

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

**FINANCIAL STATEMENTS
MARCH 31, 2023**

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

MARCH 31, 2023

CONTENTS

	Page
INDEPEDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Changes in Fund Balances	4
Statement of Operations	5
Statement of Cash Flows	6
Schedule 1	7
Schedule 2	8
Schedule 3	9
Schedule 4	10
Schedule 5	11
Schedule 6	12
Schedule 7	13
Schedule 8	14
Notes to the financial statements	15 - 20

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, 2023, 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, 2023, 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.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.



- Obtain an understanding of internal control relevant to the audit 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 Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Organization to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

June 13, 2023
Markham, Ontario

Kreston GTA LLP
Licensed Public Accountants

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

STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

	Notes	2023		2022
ASSETS				
Current Assets				
Cash and cash equivalents		\$ 743,061	\$	470,416
Accounts receivable	3	140,130		21,635
Prepaid expenses and other assets		18,417		13,602
HST recoverable		18,772		16,170
		920,380		521,823
Long Term Assets				
Capital assets	4	54,414		32,289
		\$ 974,794	\$	554,112
LIABILITIES AND FUND BALANCES				
Current Liabilities				
Accounts payable and accrued liabilities	5	\$ 134,658	\$	136,026
Deferred revenue	6	558,410		172,768
Deferred contributions	7	54,410		32,286
		747,478		341,080
Fund Balances				
Ministry of Health		(28,013)		(30,064)
Housing to Health Fund		6,159		6,159
Fundraising Fund		258,703		246,470
Wellness Collaborative Fund		(2,084)		(2,084)
United Way Fund		(931)		(931)
Outreach Funds		(6,518)		(6,518)
		227,316		213,032
		\$ 974,794	\$	554,112

Commitments (Note 8)

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, 2023

	Ministry of Health	Housing to Health Fund	Fund Raising Fund	Wellness Collaborative Fund	United Way Fund	Outreach Funds	2022	2023
BALANCE, BEGINNING OF YEAR	\$ (30,064)	\$ 6,159	\$ 246,470	\$ (2,084)	\$ (931)	\$ (6,518)	\$ 195,518	\$ 213,032
Excess of revenues over expenses	2,051	-	12,233	-	-	-	14,284	17,513
BALANCE, END OF YEAR	\$ (28,013)	\$ 6,159	\$ 258,703	\$ (2,084)	\$ (931)	\$ (6,518)	\$ 227,316	\$ 213,031

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, 2023

	Notes	2023	2022
REVENUES			
Program Funds - Ministry of Health	9	\$ 862,781	\$ 874,058
Other government and agency grants		1,137,494	1,088,138
Municipal grants		177,431	303,406
One-Time Funding / Sessional Fees - Ministry of Health	9	52,233	86,837
Contributions and other revenues		208,849	14,398
Bingo revenues		32,264	31,835
Deferred capital grant		24,066	1,387
		2,495,118	2,400,059
EXPENSES			
Salaries and benefits		1,803,967	1,709,975
Program		175,665	234,641
Occupancy costs		92,994	95,665
Administrative fee		68,295	64,694
Professional fees		62,656	52,341
Volunteer honoraria		51,791	52,681
Telephone		39,649	51,959
Office and general		60,818	31,522
Computer maintenance, supplies and internet		41,689	30,501
Travel		27,656	22,352
One-time capital/pandemic expenditures		-	15,848
Sessional fees		31,588	14,958
Amortization		24,066	5,409
		2,480,834	2,382,546
EXCESS OF REVENUES OVER EXPENSES		\$ 14,284	\$ 17,513

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, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 14,284	\$ 17,513
Items not requiring an outlay of cash:		
Amortization	24,066	5,409
	<u>38,350</u>	<u>22,922</u>
Changes in non-cash working capital balances		
Accounts receivable	(118,495)	(12,400)
Prepaid and other assets	(4,814)	24,536
HST recoverable	(2,601)	12,287
Accounts payable and accrued liabilities	(1,371)	17,083
Deferred revenue	385,642	(22,208)
Deferred contributions	22,124	20,802
	<u>280,485</u>	<u>40,100</u>
NET CASH PROVIDED BY OPERATING ACTIVITIES	318,835	63,022
CASH FLOWS USED IN INVESTING ACTIVITIES		
Acquisition of capital assets	(46,190)	(26,213)
NET INCREASE IN CASH	272,645	36,809
CASH, BEGINNING OF YEAR	470,416	433,607
CASH, END OF YEAR	\$ 743,061	\$ 470,416

