

CASA Child, Adolescent and Family Mental Health

Financial statements
March 31, 2021



Independent auditor's report

To the Members of
CASA Child, Adolescent and Family Mental Health

Opinion

We have audited the financial statements of CASA Child, Adolescent and Family Mental Health [the "Organization"], which comprise the statement of financial position as at March 31, 2021, and the statement of changes in net assets, statement of operations, and statement of 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 the Organization as at March 31, 2021, and its results of 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's 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 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.

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.

Edmonton, Canada
September 8, 2021

Ernst & Young LLP
Chartered Professional Accountants



CASA Child, Adolescent and Family Mental Health

Statement of financial position

As at March 31

	2021	2020
	\$	\$
Assets		
Current		
Cash and cash equivalents	1,810,910	669,819
Short-term investments <i>[note 3]</i>	535,453	243,743
Accounts receivable <i>[note 4 and 17]</i>	2,449,337	27,651
Prepaid expenses <i>[note 5]</i>	73,608	94,418
Total current assets	4,869,308	1,035,631
Investments <i>[note 3]</i>	540,927	810,070
Capital assets, net <i>[note 5]</i>	2,687,429	2,959,368
Prepaid office lease <i>[note 5]</i>	932,000	980,000
	9,029,664	5,785,069
Liabilities and net assets		
Current		
Accounts payable and accrued liabilities <i>[notes 6 and 13]</i>	1,389,961	1,108,082
Deferred contributions <i>[note 7]</i>	231,133	197,000
Total current liabilities	1,621,094	1,305,082
Deferred capital contributions <i>[note 8]</i>	2,070,077	2,395,637
Deferred tenant inducements	46,497	69,745
Total liabilities	3,737,668	3,770,464
Commitments and contingencies <i>[note 9]</i>		
Net assets		
Internally funded capital assets	533,620	564,798
Internally restricted – specific initiatives <i>[note 10]</i>	275,103	275,103
Internally restricted – prepaid occupancy <i>[note 5]</i>	980,000	1,028,000
Unrestricted	3,503,273	146,704
Total net assets	5,291,996	2,014,605
	9,029,664	5,785,069

See accompanying notes

On behalf of the Board:

Director

Director

CASA Child, Adolescent and Family Mental Health

Statement of changes in net assets

Year ended March 31

	2021				
	Internally restricted				
	Internally funded capital assets	Specific initiatives	Prepaid occupancy	Unrestricted	Total
	\$	\$	\$	\$	\$
Balance, beginning of the year	564,798	275,103	1,028,000	146,704	2,014,605
Excess (deficiency) of revenues over expenses	—	—	(48,000)	3,325,391	3,277,391
Amortization	(31,178)	—	—	31,178	—
Internally restricted <i>[note 10]</i>	—	—	—	—	—
Balance, end of the year	533,620	275,103	980,000	3,503,273	5,291,996

	2020				
	Internally restricted				
	Internally funded capital assets	Specific initiatives	Prepaid occupancy	Unrestricted	Total
	\$	\$	\$	\$	\$
Balance, beginning of the year	555,992	275,103	1,076,000	208,739	2,115,834
Deficiency of revenues over expenses	—	—	(48,000)	(114,729)	(162,729)
Funding initiatives	61,500	—	—	—	61,500
Amortization	(52,694)	—	—	52,694	—
Internally restricted <i>[note 10]</i>	—	—	—	—	—
Balance, end of the year	564,798	275,103	1,028,000	146,704	2,014,605

