

**CANADIAN MENTAL HEALTH ASSOCIATION -
SASKATOON BRANCH INC.**

Financial Statements

For the Year Ended March 31, 2024



INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Mental Health Association - Saskatoon Branch Inc.

Qualified Opinion

We have audited the financial statements of Canadian Mental Health Association - Saskatoon Branch Inc. (the "Association"), which comprise the statement of financial position as at March 31, 2024, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2024, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2024, current assets and net assets as at March 31, 2024. Our audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this limitation of scope.

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 Association in accordance with 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 qualified audit 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

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

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Independent Auditor's Report to the Members of Canadian Mental Health Association - Saskatoon Branch Inc. (*continued*)

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 Association'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 Association'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 Association 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.

Lingard + Dreger

**Saskatoon, Saskatchewan
June 18, 2024**

Chartered Professional Accountants




CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.

Statement of Financial Position

As at March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 192,559	\$ 285,945
Short-term investments (Note 4)	259,036	281,767
Accounts receivable (Note 5)	35,537	29,604
Goods and services tax recoverable	2,217	1,658
Prepaid expenses	9,751	3,578
	499,100	602,552
LONG-TERM INVESTMENTS (Note 4)	179,603	-
TANGIBLE CAPITAL ASSETS (Note 6)	248,351	279,495
INTANGIBLE ASSETS (Note 7)	22,525	31,535
	\$ 949,579	\$ 913,582
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 8)	\$ 129,667	\$ 101,134
Deferred contributions related to operations (Note 9)	93,429	79,340
Current portion of deferred capital contributions (Note 10)	25,102	25,102
	248,198	205,576
DEFERRED CAPITAL CONTRIBUTIONS (Note 10)	64,602	89,704
	312,800	295,280
NET ASSETS		
INVESTED IN CAPITAL AND INTANGIBLE ASSETS	181,172	196,225
INTERNALLY RESTRICTED (Note 11)	306,241	299,003
UNRESTRICTED	149,366	123,074
	636,779	618,302
	\$ 949,579	\$ 913,582

APPROVED BY THE BOARD

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 Director

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 Director

CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.**Statement of Operations****For the Year Ended March 31, 2024**

	2024	2023
REVENUE		
Conference	\$ 36,883	\$ -
Direct public grants	132,941	55,025
Federal grants	-	3,787
Fundraising	243,209	189,526
Interest	14,084	8,654
Membership fees	641	1,209
Mental health first aid training	62,675	27,170
Miscellaneous	3,273	9,947
Other grants	56,836	79,601
Provincial grants	668,579	601,422
Saskatchewan Parks and Recreation Association funding	10,143	10,646
	1,229,264	986,987
EXPENSES		
Amortization of intangible assets	9,010	9,010
Amortization of tangible assets	31,145	39,779
Client programs	55,158	38,610
Conference	37,972	-
Fees and dues	2,515	2,515
Fundraising, promotion and publicity	43,365	46,895
Goods and services tax	5,210	4,476
Occupancy	38,611	49,686
Office	45,571	39,153
Purchased services	74,556	63,575
Salaries and wages	665,070	659,199
Staff benefits	177,803	151,297
Staff recruitment and training	10,777	2,864
Staff travel	12,905	9,539
Volunteer expense	1,119	2,507
	1,210,787	1,119,105
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 18,477	\$ (132,118)

See notes to the financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.

Statement of Changes in Net Assets

For the Year Ended March 31, 2024

	Invested in capital and intangible assets	Internally restricted	Unrestricted	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 196,225	\$ 299,003	\$ 123,074	\$ 618,302	\$ 750,420
Excess (deficiency) of revenue over expenses	-	-	18,477	18,477	(132,118)
Amortization	(40,155)	-	40,155	-	-
Recognition of deferred capital contributions	25,102	-	(25,102)	-	-
Internal restriction	-	7,238	(7,238)	-	-
NET ASSETS - END OF YEAR	\$ 181,172	\$ 306,241	\$ 149,366	\$ 636,779	\$ 618,302

