



**LANCE KRASMAN MEMORIAL
CENTRE FOR COMMUNITY MENTAL
HEALTH**

**FINANCIAL STATEMENTS
MARCH 31, 2021**



KRESTON

GTA

**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

MARCH 31, 2021

CONTENTS

	Page
INDEPEDENT AUDITORS' REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Changes in Fund Balances	3
Statement of Operations	4
Statement of Cash Flows	5
Schedule 1	6
Schedule 2	7
Schedule 3	8
Schedule 4	9
Schedule 5	10
Schedule 6	11
Schedule 7	12
Notes to the financial statements	15 - 20



INDEPENDENT AUDITORS' REPORT

To the Members of **Lance Krasman Memorial Centre for Community Mental Health**

Opinion

We have audited the accompanying financial statements of Lance Krasman Memorial Centre for Community Mental Health (the "Krasman Centre"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in fund balances and cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Lance Krasman Memorial Centre for Community Mental Health as at March 31, 2021, 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.

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 are independent of the Krasman Centre in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 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 Krasman Centre'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 Krasman Centre or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Krasman Centre's financial reporting process.

Auditors' 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 it 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.

A further description of the auditor's responsibilities for the audit of the financial statements is located at our website at www.krestongta.com/audit. This description forms part of our auditor's report.

Kreston gTA

**June 8, 2021
Markham, Ontario**

**Kreston GTA LLP
Licensed Public Accountants**



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2021

	Notes	2021	2020
ASSETS			
Current Assets			
Cash and cash equivalents		\$ 433,607	\$ 437,239
Accounts receivable		9,235	16,808
Prepaid expenses and other assets		38,138	5,164
HST recoverable		28,457	14,287
		509,437	473,498
Long Term Assets			
Capital assets	3	11,484	6,486
		\$ 520,921	\$ 479,984
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts payable and accrued liabilities		\$ 118,944	\$ 133,054
Deferred revenue	4	194,975	173,464
Deferred contributions	5	11,484	6,486
		325,403	313,004
Fund Balances			
Ministry of Health		(41,681)	(41,293)
Housing to Health Fund		6,159	6,695
Fundraising Fund		240,573	221,815
Wellness Collaborative Fund		(2,084)	(2,084)
United Way Fund		(931)	(931)
Outreach Funds		(6,518)	(17,222)
		195,518	166,980
		\$ 520,921	\$ 479,984

Commitments (Note 6)

Impact of COVID-19 (Note 8)

Contingency (Note 9)

Approved on Behalf of the Board

Director

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



LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

STATEMENT OF CHANGES IN FUND BALANCES

FOR THE YEAR ENDED MARCH 31, 2021

	Ministry of Health	Housing to Health Fund	Fund Raising Fund	Wellness Collaborative Fund	United Way Fund	Outreach Funds	2021	2020
BALANCE, BEGINNING OF YEAR	\$ (41,293)	\$ 6,695	\$ 221,815	\$ (2,084)	\$ (931)	\$ (17,222)	\$ 166,980	\$ 209,829
Excess (Deficiency) of revenues over expenses	(388)	(536)	18,758	-	-	10,704	28,538	(36,140)
Prior years excess funding repaid	-	-	-	-	-	-	-	(6,709)
BALANCE, END OF YEAR	\$ (41,681)	\$ 6,159	\$ 240,573	\$ (2,084)	\$ (931)	\$ (6,518)	\$ 195,518	\$ 166,980

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

**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
 MENTAL HEALTH**
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2021