See accompanying notes

CASA Child, Adolescent and Family Mental Health

Statement of operations

Year ended March 31

	2021	2020
	\$	\$
Revenue		
Alberta Health Services grants <i>[note 7]</i>	6,080,114	6,080,114
Alberta government grants <i>[note 7]</i>	5,606,295	5,564,562
Government of Canada <i>[note 17]</i>	3,151,786	—
Contributed facilities <i>[note 11]</i>	1,355,792	1,355,792
CASA Foundation grants <i>[note 7 and 13]</i>	103,964	1,010,234
Other foundations and community support <i>[note 7]</i>	844,394	763,442
Amortization of deferred capital contributions <i>[note 8]</i>	325,560	404,510
Interest income	40,154	61,605
Casinos <i>[note 7]</i>	45,292	75,135
Donations <i>[note 7]</i>	111,217	89,925
	17,664,568	15,405,319
Expenses		
Salaries and employee benefits <i>[note 14]</i>	10,824,936	11,767,697
Facility leases <i>[note 11]</i>	1,650,951	1,641,736
Client related costs	317,507	478,945
General and administrative	828,958	821,520
Amortization of capital assets	356,739	457,204
Facility operations	319,402	337,016
Professional fees	88,684	63,930
	14,387,177	15,568,048
Excess (deficiency) of revenues over expenses	3,277,391	(162,729)

See accompanying notes

CASA Child, Adolescent and Family Mental Health

Statement of cash flows

Year ended March 31

	2021	2020
	\$	\$
Operating activities		
Excess (deficiency) of revenues over expenses	3,277,391	(162,729)
Items not affecting cash		
Amortization of deferred capital contributions	(325,560)	(404,510)
Amortization of leasehold inducements	(23,248)	(44,290)
Amortization of capital assets	356,739	457,204
	<u>3,285,322</u>	<u>(154,325)</u>
Changes in non-cash working capital account balances		
Accounts receivable	(2,421,686)	251,105
Prepaid expenses	68,810	84,109
Accounts payable and accrued liabilities	281,879	(45,014)
Deferred contributions	34,133	(204,307)
Cash provided by (used in) operating activities	<u>1,248,458</u>	<u>(68,432)</u>
Investing activities		
Purchases of investments	(220,000)	(1,039,423)
Proceeds from sale of investments	197,433	1,282,303
Capital contributions received	—	250,457
Purchases of capital assets	(84,800)	(188,958)
Cash provided by (used in) investing activities	<u>(107,367)</u>	<u>304,379</u>
Net increase in cash during the year	1,141,091	235,947
Cash and cash equivalents, beginning of year	<u>669,819</u>	<u>433,872</u>
Cash and cash equivalents, end of year	<u>1,810,910</u>	<u>669,819</u>

See accompanying notes

CASA Child, Adolescent and Family Mental Health

Notes to financial statements

March 31, 2021

1. Nature of operations

CASA Child, Adolescent and Family Mental Health's ["CASA" or the "Organization"] purpose is to advance the mental health of children and adolescents within the Edmonton region and Central and Northern Alberta by way of assessment and treatment, research, and education.

CASA is incorporated under Part 9 of the *Companies Act* of the Province of Alberta. As a federally registered charity, under the provisions of the *Income Tax Act* (Canada), CASA is exempt from income tax.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following significant accounting policies.

Revenue recognition

The Organization follows the deferral method of accounting for contributions, which include grants and donations. Grants are recognized in the accounts when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received, since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are incurred.

Externally restricted contributions for the acquisition of capital assets are recorded as deferred capital contributions and recognized as revenue as the related assets are amortized over their useful lives. Restricted contributions for the purchase of capital assets that will not be amortized are recognized as a direct increase in net assets.

Interest income is recorded in the statement of operations when earned.

Cash and cash equivalents

Cash and cash equivalents consist of cash on deposit and fixed income deposits with a term to maturity of 90 days or less from the date of purchase.

Capital assets

Capital assets are defined to include all items with a cost in excess of \$1,000 and a useful life of more than one year.

Purchased capital assets are recorded at acquisition cost. Contributed capital assets are recorded at fair value at the date of the contribution. Rates and bases of amortization applied to write off the cost less estimated salvage value of the capital assets over their estimated lives are as follows:

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Audio-visual equipment	30% declining balance
Automobiles	30% declining balance
Computer equipment	30% declining balance
Furniture and office equipment	20% declining balance
Software	30% declining balance
Leasehold improvements	Lesser of lease term or useful life

Costs capitalized in respect of assets under development include all expenditures incurred in connection with acquisition, development and construction. A full year of amortization is recorded in the year in which an asset is complete and available for use.