See notes to the financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.**Statement of Cash Flows****For the Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 18,477	\$ (132,118)
Items not affecting cash:		
Amortization of tangible capital assets	31,145	39,779
Amortization of intangible assets	9,010	9,010
Amortization of deferred capital contributions	(25,102)	(25,852)
Accrued interest	(10,802)	(4,949)
	22,728	(114,130)
Changes in non-cash working capital:		
Accounts receivable	(5,933)	(27,336)
Goods and services tax recoverable	(559)	223
Prepaid expenses	(6,173)	(3,260)
Accounts payable and accrued liabilities	28,531	32,576
Deferred contributions related to operations	14,089	75,160
	29,955	77,363
Cash flow from (used by) operating activities	52,683	(36,767)
INVESTING ACTIVITIES		
Proceeds from disposal of investments	285,050	175,688
Reinvested interest	(3,282)	(3,705)
Purchase of investments	(427,837)	-
Cash flow from (used by) investing activities	(146,069)	171,983
INCREASE (DECREASE) IN CASH	(93,386)	135,216
CASH - BEGINNING OF YEAR	285,945	150,729
CASH - END OF YEAR	\$ 192,559	\$ 285,945
CASH CONSISTS OF:		
Cash	\$ 192,559	\$ 285,945

See notes to the financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.**Notes to the Financial Statements****For the Year Ended March 31, 2024**

1. PURPOSE OF THE ASSOCIATION

The Canadian Mental Health Association - Saskatoon Branch Inc. (the "Association") was incorporated on September 24, 1997 under the *Saskatchewan Non-Profit Corporations Act*. It is a branch of Canadian Mental Health Association - Saskatchewan Division, which in turn is a member of Canadian Mental Health Association - National. The Association is an organization that assists and supports people with mental illness to maximize their potential and to achieve positive mental health in their lives as community members. The enhancement of mental health in the community is achieved through programs and services, public education and advocacy.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Cash and cash equivalents

Cash and cash equivalents include amounts on deposit with financial institutions and term deposits that mature within three months or less from the date of acquisition.

Net assets

The Association reports its net assets in three categories: Invested in capital and intangible assets, internally restricted net assets, and unrestricted net assets.

- a) Invested in capital and intangible assets represents the Association's equity in capital and intangible assets after taking into consideration deferred capital contributions.
- b) Internally restricted net assets are funds which have been designated for future projects by the Association's Board of Directors as per *Note 11*.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the Association each year, net of transfers, and are available for general purposes.

Measurement uncertainty

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 amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as reported amounts of revenues and expenses during the period.

Significant estimates used in the preparation of the financial statements include the collectability and allowance for doubtful accounts, amortization of capital and intangible assets, and the estimated useful lives of capital and intangible assets related to deferred capital contributions. Actual results could differ from these estimates.

Revenue recognition

The Association follows the deferral method of accounting for contributions. The Association receives certain amounts during the year from corporations, charities, and individuals, the proceeds of which may only be used in the conduct of certain programs or completion of specific work. These amounts are recognized as revenue in the fiscal year that the related expenses are incurred or services performed.

Operational grants and funding are recognized as revenue proportionately over the time period to which they relate.

Mental health first aid training seminar fees are recognized as revenue when the seminars are held.

Fundraising, donations and interest are recognized as revenue when received or when it is earned and collection is reasonable assured.

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CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.**Notes to the Financial Statements
For the Year Ended March 31, 2024****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

Membership fees are recognized as revenue in the fiscal year to which they relate.

Other income is recognized as revenue when it is earned and collection is reasonable assured.

Government assistance

Government assistance is recorded in the financial statements when there is reasonable assurance that the Association has complied with, and will continue to comply with, all conditions necessary to obtain the assistance.

Tangible capital assets

Purchased tangible capital assets are recorded at cost. Contributed tangible capital assets are recorded at fair value at the date of contribution if the fair value can be reasonably determined.

