginning of year	-	118,765	30,000	-	-	148,765	120,927
Funding received	75,000	538	-	76,940	302,202	454,680	131,888
Funding recognized as revenue	(75,000)	(67,363)	(5,000)	(20,846)	(249,826)	(418,035)	(104,050)
Balance, end of year	-	51,940	25,000	56,094	52,376	185,410	148,765

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:

2019	26,565
2020	26,565

8. Internally restricted funds

The Association has internally restricted funds of \$81,411 (2017 - \$81,411) set aside for future disaster recovery.

9. 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.

Credit concentration

Accounts receivable from the Alberta Gaming and Liquor Commission in connection with the net proceeds from a casino represents 0% (2017- 58%) of total accounts receivable as at March 31, 2018. All amounts have been collected subsequent to year-end.

10. Economic dependence

The Association's primary sources 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.