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, 2023

	2023	2022
REVENUES		
Program Funds - Ministry of Health	\$ 862,781	\$ 874,058
One-Time Funding / Sessional Fees - Ministry of Health	52,233	86,837
Other income	228,501	57,630
Municipal Grant	48,189	-
Deferred Capital Grant	12,985	-
	1,204,689	1,018,525
EXPENSES		
Salaries and benefits	816,821	689,411
Program	58,884	48,737
Volunteer honoraria	50,266	52,431
Professional fees	54,766	23,517
Occupancy costs	71,720	74,680
Office and general	45,895	24,146
Telephone	26,402	40,855
Sessional fees	31,588	14,958
One-time capital/pandemic expenditures	-	15,848
Computer maintenance, supplies & internet	27,548	13,962
Travel	5,763	4,340
Amortization	12,985	4,022
	1,202,638	1,006,907
EXCESS OF REVENUES OVER EXPENSES	\$ 2,051	\$ 11,618

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

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

Schedule 2

STATEMENT OF OPERATIONS

FUNDRAISING FUND

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
Bingo revenues	\$ 32,264	\$ 31,835
Other grants	7,132	6,000
Contributions	9,683	8,197
Other income	1,137	10,004
Deferred grants	4,870	805
Fundraising	-	-
	55,086	56,841
EXPENSES		
Salaries and benefits	-	21,779
Program	21,596	18,197
Accreditation	5,474	4,273
Volunteer honorarium	1,525	250
Staff and volunteer training and education	2,914	1,847
Bank charges	270	295
Travel	6,204	3,500
Depreciation	4,870	805
	42,853	50,946
EXCESS OF REVENUES OVER EXPENSES	\$ 12,233	\$ 5,895

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, 2023

	2023	2022
REVENUES		
Grant	\$ 75,210	\$ 72,516
EXPENSES		
Salaries and benefits	66,621	68,039
Travel	3,386	3,162
Office and general	3,933	-
Telephone	1,270	1,315
	75,210	72,516
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 4

STATEMENT OF OPERATIONS

SIMCOE OUTREACH FUND

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
Grants	\$ 50,000	\$ 57,500
EXPENSES		
Salaries and benefits	50,000	55,033
Program	-	1,106
Travel	-	309
Office and general	-	19
Telephone	-	1,033
	50,000	57,500
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 5

STATEMENT OF OPERATIONS

WELLNESS COLLABORATIVE FUND

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
Grant - ASCO	\$ 284,469	\$ 333,568
Other income	36,316	6,554
WC Grant-one time	56,624	8,277
Deferred grants	6,211	582
	383,620	348,981
EXPENSES		
Salaries and benefits	274,133	282,664
Program	28,680	23,844
Computer maintenance, supplies & internet	9,015	-
Occupancy costs	17,778	7,115
Travel	9,214	4,817
Administrative fee	16,230	16,230
Telephone	8,502	3,091
Office and general	4,547	467
Food	7,995	9,068
Staff and volunteer training and education	1,315	1,103
Amortization	6,211	582
	383,620	348,981
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 6

STATEMENT OF OPERATIONS

UNITED WAY GREATER TORONTO FUND

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
Grant	\$ 89,675	\$ 113,986
EXPENSES		
Salaries and benefits	67,418	99,075
Program	11,518	8,482
Administrative fee	5,937	5,697
Professional fees	3,898	-
Occupancy costs	900	900
Travel	4	(168)
	89,675	113,986
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 7

STATEMENT OF OPERATIONS

YORK REGION OUTREACH AND APPLICATION SUPPORT WORKER FUND

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
Grants	\$ 538,999	433,346
Other income	-	30,792
	\$ 538,999	\$ 464,138
EXPENSES		
Salaries and benefits	441,336	364,397
Program	26,514	22,530
Travel	3,085	6,392
Office and general	699	1,292
Occupancy costs	2,596	2,595
Administrative fee	41,128	36,929
Telephone	3,024	4,185
Staff and volunteer training and education	1,727	1,455
Food	9,771	2,500
Computer maintenance, supplies and internet	5,126	16,539
Professional fees	3,993	5,324
	538,999	464,138
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, 2023

Schedule 8

STATEMENT OF OPERATIONS

UNITED WAY ORGANISATION INFRASTRUCTURE FUND

FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
Grants	\$ 97,838	40,649
EXPENSES		
Salaries and benefits	87,636	16,418
Program	4,751	731
Professional fees	-	23,500
Administrative fee	5,000	-
Telephone	451	-
	97,838	40,649
EXCESS OF REVENUES OVER EXPENSES	\$ -	\$ -

LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

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 Outreach Fund, Wellness Collaborative Fund, United Way Greater Toronto Fund, York Region Outreach and Application Support Worker Fund and United Way Organisation Infrastructure 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 Greater Toronto through Blue Door Shelters.