Deferred tenant inducements

Deferred tenant inducements are amortized on a straight-line basis over the term of the lease as a reduction of the lease expense. As at March 31, 2021, the Organization has deferred tenant inducements with a cost of \$460,277 [2020 – \$460,277] less accumulated amortization of \$413,780 [2020 – \$390,532].

Financial instruments

Investments are recorded at fair value. Transactions are recorded on a trade date basis and transaction costs are expensed as incurred.

Other financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and subsequently measured at amortized cost, net of any provisions for impairment.

Impairment

Long-lived amortizing assets

The Organization tests for impairment when events or changes in circumstances indicate the carrying amount of an item or class of capital assets may not be recoverable. The recoverability of long-lived assets is based on the net recoverable amounts determined on an undiscounted cash flow basis. If the carrying amount of an asset exceeds its net recoverable amount, an impairment loss is recognized to the extent that fair value is below the asset's carrying amount.

Financial assets measured at cost and amortized cost

For financial assets measured at cost or amortized cost, the Organization regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Organization determines that there is a significant adverse change in the expected timing or amount of future cash flows from the financial asset, it recognizes an impairment loss in the statement of operations. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

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Donated materials and contributed services

Donated materials and contributed services are recorded at fair value when the fair value can be reasonably estimated and when the materials and services are normally purchased by the Organization.

The Organization is dependent upon the services provided by its volunteers. Volunteers contribute numerous hours in carrying out the activities of the Organization. Due to the difficulty in determining their fair value, services contributed by volunteers are not recognized in the financial statements.

Use of estimates

In preparing the Organization's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, related amounts of revenues and expenses, and the disclosure of contingent assets and liabilities. Areas requiring the use of management's estimates include the amortization basis for capital assets and the determination of the allowance for doubtful accounts receivable. Actual results could differ from those estimates.

3. Short-term investments and investments

To earn optimal financial returns while maintaining the investment capital, the Board of Directors has established a policy of investing funds not required for immediate operating or capital needs in fixed-income investments.

Short-term investments held as at March 31, 2021 have an average effective yield of 2.65%. Long-term investments held as at March 31, 2021 have an average effective yield of 3.11% [2020 – 2.97%] with maturity dates ranging from May 2022 to June 2023.

4. Accounts receivable

	2021	2020
	\$	\$
Trade receivables <i>[note 17]</i>	2,417,547	9,171
Goods and Services Tax receivable	31,790	18,480
	<u>2,449,337</u>	<u>27,651</u>

Trade receivables include \$6,741 [2020 – \$6,741] owing from CASA Foundation [the "Foundation"] at March 31, 2021. CASA exercises significant influence over the Foundation through common management.

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5. Capital assets

	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Art	109,888	—	109,888	109,888
Audio-visual equipment	268,019	240,237	27,782	39,692
Automobiles	14,879	9,775	5,104	7,291
Computer equipment	1,403,209	1,132,732	270,477	305,077
Furniture and office equipment	1,421,079	1,034,775	386,304	479,398
Leasehold improvements	3,308,111	1,463,126	1,844,985	1,956,753
Software	87,528	44,639	42,889	61,269
	6,612,713	3,925,284	2,687,429	2,959,368

During the year ended March 31, 2015, the land on which the redeveloped CASA Centre is located was transferred to the Province of Alberta – Department of Infrastructure as lessor of the property. The land cost of \$1,200,000 is recorded as a prepaid office lease on the statement of financial position and is being amortized to expenses in future years over the 25 year term of the lease beginning August 2016. As at March 31, 2021, \$48,000 [2020 – \$48,000] has been recorded in prepaid expenses as a current asset, representing the amortization that will be incurred in fiscal 2022.