	Notes	2021	2020
REVENUES			
Program Funds - Ministry of Health	7	\$ 859,532	\$ 881,308
Other government and agency grants		684,735	657,675
Municipal Grant		465,667	151,670
One-Time Funding / Sessional Fees - Ministry of Health	7	159,170	31,558
Contributions and other revenues		14,856	29,429
Bingo revenues		35,837	52,410
		2,219,797	1,804,050
EXPENSES			
Salaries and benefits		1,468,766	1,342,417
Program		228,673	135,038
Occupancy costs		86,461	59,408
One-time capital/pandemic expenditures		67,259	11,548
Administrative fee		66,504	25,211
Volunteer honoraria		55,330	45,449
Professional fees		52,398	33,616
Telephone		49,640	52,655
Office and general		43,585	52,929
Sessional fees		26,966	31,558
Computer maintenance, supplies and internet		23,805	10,406
Travel		19,711	39,955
Amortization		2,162	-
		2,191,260	1,840,190
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES		\$ 28,537	\$ (36,140)

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
OPERATING ACTIVITIES		
Excess (Deficiency) of revenues over expenses	\$ 28,537	\$ (36,140)
Items not requiring an outlay of cash:		
Amortization	2,162	-
	30,699	(36,140)
Changes in non-cash working capital balances		
Accounts receivable	7,573	2,998
Prepaid expenses and other assets	(32,975)	(597)
HST recoverable	(14,171)	(742)
Accounts payable and accrued liabilities	(14,108)	76,259
Deferred revenue	21,512	79,987
Deferred contributions	4,998	6,486
Net change in non-cash working capital balances	(27,171)	164,391
NET CASH PROVIDED BY OPERATING ACTIVITIES	3,528	128,251
CASH FLOWS USED IN INVESTING ACTIVITIES		
Excess funding repaid	-	(6,709)
Acquisition of capital assets	(7,160)	(6,486)
	(7,160)	(13,195)
NET (DECREASE) INCREASE IN CASH	(3,632)	115,056
CASH, BEGINNING OF YEAR	437,239	322,183
CASH, END OF YEAR	\$ 433,607	\$ 437,239

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule I

STATEMENT OF OPERATIONS

MINISTRY OF HEALTH

OPERATING FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Program Funds - Ministry of Health	\$ 859,532	\$ 881,308
One-Time Funding / Sessional Fees - Ministry of Health	159,170	31,558
Other income	3,752	-
Municipal Grant	-	-
One-Time Funding - LHIN	-	-
	1,022,454	912,866
EXPENSES		
Salaries and benefits	694,153	638,722
Program	(2,227)	37,659
Volunteer honoraria	55,280	40,077
Professional fees	25,578	27,816
Occupancy costs	62,366	39,009
Office and general	33,074	31,882
Telephone	33,205	42,305
Sessional fees	26,966	31,558
One-time capital/pandemic expenditures	67,259	11,548
Computer maintenance, supplies & internet	23,730	9,993
Travel	1,296	7,019
Amortization	2,162	-
	1,022,842	917,588
DEFICIENCY OF REVENUES OVER EXPENSES	\$ (388)	\$ (4,722)

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 2

STATEMENT OF OPERATIONS

FUND RAISING FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Bingo revenues	\$ 35,837	\$ 52,410
Other grants	1,838	18,799
Contributions	12,780	11,515
Other income	230	635
Fundraising	8	125
	50,693	83,484
EXPENSES		
Salaries and benefits	16,701	76,443
Program	10,713	15,500
Accreditation	4,176	5,857
Volunteer honorarium	50	5,372
Staff and volunteer training and education	-	2,850
Office	-	2,475
Bank charges	295	320
Travel	-	203
	31,935	109,020
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 18,758	\$ (25,536)

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 3

STATEMENT OF OPERATIONS

HOUSING TO HEALTH FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Grant	\$ 67,543	\$ 78,455
EXPENSES		
Salaries and benefits	63,615	70,252
Travel	2,631	5,349
Office and general	72	1,392
Telephone	916	931
Program	845	16
	68,079	77,940
(DEFICIENCY) EXCESS OF REVENUES OVER EXPENSES	\$ (536)	\$ 515

