

THE NATIONAL NETWORK FOR MENTAL HEALTH

FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2016

DRAFT dated 04/10/2016

September 25, 2016

To the Directors of
The National Network For Mental Health

We have completed the audit of The National Network For Mental Health for the year ended March 31, 2016 and attached the following:

- Index -

Independent Auditor's Report	Page	1
Statement of Financial Position		2
Statement of Revenue, Expenses and Net Assets		3
Statement of Cash Flows		4
Notes to the Financial Statements		5-6
Supplementary Corporate Information		7

We shall be pleased to provide any further information you may require.

Lawrence A. Iggulden, Hons. B.A., FCPA, FCA, for
PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants

INDEPENDENT AUDITOR'S REPORT

To the Directors of
The National Network For Mental Health

We have audited the accompanying financial statements of The National Network For Mental Health, which comprise the statement of financial position as at March 31, 2016, and the statements of revenue, expenses and 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.

Auditor's Responsibility

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

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

An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of The National Network For Mental Health as at March 31, 2016, and its financial performance and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

St. Catharines, Ontario
September 25, 2016

PARTRIDGE IGGULDEN LLP
Chartered Professional Accountants
Licensed Public Accountants

THE NATIONAL NETWORK FOR MENTAL HEALTH**STATEMENT OF FINANCIAL POSITION****MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
<u>ASSETS</u>		
CURRENT ASSETS		
Cash	\$ 28,433	\$ 23,140
Accounts receivable	3,100	11,350
Sales tax recoverable	4,330	3,348
Prepaid expenses	437	-
	<u>\$ 36,300</u>	<u>\$ 37,838</u>
<u>LIABILITIES</u>		
CURRENT LIABILITIES		
Accounts payable and accrued charges (Note 3)	\$ 3,295	\$ 5,422
Sales tax payable	<u>6,755</u>	<u>6,755</u>
	<u>10,050</u>	<u>12,177</u>
<u>NET ASSETS</u>		
UNRESTRICTED SURPLUS	<u>26,250</u>	<u>25,661</u>
	<u>\$ 36,300</u>	<u>\$ 37,838</u>

Approved on behalf of the Board:

_____, Director

_____, Director

St. Catharines, Ontario
September 25, 2016

THE NATIONAL NETWORK FOR MENTAL HEALTH
STATEMENT OF REVENUE, EXPENSES AND NET ASSETS
YEAR ENDED MARCH 31, 2016

	<u>2016</u>	<u>2015</u>
REVENUE		
Human Resources and Skills Development Canada Social Development Partnership's Program	\$ 57,341	\$ 28,000
Other		
Membership fees	95	134
Other income	-	41
	<u>57,436</u>	<u>28,175</u>
OPERATING EXPENSES		
Bank charges	1,427	1,396
Contracted services	34,755	6,360
Insurance	1,440	1,439
Memberships (recovery)	1,662	(125)
Office rent	2,685	1,680
Office supplies	2,617	1,143
Postage and courier	1,745	1,807
Professional fees	2,780	3,014
Salaries and benefits	8,008	15,645
Telephone	1,031	3,003
Travel, training, and meetings	1,887	9,733
Webservice contract	1,160	2,920
	<u>61,197</u>	<u>48,015</u>
Expense recoveries	<u>(4,350)</u>	<u>(13,698)</u>
	<u>56,847</u>	<u>34,317</u>
OPERATING SURPLUS (DEFICIT)	589	(6,142)
NET ASSETS, BEGINNING OF YEAR	<u>25,661</u>	<u>31,803</u>
NET ASSETS, END OF YEAR	<u>\$ 26,250</u>	<u>\$ 25,661</u>

THE NATIONAL NETWORK FOR MENTAL HEALTH**STATEMENT OF CASH FLOWS****YEAR ENDED MARCH 31, 2016**

	<u>2016</u>	<u>2015</u>
CASH FLOWS DERIVED FROM (USED IN) OPERATING ACTIVITIES		
Operating surplus (deficit) for the year	\$ 589	\$ (6,142)
Effects on cash from changes in operating assets and liabilities		
Accounts receivable	8,250	(11,350)
Sales tax recoverable	(982)	16,524
Prepaid expenses	(437)	-
Accounts payable and accrued charges	<u>(2,127)</u>	<u>538</u>
INCREASE (DECREASE) IN CASH FOR YEAR	5,293	(430)
CASH, BEGINNING OF YEAR	<u>23,140</u>	<u>23,570</u>
CASH, END OF YEAR	<u><u>\$ 28,433</u></u>	<u><u>\$ 23,140</u></u>

DRAFT dated 04/10/2016

THE NATIONAL NETWORK FOR MENTAL HEALTH**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2016****GENERAL INFORMATION**

The National Network for Mental Health is a registered charity and was incorporated without share capital on October 1, 1992.

The project "Social Development Partnership's Program" is funded by HRSDC in the amount of \$ 57,341. The current contract was renewed for a 3 year period on April 1, 2015. The contract provides total funding of \$57,341 the full amount paid in the 2016 fiscal year.

The funding from HRSDC for each the 2017 and 2018 fiscal years is \$60,000.

1. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations, and reflect the following policies:

Revenue Recognition

Funding is recognized in the year to which the approved funding budget relates.

Estimates

The preparation of financial statements in conformity with Canadian accounting standards for private enterprises 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 revenue and expenses during the reporting period. Actual results could differ from those estimates.

2. ECONOMIC DEPENDENCE

The Organization receives a significant portion of its revenue for operations pursuant to a funding contract with the HRSDC. Should these contributions cease, the Organization would need to assess its ability to continue its current operations.

3. ACCOUNTS PAYABLE AND ACCRUED CHARGES

	<u>2016</u>	<u>2015</u>
Trade payables	\$ 295	\$ 2,422
Accrued charges	<u>3,000</u>	<u>3,000</u>
	<u>\$ 3,295</u>	<u>\$ 5,422</u>

THE NATIONAL NETWORK FOR MENTAL HEALTH**NOTES TO THE FINANCIAL STATEMENTS****MARCH 31, 2016****4. OPERATING LINE OF CREDIT**

The Organization has a line of credit up to \$ 200,000 with Scotia Bank bearing interest at prime plus 1.5% and is secured by Social Development Canada funding contract.

5. FINANCIAL INSTRUMENTS AND RISKS

The Organization is not exposed to significant liquidity, interest, credit or currency risks on its financial instruments.

DRAFT dated 04/10/2016

THE NATIONAL NETWORK FOR MENTAL HEALTH**SUPPLEMENTARY CORPORATE INFORMATION****MARCH 31, 2016**

The National Network For Mental Health is a registered charity, incorporated without share capital on October 1, 1992.

NATURE OF ORGANIZATION:

To develop and provide programs, services and position papers on behalf of its membership which is comprised primarily of persons with mental health problems.

HEAD OFFICE:

2 Ridgewood Road
St. Catharines, Ontario
L2R 3S3

DIRECTORS AND OFFICERS:

Steven Torresan - Chairperson
Clarence Gear - Treasurer
May Recollet - Secretary
Kenneth Matoush
Sarah Bell

AUDITORS:

Partridge Iggulden LLP
Chartered Professional Accountants
Licensed Public Accountants
110 Hannover Drive, Suite B201
St. Catharines, Ontario
L2W 1A4

BANKER:

Bank of Nova Scotia
P.O. Box 247
St. Catharines, Ontario
L2R 6T3