
**FAMILY ASSOCIATION FOR MENTAL
HEALTH EVERYWHERE (FAME)**

FINANCIAL STATEMENTS

MARCH 31, 2017

INDEPENDENT AUDITOR'S REPORT

To the Members,
Family Association for Mental Health Everywhere (FAME)

We have audited the accompanying financial statements of Family Association for Mental Health Everywhere (FAME) which comprise the statement of financial position as at March 31, 2017, and the statements of operations and 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.

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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Family Association for Mental Health Everywhere (FAME) derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of Family Association for Mental Health Everywhere (FAME), and we were not able to determine whether any adjustments might be necessary to fundraising and donation revenue, excess of revenue over expenses for the year, assets and net assets for the year ended March 31, 2017.

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 Family Association for Mental Health Everywhere (FAME) as at March 31, 2017, 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.

Other Matter

The financial statements of Family Association for Mental Health Everywhere (FAME) as at and for the year ended March 31, 2016 were audited by another auditor who expressed a qualified opinion on those financial statements on May 16, 2016.



Chartered Professional Accountants
Licensed Public Accountants

May 16, 2017
Toronto, Ontario

FAMILY ASSOCIATION FOR MENTAL HEALTH EVERYWHERE (FAME)

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2017

	2017	2016
ASSETS		
Current assets		
Cash	\$ 163,110	\$ 186,456
Short-term investments (note 3)	72,567	27,642
Accounts receivable	8,333	-
HST recoverable	6,506	15,201
Prepaid expenses	<u>3,893</u>	<u>3,893</u>
	254,409	233,192
Tangible capital assets (note 4)	28,817	34,574
Intangible capital assets (note 5)	<u>-</u>	<u>1,000</u>
	<u>\$ 283,226</u>	<u>\$ 268,766</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 18,987	\$ 7,575
Government remittances payable	9,757	17,841
Deferred contributions (note 6)	<u>63,086</u>	<u>68,849</u>
	<u>91,830</u>	<u>94,265</u>
Net assets		
Unrestricted	<u>191,396</u>	<u>174,501</u>
	<u>\$ 283,226</u>	<u>\$ 268,766</u>

Approved on behalf of the Board:

_____, Director

_____, Director

see accompanying notes

FAMILY ASSOCIATION FOR MENTAL HEALTH EVERYWHERE (FAME)

STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUE		
Toronto Central Local Health Integration Network (TC-LHIN)	\$ 435,851	\$ 435,795
Canadian Mental Health Association - Peel	172,959	166,156
Regional Municipality of Peel	89,877	80,013
United Way of Peel	60,164	60,164
Centre for Addiction & Mental Health	50,000	50,000
Donations	28,633	29,742
Fundraising	7,603	11,624
Other (note 3)	<u>11,091</u>	<u>4,217</u>
	<u>856,178</u>	<u>837,711</u>
EXPENSES		
Salaries	574,968	569,438
Rent	76,389	74,752
Administrative	49,195	53,081
Professional fees	29,536	11,866
Employee benefits	25,209	24,927
Subcontract	14,818	27,517
Travel	12,314	22,358
Programs	8,167	14,011
Publicity and advertising	6,847	10,707
Repairs and maintenance	5,434	5,325
Insurance	3,689	3,416
Meetings	2,981	5,902
Membership and dues	1,411	50
Interest and bank charges	1,007	907
Honoraria	525	250
Fundraising	100	-
Community programming	17,550	-
Amortization	<u>9,143</u>	<u>10,581</u>
	<u>839,283</u>	<u>835,088</u>
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	16,895	2,623
Net assets, beginning of year	<u>174,501</u>	<u>171,878</u>
NET ASSETS, END OF YEAR	<u>\$ 191,396</u>	<u>\$ 174,501</u>

see accompanying notes

FAMILY ASSOCIATION FOR MENTAL HEALTH EVERYWHERE (FAME)

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 16,895	\$ 2,623
Add back (deduct) non-cash items-		
Amortization of capital assets	9,143	10,581
Net change in non-cash working capital items (see below)	<u>(2,073)</u>	<u>(5,589)</u>
Net cash generated from operating activities	<u>23,965</u>	<u>7,615</u>
INVESTING ACTIVITIES		
Purchase of short-term investments	(44,925)	-
Purchase of capital assets	<u>(2,386)</u>	<u>(2,629)</u>
Net cash used for investing activities	<u>(47,311)</u>	<u>(2,629)</u>
NET CASH INCREASE (DECREASE) IN THE YEAR	(23,346)	4,986
Cash, beginning of year	<u>186,456</u>	<u>181,470</u>
CASH, END OF YEAR	<u>\$ 163,110</u>	<u>\$ 186,456</u>

Net change in non-cash working capital items:

Decrease (increase) in current assets-		
Accounts receivable	\$ (8,333)	\$ 1,341
HST recoverable	8,695	(1,067)
Increase (decrease) in current liabilities-		
Accounts payable and accrued liabilities	11,412	428
Government remittances payable	(8,084)	(1,743)
Deferred contributions	<u>(5,763)</u>	<u>(4,548)</u>
	<u>\$ (2,073)</u>	<u>\$ (5,589)</u>

see accompanying notes

FAMILY ASSOCIATION FOR MENTAL HEALTH EVERYWHERE (FAME)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

Family Association for Mental Health Everywhere (FAME) (the Association) is a not-for-profit organization incorporated in the Province of Ontario without share capital. The Association is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).