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 4

STATEMENT OF OPERATIONS

SIMCOE OUTREACH FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Grants	\$ 63,493	\$ 71,507
EXPENSES		
Salaries and benefits	52,321	54,594
Program	2,334	11,649
Travel	390	3,523
Office and general	2,770	606
Telephone	1,123	1,066
Staff and volunteer training and education	-	780
	58,938	72,218
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 4,555	\$ (711)

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 5

**STATEMENT OF OPERATIONS
WELLNESS COLLABORATIVE FUND
FOR THE YEAR ENDED MARCH 31, 2021**

	2021	2020
REVENUES		
Grant - ASYR	\$ 323,222	\$ 323,222
Other income	-	20,100
WC Grant-one time	77,373	38,878
	400,595	382,200
EXPENSES		
Salaries and benefits	343,199	292,625
Program	16,911	33,863
Occupancy costs	7,115	15,000
Travel	2,953	14,612
Administrative fee	20,613	13,855
Telephone	8,469	5,848
Office and general	960	4,762
Food	22	2,107
Staff and volunteer training and education	353	1,612
	400,595	384,284
DEFICIENCY OF REVENUES OVER EXPENSES	\$ -	\$ (2,084)

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 6

STATEMENT OF OPERATIONS

UNITED WAY FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Grant	\$ 82,813	\$ 112,185
EXPENSES		
Salaries and benefits	50,139	79,620
Program	3,070	17,007
Administrative fee	6,940	7,990
Professional fees	21,496	5,800
Occupancy costs	1,000	1,000
Travel	168	1,699
	82,813	113,116
DEFICIENCY OF REVENUES OVER EXPENSES	\$ -	\$ (931)

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 7

STATEMENT OF OPERATIONS

YORK REGION OUTREACH AND APPLICATION SUPPORT WORKER FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Grants	\$ 208,116	163,353
EXPENSES		
Salaries and benefits	152,383	130,159
Program	16,508	8,826
Travel	3,504	7,549
Office and general	1,039	5,635
Occupancy costs	2,595	4,399
Administrative fee	14,269	3,366
Telephone	2,423	2,505
Staff and volunteer training and education	1,842	2,103
Food	2,005	1,069
Computer maintenance, supplies and internet	75	413
Professional fees	5,324	-
	201,967	166,024
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 6,149	\$ (2,671)

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



KRESTON

VT

**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 8

STATEMENT OF OPERATIONS

UNITED WAY EMERGENCY COMMUNITY SUPPORT FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Grants	\$ 41,825	-
EXPENSES		
Salaries and benefits	30,705	-
Office and general	1,367	-
Administrative fee	7,500	-
Telephone	2,253	-
	41,825	-
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -

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



**LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY
MENTAL HEALTH**

Schedule 9

STATEMENT OF OPERATIONS

REACHING HOME FUND

FOR THE YEAR ENDED MARCH 31, 2021

	2021	2020
REVENUES		
Grants	\$ 282,265	-
EXPENSES		
Salaries and benefits	65,551	-
Program	176,296	-
Travel	8,768	-
Office and general	2,590	-
Occupancy costs	13,385	-
Administrative fee	14,424	-
Telephone	1,251	-
	282,265	-
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -

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



LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

I. PURPOSE OF THE ORGANIZATION

The Lance Krasman Memorial Centre for Community Mental Health ("The Krasman Centre") is a resource centre in the York Region for individuals and their families who experience mental health and/or addictions difficulties.

The Krasman Centre was incorporated in Ontario in 1998 without share capital and is a registered charity under the Income Tax Act, exempt from the payment of income taxes.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with the Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

Fund Accounting

The accounts of the Krasman Centre, as a whole, are maintained in accordance with the principles of fund accounting by which resources for various purposes are classified for accounting and reporting purposes into various funds relating to specific activities. The funds currently being managed are: Ministry of Health Operating Fund ("Operating Fund"), Fundraising Fund, Housing to Health Fund, Simcoe / York Region Outreach Fund, Wellness Collaborative Fund, United Way of Greater Toronto Fund, Application Support Worker Fund, United Way Emergency Community Support Fund and Reaching Home Fund.