Amortization is recorded using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives. Additions during the current year are amortized at one-half their normal rates, and no amortization is taken in the year of disposition.

Building	4%
Computer hardware	20%
Furniture and equipment	10%

Intangible assets

Intangible assets consist of website development costs. They are recorded at cost and amortized using the straight-line method at a rate of 20%.

Long-lived assets

Long-lived assets consist of tangible capital and intangible assets. Long-lived assets held for use are measured and amortized as described in the applicable accounting policy.

Long-lived assets are tested for recoverability whenever events or change in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the carrying value of long-lived assets exceeds the total undiscounted cash flows expected from their use and eventual disposition. The amount of the impairment loss is determined as the excess of the carrying value and the asset over its fair value or replacement cost at the date of impairment.

Contributed materials and services

Contributed materials and services are recognized only when a fair value can be reasonably estimated and when the material and services are used in the normal course of the Association's operations and would otherwise have been purchased.

The Association receives a significant amount of contributed services from its directors and volunteers. Because of the difficulty in determining the fair value of these services, they are not recognized in the financial statements.

Income taxes

The Association is a registered charity and is exempt from income tax under section 149(1)(f) of the *Income Tax Act* and is able to issue donation receipts for income tax purposes.

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CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.**Notes to the Financial Statements
For the Year Ended March 31, 2024****2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)****Financial instruments**

Financial assets and financial liabilities are initially recognized at fair value when the Association becomes a party to the contractual provisions of the financial instrument. Subsequently, all financial instruments are measured at amortized cost.

With respect to financial assets measured at cost or amortized cost, the Association recognizes in the statement of operations an impairment loss, if any, when it determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows. When the extent of impairment of a previously written-down asset decreases and the decrease can be related to an event occurring after the impairment was recognized, the previously recognized impairment loss shall be reversed in the statement of operations in the period the reversal occurs.

3. ECONOMIC DEPENDENCE

The Association receives a significant amount of its revenue from the Government of Saskatchewan (2024 - 54.4%; 2023 - 60.9%) and is therefore dependent on continued funding from governments to fund its ongoing operations.

4. INVESTMENTS

	Maturity	2024	Yield	2023
Short-term				
Term deposits	< 1 year	\$ 259,036	3.40 - 4.80%	\$ 281,767
Long-term				
Term deposits	> 1 year	179,603	4.70 - 5.25%	-
		\$ 438,639		\$ 281,767

5. ACCOUNTS RECEIVABLE

	2024	2023
Grants receivable	\$ 28,703	\$ 24,958
Trade receivables	6,834	4,646
	\$ 35,537	\$ 29,604

CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.

Notes to the Financial Statements
For the Year Ended March 31, 2024**6. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 37,974	\$ -	\$ 37,974	\$ 37,974
Computer hardware	94,685	65,073	29,612	42,926
Furniture and equipment	61,054	31,706	29,348	35,278
Building	297,493	146,076	151,417	163,317
	\$ 491,206	\$ 242,855	\$ 248,351	\$ 279,495

Amortization expense included in the statement of operations is \$31,145 (2023 - \$39,779).

7. INTANGIBLE ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Website	\$ 45,050	\$ 22,525	\$ 22,525	\$ 31,535

Amortization expense included in the statement of operations is \$9,010 (2023 - \$9,010).

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2024	2023
Accrued payables	\$ 1,710	\$ 1,366
Government remittances payable	18,898	-
Trade payables	37,479	30,592
Vacation and time in lieu payable	71,580	69,176
	\$ 129,667	\$ 101,134

9. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions represent unspent resources received in the current period that are related to the subsequent period. Changes in the deferred contributions balance are as follows:

	2024	2023
Balance, beginning of year	\$ 79,340	\$ 4,180
Amount received during the year	869,663	737,976
Transfer to deferred capital contributions	-	-
Less: Amount recognized as revenue in the year	(855,574)	(662,816)
Balance, end of year	\$ 93,429	\$ 79,340

The deferred contributions are from the following sources:

Cameco Fund for Mental Health	\$ 39,360	\$ 43,770
Depression Support Group	535	535
Memberships	353	92
Mental Health First Aid courses	-	1,215
Saskatoon Community Foundation	-	-
Saskatoon Health Region	29,315	28,629
United Way	23,866	5,099
	\$ 93,429	\$ 79,340

CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.**Notes to the Financial Statements
For the Year Ended March 31, 2024****10. DEFERRED CAPITAL CONTRIBUTIONS**

Deferred contributions related to capital assets consists of restricted contributions received by the Association for use in the acquisition of equipment and building improvements.