6. Accounts payable and accrued liabilities

	2021	2020
	\$	\$
Trade and employee payables	852,047	577,162
Accrued vacation payable	463,628	449,862
Government remittances payable	74,286	81,058
	1,389,961	1,108,082

Trade payables include \$29,000 [2020 – \$29,000] owing to CASA Foundation at March 31, 2021.

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7. Deferred contributions

Details of the changes in deferred contributions are as follows:

	2021				
	Beginning balance	Received during the year	Recognized to revenue	Deferred to capital	Ending balance
	\$	\$	\$	\$	\$
Alberta Health Services	—	6,080,114	6,080,114	—	—
Alberta government	—	5,606,295	5,606,295	—	—
Government of Canada	—	3,151,786	3,151,786	—	—
CASA Foundation	177,000	—	103,964	—	73,036
Other foundations and community support	20,000	982,491	844,394	—	158,097
Donations	—	111,217	111,217	—	—
Casinos	—	45,292	45,292	—	—
	197,000	15,977,195	15,943,062	—	231,133

	2020				
	Beginning balance	Received during the year	Recognized to revenue	Deferred to capital	Ending balance
	\$	\$	\$	\$	\$
Alberta Health Services	—	6,080,114	6,080,114	—	—
Alberta government	—	5,564,562	5,564,562	—	—
CASA Foundation	209,720	1,187,234	1,010,234	209,720	177,000
Other foundations and community support	157,890	625,552	763,442	—	20,000
Donations	33,697	96,964	89,925	40,736	—
Casinos	—	75,135	75,135	—	—
	401,307	13,629,561	13,583,412	250,456	197,000

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8. Deferred capital contributions

Details of the changes in deferred capital contributions are as follows:

	2021 \$	2020 \$
Balance, beginning of year	2,395,637	2,549,691
Contributions received and receivable during the year	—	250,456
Amounts amortized to revenues	(325,560)	(404,510)
Balance, end of year	2,070,077	2,395,637

9. Commitments and contingencies

Commitments

[a] As at March 31, 2021, the Organization has entered into commitments for office equipment and office space:

[i] Future annual lease payments in respect of office equipment are as follows:

	\$
2022	9,044

[ii] Future annual lease payments in respect of office space are as follows:

	\$
2022	166,613
2023	166,613
2024	27,769
2025	—

[b] During the year ended March 31, 2015, CASA entered into an agreement with the Province of Alberta – Department of Infrastructure [“Infrastructure”] to redevelop its CASA Centre property. Under the terms of the agreement, CASA transferred land with a net book value of \$1,200,000 to Infrastructure and entered into a 25 year lease for CASA Centre for \$1 plus annual operating costs. The lease commenced in August 2016 on completion of the redevelopment.

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Contingencies

From time to time, various legal claims may be pending against the Organization. Management believes that the Organization has recognized adequate provisions for probable and reasonably estimable liabilities associated with such claims, and that their ultimate resolution will not have a material adverse effect on the Organization's financial position or its financial activities.

10. Internally restricted net assets – specific initiatives

As at March 31, 2021, \$275,103 [2020 – \$275,103] of net assets were internally restricted for purposes of furthering specific initiatives of the Organization, including but not limited to covering expenses of programs, losses arising from significant disruption in operations, and/or discontinuation of operations that may result in liabilities.

11. Contributed materials and facilities

The Province of Alberta, through the Department of Infrastructure and Alberta Health Services, contributes to the operations of the Organization by providing and maintaining certain owned and leased facilities at no charge. The fair value of the contributed facilities is reflected as contributed facilities revenue of \$1,355,792 [2020 – \$1,355,792] and facility leases expense includes contributed facilities of \$1,355,792 [2020 – \$1,355,792].

12. Additional information

In compliance with the Ethical Fundraising and Financial Accountability Code, the Organization reports that donations and casinos were the sole sources of fundraising revenue that occurred during the year.

Total donations receipted for income tax purposes in fiscal 2021 were nil [2020 – \$26,304]. An additional \$111,217 [2020 – \$63,621] in donations from CASA foundation was not receipted for income tax purposes. \$111,217 [2020 – \$56,228] was recognized to revenue during the year and nil [2020 – 40,736] was added to deferred capital contributions.