Operating Fund

Assets, liabilities, revenues and expenses related to the operations funded by the Ministry of Health are reported in the Operating Fund.

Fundraising Fund

This internally restricted fund was established to support the expansion of programs and services during the holiday season/winter months and other activities not supported by the ministry. Funds are generated by various activities including bingo revenues, donations, non-Ministry grants and fundraising projects by the Krasman Centre's team in non-office hours.

Housing to Health (H2H) Fund

This fund is a collaborative House First program between Blue Door Shelters, LOFT-Crosslinks, and the Krasman Centre, funded by United Way Toronto and York Region through Blue Door Shelters.

Simcoe / York Region Outreach Fund

This fund is for municipally funded programs that supplement drop-in activities and provide outreach services.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)**Wellness Collaborative Fund**

The Wellness Collaborative is a partnership between 6 service providers focused on enhancing addictions services within the boundaries of the former Central LHIN. Funding is flowed to the collaborative through Addiction Services for York Region, as the lead agency. Krasman Centre's roles within the collaborative include: Mobile/outreach peer support (one-on-one), access to peer supporters at RAAM Clinics, presentations to various community groups, peer-based support groups, recovery education groups, social/recreational activities, arts and crafts groups, and group outings.

United Way of Greater Toronto Fund (Peer Recovery Education Program)

The Peer Recovery Education Program (PREP) is a comprehensive series of courses and trainings about Peer Support and Recovery and paid internship offered within a supportive community of peers. The program is designed to support individual's personal recovery and to support them in entering or progressing in the peer, recovery, mental health, or social services workforce.

Application Support Worker Fund

The Application Support Worker fund will be used to provide case management and system navigation support to assist Ontario Works program participants on the Ontario Disability Support Program (ODSP) pending list and other York Region residents to successfully complete the ODSP application process. The target program participants are seeking assistance with the ODSP application process. A total of sixty unique program participants will benefit from the ASW fund.

United Way Emergency Community Support Fund

The United Way Emergency Community Support Fund was created to implement the Safer Use Peer Support Line ("SUPSL") in response to the opioid overdose emergency that has been exacerbated through the Covid-19 pandemic. The intention of the SUPSL is to provide safer use information, peer-based support and 'witnessing' wherever drug users are, to increase safety and comfort for those most at risk of an overdose/drug poisoning.

Reaching Home Fund

The Reaching Home Fund is a community-based program aimed at preventing and reducing homelessness. It provides direct funding to communities across Canada to support their efforts in developing local solutions to homelessness. The Krasman Centre was granted funding to implement a "drop-by"/respite program in Richmond Hill for people experiencing homelessness/at risk of homelessness, particularly during the Covid-19 pandemic. The program offers immediate access to peer support, resources and referrals, an indoor respite space, prepared meals, non-perishable foods, personal hygiene items, clothing, harm reduction education and supplies, and washroom/shower facilities, all with infection prevention and control measures in place.



LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

Cash is defined as cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

Capital Assets

Property and equipment are recorded at cost. Amortization is provided on a straight-line basis using the following rates, calculated on an annual basis; which are expected to charge operations with the cost of the assets over their useful lives:

Computer Equipment	3 years
Leasehold Improvements - Richmond Hill	5 years

Revenue Recognition

The Krasman Centre follows the deferral method of accounting for contributions. 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.

Grants received from the Ministry of Health and other agencies are recognized as revenue according to the conditions of the specific government or agency agreement.

Revenues from fundraising activities are recognized as revenue when the event is held.

Use of Estimates

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 disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting periods. Actual results could differ from those estimates. Estimates and assumptions are periodically reviewed, and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Such estimates include the collectability of accounts receivable and accrued liabilities.

Financial Instrument Measurement

The Krasman Centre initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and liabilities at amortized cost. Financial assets measured at amortized cost include cash, accounts receivable and harmonized sales tax recoverable. Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

Contributed Goods and Services

The Krasman Centre receives donated goods. The value of donated goods is not readily available and is therefore not recognized in these statements.