In accordance with *Section 4410 Contributions - revenue recognition* the deferred contributions for the purchase of tangible and intangible assets are being recognized on the same basis as the amortization expense on the assets purchased.

The changes in the deferred capital contributions balance for the year are as follows:

	2024	2023
Balance, beginning of year	\$ 114,806	\$ 140,657
Transfer from deferred contributions related to operations	-	-
Recognized as revenue during the year	(25,102)	(25,851)
Balance, end of year	89,704	114,806
Less: current portion	(25,102)	(25,102)
Non-current portion	\$ 64,602	\$ 89,704

11. INTERNALLY RESTRICTED NET ASSETS

The Association uses reserves as a means of stabilizing operations. The amounts allocated from operations are recorded as reserves for future costs. When actual expenditures occur, they are deducted from the respective reserve accounts. The total reserves for future costs on the statement of financial position represent the cumulative unexpended amounts of allocations from operations and appropriations by the Board of Directors to the following reserves:

	2024	2023
Building maintenance reserve	\$ 70,955	\$ 63,717
Cash flow reserve	80,000	80,000
General reserve	146,097	146,097
Sick time/staffing time	9,189	9,189
	\$ 306,241	\$ 299,003

12. DEFINED CONTRIBUTION PENSION PLAN

The Association's employees are enrolled in a compulsory defined contribution plan once they have completed probation. The Association contributes either 7% or 8% of the employee's salary plus administration fees into the plan depending on the level of employee contributions. Annual contributions by the Association to the plan are reported in salaries and wages on the statement of operations and were \$53,139 (2023 - \$54,761).

CANADIAN MENTAL HEALTH ASSOCIATION - SASKATOON BRANCH INC.**Notes to the Financial Statements
For the Year Ended March 31, 2024****13. LEASE COMMITMENTS**

The Association has entered into a lease agreement for an all-in-one printer with quarterly payments of \$899 plus taxes expiring in September 2028. Minimum lease payments over the term of the lease are as follows:

2025	\$	3,992
2026		3,992
2027		3,992
2028		3,992
2029		1,996
		<u>17,964</u>
	\$	<u>17,964</u>

14. CONTINGENT LIABILITY

The Association has a contingent liability for accrued sick time as unionized and out of scope employees are allowed to accumulate up to 140 sick days. The sick leave contingent liability represents sick days which have accrued to employees who, if on sick leave, would require a replacement worker to perform their daily duties. In the event that employees were to fully utilize their accumulated sick days the sick leave liability would be significant.

15. FINANCIAL INSTRUMENTS

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association is not exposed to significant credit, currency, interest, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association's credit risk consists principally of cash and cash equivalents and accounts receivable. Credit risk associated with cash is minimized substantially by ensuring that reputable and major financial institutions are used. The Association performs regular credit assessments and provides allowance for potentially uncollectible accounts. The Association has not incurred any bad debts during the year and has a \$NIL allowance for bad debts (2023 - \$NIL).

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Association is exposed to interest rate risk due to fluctuations in the market interest rates it earns on cash held in its bank accounts and investments. The Association does not use financial instruments to reduce its interest rate risk exposure.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association enters into transactions to purchase goods and services on credit for which repayment is required at various maturity dates. Liquidity is measured by reviewing the Association's future net cash flows for the possibility of a negative cash flow. The Association is exposed to this risk mainly from its accounts payable.

16. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the current year's presentation.