The purpose of the Association is to provide help to reduce the stress of coping with mental illness by strengthening and supporting family members in their roles as caregivers.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Management is responsible for preparation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations. Accounting principles used include the following significant policies:

Revenue recognition

The principal sources of revenue and recognition of these revenues for financial statement purposes are as follows:

- i) The Association follows the deferral method of revenue recognition for contributions. Grants related to current expenses are reflected in the accounts as revenue in the current year. Grants received in the year for expenses to be incurred in the following fiscal year are recorded as deferred contributions. Grants related to the purchase of capital assets are recorded as revenue in the same period the related assets are charged to operations.
- ii) Fundraising and donation revenue is recorded when funds are received. Donated materials and services which are purchased on behalf of the Association are not recorded in the accounts.
- iii) Investment income is recognized in the period earned. Increases and decreases in market value of investments are recognized as investment income (losses) in the period in which they occur.

Tangible capital assets

Tangible capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Computer equipment	- 20 % declining balance
Furniture and fixtures	- 20 % declining balance
Computer software	- 100% declining balance
Leasehold improvements	- straight line basis over the life of the lease

Intangible capital assets

Intangible capital assets are recorded at cost. Amortization is provided annually at rates calculated to write-off the assets over their estimated useful lives as follows:

Website	- 5 year straight-line basis
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Intangible capital assets with an indefinite useful life are not amortized.

FAMILY ASSOCIATION FOR MENTAL HEALTH EVERYWHERE (FAME)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

2. FINANCIAL INSTRUMENTS AND RELATED FINANCIAL RISKS

The Association records financial instruments, which include cash, short-term investments, accounts receivable, accounts payable and accrued liabilities, initially at fair value. All financial instruments are subsequently recorded net of any provisions for impairment in value.

The following are those financial instruments considered particularly significant and their related financial risks:

- i) Fluctuations in market prices associated with investment in mutual funds is reduced to a minimum, since the Association mitigates this risk by regularly reviewing viewing the portfolio holdings.
- ii) The Association expects to meet its financial obligations for accounts payable and accrued liabilities through cash flows from operations.

It is management's opinion that the Association's financial instruments are not exposed to significant financial risks.

3. SHORT-TERM INVESTMENTS

Short-term investments at March 31, 2017 are mutual funds. Included in other revenue is an unrealized gain of \$4,455 earned during the year.

4. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	2017 Net	2016 Net
Computer equipment	\$ 81,386	\$ (69,638)	\$ 11,748	\$ 14,690
Furniture and fixtures	26,686	(20,244)	6,442	5,668
Computer software	8,737	(8,737)	-	648
Leasehold improvements	<u>29,146</u>	<u>(18,519)</u>	<u>10,627</u>	<u>13,568</u>
	<u>\$ 145,955</u>	<u>\$ (117,138)</u>	<u>\$ 28,817</u>	<u>\$ 34,574</u>

5. INTANGIBLE CAPITAL ASSETS

Intangible capital assets consist of the following:

	Cost	Accumulated Amortization	2017 Net	2016 Net
Website	<u>\$ 10,000</u>	<u>\$ (10,000)</u>	<u>\$ -</u>	<u>\$ 1,000</u>

FAMILY ASSOCIATION FOR MENTAL HEALTH EVERYWHERE (FAME)

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2017

6. DEFERRED CONTRIBUTIONS

The following amounts have been deferred at year end:

	2017	2016
Regional Municipality of Peel	<u>\$ 63,086</u>	<u>\$ 68,849</u>

Continuity of deferred contributions for the year is as follows:

Deferred contributions, beginning of year	\$ 68,849	\$ 73,396
Add cash received from restricted contributions	803,088	301,786
Less restricted contributions recognized	<u>(808,851)</u>	<u>(306,333)</u>
Deferred contributions, end of year	<u>\$ 63,086</u>	<u>\$ 68,849</u>

7. COMMITMENTS

The Association holds several operating leases for programming and office space. Minimum payments under the terms of the leases are as follows:

2018	\$ 76,729
2019	22,841
2020	19,541
2021	19,541
2022	19,541