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Volunteers contribute to assist the Krasman Centre in delivering its services. Because of the difficulty in determining the fair value, contributed services are not recognized in the financial statements.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2021	Net 2020
Leasehold improvements	\$ 7,160	-	\$ 7,160	-
Computer Software	4,324	-	4,324	6,486
	\$ 11,484	\$ -	\$ 11,484	\$ 6,486

4. DEFERRED REVENUE

These deferred revenues represent grant revenues received in the current period or a prior period, that are related to the subsequent period.

	2021	2020
Balance, beginning of year	\$ 173,464	\$ 93,477
Less: Amount recognized as revenue in the year	(158,851)	(65,511)
Plus: Amount received related to the following year	180,362	145,498
Balance, end of year	\$ 194,975	\$ 173,464

5. DEFERRED CONTRIBUTIONS

Deferred contributions reported in the Capital assets include unamortized portions of funding received for certain assets.

The changes for the year in the deferred contributions balance reported in the Capital assets are as follows:

	2021
Balance, beginning of year	\$ 6,486
Amounts amortized to revenue	2,162
Funding received	7,160
Balance, end of year	\$ 11,484

Amortization of the deferred contributions to revenue is provided on the same basis as the amortization of the cost of the capital assets for which the contributions were used to purchase.

6. COMMITMENTS

The Krasman Centre leases its Richmond Hill premises on a long-term lease expiring March 31, 2024. Krasman Centre also leases its Alliston premises on a long-term lease expiring December 31, 2023. Lastly, Krasman Centre also leases its Georgina Island premises on a one year lease expiring March 31, 2022. The annual minimum lease commitments are as follows:

	Richmond Hill	Alliston	Georgina Island	Total
Year ended March 31, 2022	\$ 52,800	\$ 10,848	\$ 6,000	\$ 69,648
2023	54,000	8,136	-	62,136
2024	54,000	-	-	54,000
	\$ 160,800	\$ 18,984	\$ 6,000	\$ 185,784

7. ECONOMIC DEPENDENCE

The Krasman Centre received \$1,018,702 (2020 - \$912,866) from the Ministry of Health, which represents approximately 46% (51% in 2020) of its total revenues. Funds received in excess of actual costs are subject to repayment as requested by the Ministry.

8. IMPACT OF COVID-19

During the year, the emergence of the novel coronavirus ("COVID-19") and the corresponding emergency measures implemented by the federal and provincial governments has had a significant impact on the long-term health sector, including unprecedented business, employment and economic disruptions. While the state of the COVID-19 situation is improving, the continued uncertainty of its outcome and duration has made it impossible to



LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2021

8. IMPACT OF COVID-19 (Continued)

estimate its impact on the Krasman Centre's operations or financial results; however, the impact has been and will continue to be material. Although an estimate of the potential loss in revenues cannot be made, management believes that the Krasman Centre has sufficient capital to continue as a going concern, if revenue generating activities are unable to recover to historical levels.

9. CONTINGENCY

During the year, an employee initiated a human rights claim against the Krasman Centre in the amount of \$40,914, which has been filed with the Human Rights Tribunal of Ontario. Legal counsel has been retained to file a statement of defense. The likelihood of a settlement as well as an estimate of the possible settlement is unknown and therefore cannot be recorded.

10. FINANCIAL INSTRUMENTS

The Krasman Centre is exposed to various risks through its financial instruments. The following analysis provides a measure of the risks at the reporting date, March 31, 2021.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Krasman Centre is exposed to interest risk on its fixed and floating interest rate financial instruments. (Fixed-interest instruments subject the entity to a fair value risk while the floating rat instruments subject it to a cash flow risk.)

Other risk

It is management's opinion that the Krasman Centre is not exposed to significant liquidity, credit, market, or currency risks arising from its financial instruments.