Simcoe Outreach Fund

The Simcoe Outreach Fund provides peer support and essential needs access (e.g., food, clothing, harm reduction supports, access to internet) to individuals impacted by low income/poverty, isolation, and/or mental health and substance use challenges in South Simcoe County. Peer Supporters are mobile and can meet people in the community, reducing barriers to support due to limited access to transportation.

LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

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 Central Ontario, 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 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.

York Region Outreach and Application Support Worker Fund

The York Region Outreach Fund provides Peer Support to vulnerable York Region residents, including structured workshops, access to essential needs (e.g., food, clothing, hygiene items), and connection to community-based resources. Mobile Peer Supporters meet individuals at various locations in the community, at their point of need.

The Application Support Worker (ASW) 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 Organisation Infrastructure Fund

The United Way Organisation Infrastructure Fund was created to hire a manager as well as administrative support to advance the work of the Krasman Centre with respect to combating racism and oppression. With these funds, a consultant was also contracted to develop a new strategic plan for the Krasman Centre.

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.

LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

2. SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets

Property and equipment are recorded at cost. Amortization is provided on a straight-line or percentage 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:

Furniture and fixtures	5 years
Computer Equipment	55%
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, the useful life of capital assets 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.

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.

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

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

3. ACCOUNTS RECEIVABLE

	2023	2022
Contributions and other revenue	49,496	-
Municipal grants	46,956	-
Other government and agency grants	31,850	21,435
Deferred revenue	11,828	-
	140,130	21,435

4. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2023	Net 2022
Leasehold improvements	\$ 10,125	\$ 2,087	\$ 8,038	\$ 2,864
Furniture and fixtures	2,950	885	2,065	2,655
Computer Software	72,976	28,665	44,311	26,770
	\$ 86,051	\$ 31,637	\$ 54,414	\$ 32,289

5. ACCOUNTS PAYABLE

	2023	2022
Accounts payable - trade	\$ 40,029	\$ 32,918
Accrued liabilities	88,735	97,183
RRSP and WSIB payable	5,894	5,925
	\$ 134,658	\$ 136,026

6. DEFERRED REVENUE

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

	2023	2022
Balance, beginning of year	\$ 172,768	\$ 194,975
Less: Amount recognized as revenue in the year	(339,799)	(250,836)
Plus: Amount received related to the following year	725,441	228,629
Balance, end of year	\$ 558,410	\$ 172,768

LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

7. 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:

	2023	2022
Balance, beginning of year	\$ 32,286	\$ 11,484
Amounts amortized to revenue	24,066	5,409
Funding received	46,190	26,211
Balance, end of year	\$ 54,410	\$ 32,286

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.

8. 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 March 31, 2028. Lastly, Krasman Centre also leases its Georgina Island premises on a one year lease expiring March 31, 2024. The annual minimum lease commitments without HST are as follows:

	Richmond Hill	Alliston	Georgina Island	Total
Year ended March 31, 2024	\$ 54,000	\$ 12,000	\$ 7,000	\$ 73,000
2025	-	12,000	-	12,000
2026	-	12,000	-	12,000
2027	-	12,000	-	12,000
2028	-	12,000	-	12,000
	\$ 54,000	\$ 60,000	\$ 7,000	\$ 121,000

9. ECONOMIC DEPENDENCE

The Krasman Centre received \$915,014 (2022 - \$960,895) from the Ministry of Health, which represents approximately 37% (40% in 2022) of its total revenues. Funds received in excess of actual costs are subject to repayment as requested by the Ministry.

LANCE KRASMAN MEMORIAL CENTRE FOR COMMUNITY MENTAL HEALTH

NOTES TO THE FINANCIAL STATEMENTS

MARCH 31, 2023

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, 2023.

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 rate 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.