During the year, \$103,964 [2020 – nil] of previously deferred contributions from CASA foundation were recognized in the statement of operations and nil [2020 – \$209,720] of previously deferred contributions used to purchase capital assets was transferred to deferred capital contributions on the statement of financial position.

In compliance with the Alberta Charitable Fundraising Act, the Organization reports that the total amount paid to employees involved in fund development was \$228,665 [2020 – \$484,891] and that no fundraising business was used to make solicitations on behalf of the Organization.

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13. Related party transactions

CASA Foundation's purpose is to solicit and receive funds to be contributed to CASA. The Foundation is incorporated under Part 9 of the *Companies Act* of the Province of Alberta and is exempt from income tax.

During the year, the Foundation contributed nil [2020 – \$1,248,734] to CASA for the following purposes:

	2021	2020
	\$	\$
Staffing support	—	499,160
Community program support and donations	—	599,574
Facility and operational support	—	150,000
CASA Centre redevelopment	—	—
	—	1,248,734

Of the nil [2020 – \$1,248,734] contributed from the Foundation, nil [2020 – \$61,500] was added to internally funded capital assets. Of the remaining amounts received and receivable, nil [2020 – 1,010,234] was recorded in the statement of operations as CASA Foundation grants, and \$73,076 [2020 – \$177,000] was deferred and continued to be deferred to future periods. In the current year, \$103,964 [2020 – nil] of funds deferred from the prior year was recorded in the statement of operations as CASA Foundation grants.

The CASA Staff Education Fund's [the "Fund"] purpose is to support education and professional development for CASA's staff. CASA exercises significant influence over the Fund by virtue of its ability to appoint two of the Fund's four managers. During the year, CASA paid nil [2020 – nil] to the Fund, and at March 31, 2021, nil [2020 – nil] was payable to the Fund.

All related party transactions have been recorded at their exchange amounts.

14. Employee future benefits

The Organization sponsors a defined contribution pension plan for employees. The cost of the defined contribution plan [contributions in accordance with the plan agreement] is expensed in the period during which the services are rendered. The cost of the defined contribution plan for the year ended March 31, 2021 was \$290,775 [2020 – \$303,214].

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15. Financial instruments and risk management

CASA is exposed to various financial risks through transactions in financial instruments.

Interest rate risk

The Organization holds guaranteed investment certificates, which are subject to interest rate and market fluctuation risks. These risks are mitigated by restricting both the type and term of securities eligible for investment. It is management's opinion that the risks arising from these financial instruments are not significant.

Credit risk

The Organization's exposure to credit risk relates to accounts receivable and arises from the possibility that counterparties do not fulfil their obligations. Management mitigates this risk through evaluations of creditors and the recording of allowances for doubtful accounts as required.

Liquidity risk

Liquidity risk is the risk that the Organization will encounter difficulty in meeting obligations associated with financial liabilities. The Organization is exposed to this risk mainly in respect to its accounts payable and accrued liabilities.

16. Comparative figures

Comparative figures have been restated where necessary to conform to presentation adopted in the current year.

17. COVID-19

On March 11, 2020, the World Health Organization declared the coronavirus ["COVID 19"] a global pandemic. The pandemic resulted in unprecedented actions by governments around the world to curtail the spread of the disease. These events have resulted in a high level of uncertainty and volatility in the financial markets, and have had an enormous impact on businesses and consumers in all sectors. The outcome and timeframe are highly unpredictable and as such, the financial impact cannot be estimated.

During the year, the Organization participated in the Canada Emergency Wage Subsidy program, which provided a subsidy of wages from March 15, 2020 to March 31, 2021. Under this program, the Organization applied for \$3,027,762 of subsidies in the year ended March 31, 2021, which has been recorded in the statement of income operations and of which \$2,287,418 is included in accounts receivable as at March 31, 2021.