
**CHILDREN'S MENTAL HEALTH
ONTARIO/SANTÉ MENTALE POUR
ENFANTS ONTARIO**

FINANCIAL STATEMENTS

JUNE 30, 2007

AUDITORS' REPORT

To the Members,
Children's Mental Health Ontario/Santé Mentale Pour Enfants Ontario

We have audited the statement of financial position of Children's Mental Health Ontario/Santé Mentale Pour Enfants Ontario as at June 30, 2007 and the statements of operations and net assets and cash flows for the year then ended. These financial statements are the responsibility of the organization's management. 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 plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the organization as at June 30, 2007 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Cowperthwaite Mehta

Chartered Accountants
Licensed Public Accountants

August 2, 2007
Toronto, Ontario


**CHILDREN'S MENTAL HEALTH ONTARIO/SANTÉ MENTALE POUR ENFANTS
ONTARIO**


STATEMENT OF FINANCIAL POSITION

AS AT JUNE 30, 2007

	2007	2006
ASSETS		
Current assets		
Cash	\$ 23,026	\$ 77,293
Short-term investments (notes 4 and 5)	525,356	522,616
Project funding receivable	170,549	247,883
Accounts receivable	18,509	21,286
Prepaid expenses	<u>19,167</u>	<u>11,083</u>
	756,607	880,161
Property and equipment (note 6)	<u>24,973</u>	<u>51,972</u>
	<u>\$ 781,580</u>	<u>\$ 932,133</u>
LIABILITIES AND NET ASSETS		
Current liabilities		
Accounts payable and accrued liabilities	\$ 26,159	\$ 119,968
Deferred membership fees	213,900	181,277
Deferred project funding (note 7)	<u> </u>	<u>86,762</u>
	<u>240,059</u>	<u>388,007</u>
Net assets		
Invested in property and equipment	24,973	51,972
Designated (note 5)	250,000	150,000
Unrestricted	<u>266,548</u>	<u>342,154</u>
	<u>541,521</u>	<u>544,126</u>
	<u>\$ 781,580</u>	<u>\$ 932,133</u>

Approved on behalf of the Board:


_____, Director


_____, Director

see accompanying notes

**CHILDREN'S MENTAL HEALTH ONTARIO/SANTÉ MENTALE POUR ENFANTS
ONTARIO**

STATEMENT OF OPERATIONS AND NET ASSETS

FOR THE YEAR ENDED JUNE 30, 2007

	2007	2006
REVENUE		
Membership fees	\$ 883,831	\$ 841,019
Projects (note 8)	746,239	724,908
Conference and workshop fees and grant (note 9)	195,037	148,350
Administration fees (note 8)	66,357	76,662
Interest, donations and other	<u>63,596</u>	<u>35,090</u>
	<u>1,955,060</u>	<u>1,826,029</u>
EXPENSES		
Direct project costs (note 8)	746,239	724,908
Salaries and benefits	674,486	579,409
Program administration (note 6)	163,737	165,691
Conference and workshops	138,475	142,579
Communications	99,068	51,206
Board	55,293	39,983
Consulting	35,863	92,809
Committee and special meetings	33,648	20,972
Support to Parents of Children's Mental Health	<u>10,856</u>	<u>19,741</u>
	<u>1,957,665</u>	<u>1,837,298</u>
EXCESS OF EXPENSES OVER REVENUE FOR THE YEAR	(2,605)	(11,269)
Net assets, beginning of year	<u>544,126</u>	<u>555,395</u>
NET ASSETS, END OF YEAR	<u><u>\$ 541,521</u></u>	<u><u>\$ 544,126</u></u>

see accompanying notes

**CHILDREN'S MENTAL HEALTH ONTARIO/SANTÉ MENTALE POUR ENFANTS
ONTARIO**

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED JUNE 30, 2007

	2007	2006
OPERATING ACTIVITIES		
Cash received from		
Fees charged	\$ 914,454	\$ 819,320
Projects (note 7)	803,168	736,910
Conference and workshop fees and grant (note 9)	197,814	145,889
Interest, donations and other	<u>63,596</u>	<u>35,090</u>
	<u>1,979,032</u>	<u>1,737,209</u>
Cash disbursed for		
Direct project costs	(822,210)	(737,002)
Salaries and benefits	(674,486)	(579,409)
Conference, workshops and meetings	(172,123)	(163,551)
Program administration	(141,260)	(157,626)
Consulting and other	<u>(220,480)</u>	<u>(184,339)</u>
	<u>(2,030,559)</u>	<u>(1,821,927)</u>
Net cash used for operations	<u>(51,527)</u>	<u>(84,718)</u>
INVESTING ACTIVITIES		
Net sale (purchase) of short-term investments	(2,740)	179,894
Purchase of capital assets	<u> </u>	<u>(67,164)</u>
Net cash generated from (used for) investing activities	<u>(2,740)</u>	<u>112,730</u>
NET INCREASE (DECREASE) IN CASH FOR THE YEAR	(54,267)	28,012
Cash, beginning of year	<u>77,293</u>	<u>49,281</u>
CASH, END OF YEAR	<u>\$ 23,026</u>	<u>\$ 77,293</u>

see accompanying notes

CHILDREN'S MENTAL HEALTH ONTARIO/SANTÉ MENTALE POUR ENFANTS ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

1. THE ORGANIZATION

Children's Mental Health Ontario/Santé Mentale Pour Enfants Ontario is a not-for-profit organization incorporated in the Province of Ontario without share capital.

The organization exists to enhance the capacity of children's mental health centres across Ontario to provide optimum services to children and their families.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the organization are in accordance with Canadian generally accepted accounting principles applied on a basis consistent with that of the preceding year. Outlined below are those policies considered particularly significant:

Revenue Recognition

The organization follows the deferral method of accounting for project grants. Under the deferral method, grants received in the current period for project expenses to be incurred in a future period are recorded as deferred grants.

Unrestricted contributions are recognized as revenue when the contributions are received or receivable.

Membership fees are recognized as revenue in the period to which the membership fee applies.

Short-term Investments

Short-term investments are carried at market value.

Property and equipment

Property and equipment is 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	- 20 % declining balance
Leasehold improvements	- straight line basis over the life of the lease

Use of Estimates

The preparation of these financial statements requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues and expenses. Specifically, significant assumptions have been made in arriving at the amount of project revenue deferred to future periods. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the period in which they become known.

3. FINANCIAL INSTRUMENTS

The organization's financial instruments consist of cash, short-term investments, project funding and other accounts receivable and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant interest, currency or credit risks arising from these financial instruments. The fair value of these financial instruments approximates their carrying values, unless otherwise noted.

CHILDREN'S MENTAL HEALTH ONTARIO/SANTÉ MENTALE POUR ENFANTS ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

4. SHORT-TERM INVESTMENTS

Short-term investments at June 30, 2007 comprise money market funds and fixed income securities.

5. DESIGNATED NET ASSETS

Designated net assets is an amount to be used only for extraordinary cash requirements as directed by the Board of Directors. Fixed income securities of \$250,000, included in the short-term investments of \$525,356 as at June 30, 2007, have been designated by the Board of Directors for this purpose.

6. PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	Cost	Accumulated Amortization	2007 Net	2006 Net
Computer equipment	\$ 44,517	\$ (44,517)	\$ nil	\$ 3,402
Furniture	<u>16,538</u>	<u>(7,760)</u>	<u>8,778</u>	<u>10,775</u>
	<u>\$ 61,055</u>	<u>\$ (52,277)</u>	8,778	14,177
Leasehold improvements, net			<u>16,195</u>	<u>37,795</u>
			<u>\$ 24,973</u>	<u>\$ 51,972</u>

Program administration expenses in 2007 include an amortization charge of \$27,000 (\$25,200 for the year ended ended June 30, 2006).

CHILDREN'S MENTAL HEALTH ONTARIO/SANTÉ MENTALE POUR ENFANTS ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

7. DEFERRED PROJECT FUNDING

Deferred project funding is composed of the following:

	2007	2006
Accreditation Program Standards project	\$ nil	\$ 34,495
Autism project		45,248
Policy Framework project		2,817
Evidence Based Practices project		2,343
The Ontario Trillium Foundation		<u>1,859</u>
Deferred project revenue, end of year	<u>\$ nil</u>	<u>\$ 86,762</u>

Continuity of deferred project revenue for the year is as follows:

Deferred project revenue, beginning of year	\$ 86,762	\$ 88,824
Add cash received from project grants in year	803,168	736,911
Increase (decrease) in grants receivable for project expenses incurred	(77,334)	62,597
Less current year's project grant funding recognized (note 8)	<u>(812,596)</u>	<u>(801,570)</u>
Deferred revenue, end of year	<u>\$ nil</u>	<u>\$ 86,762</u>

8. PROJECT FUNDING

Project funding earned in the year was as follows:

	Project revenue	Administration fees	Total 2007	Total 2006
The Ministry of Children and Youth Services				
BCFPI Project grant	\$ 584,958	\$ 61,357	\$ 646,315	\$ 490,186
Policy Framework project	73		73	206,507
Accreditation Program Standards review	29,495	5,000	34,495	65,504
Autism project	44,408		44,408	23,725
Evidence Based Practices project	679		679	5,782
The Ontario Trillium Foundation	791		791	9,866
Youth Engagement Project	<u>85,835</u>		<u>85,835</u>	
	<u>\$ 746,239</u>	<u>\$ 66,357</u>	<u>\$ 812,596</u>	<u>\$ 801,570</u>

9. ANNUAL CONFERENCE GRANT

Conference and workshop fees and grant for the year ended June 30, 2007 includes a grant received for the annual conference from the Ministry of Children and Youth Services of \$30,000 (a grant of \$25,000 was received for the year ended June 30, 2006).

CHILDREN'S MENTAL HEALTH ONTARIO/SANTÉ MENTALE POUR ENFANTS ONTARIO

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2007

10. LEASE COMMITMENTS

The organization leases space under a lease to March 31, 2008. Minimum lease payments during the lease period are as follows:

2008	<u>\$ 8,359</u>
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11. INCOME TAX STATUS

The organization is exempt from income tax in Canada as a registered charitable organization under the Income Tax Act (Canada).