

**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**  
**Financial Statements**  
**Year Ended March 31, 2023**

**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

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**Year Ended March 31, 2023**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Canadian Mental Health Association Manitoba and Winnipeg Inc

*Opinion*

We have audited the financial statements of Canadian Mental Health Association Manitoba and Winnipeg Inc (the organization), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, 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 (ASNPO).

*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 organization 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 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 ASNPO, 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.

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Independent Auditor's Report to the Members of Canadian Mental Health Association Manitoba and Winnipeg Inc (*continued*)

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.

Winnipeg, MB  
May 29, 2023



CHARTERED PROFESSIONAL ACCOUNTANTS

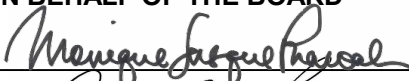
**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**


**Statement of Financial Position**

**March 31, 2023**

	2023	2022
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash (Note 4)	\$ 1,344,940	\$ 1,630,532
Accounts receivable	634,510	378,172
Goods and services tax recoverable	39,446	40,945
Prepaid expenses (Note 5)	127,303	32,356
	<b>2,146,199</b>	2,082,005
CAPITAL ASSETS (Note 6)	<b>2,504,070</b>	2,628,909
LONG TERM INVESTMENTS (Note 7)	<b>1,213,679</b>	1,184,648
	<b>\$ 5,863,948</b>	\$ 5,895,562
<b>LIABILITIES AND NET ASSETS</b>		
<b>CURRENT</b>		
Accounts payable	\$ 805,978	\$ 476,693
Current portion of long term debt (Note 9)	82,814	78,393
Deferred income	1,240,531	1,555,973
	<b>2,129,323</b>	2,111,059
LONG TERM DEBT (Note 9)	<b>1,385,579</b>	1,468,392
OPERATING RESERVE FUND	<b>70,000</b>	70,000
DEFERRED CAPITAL CONTRIBUTIONS	<b>540,344</b>	584,568
	<b>4,125,246</b>	4,234,019
<b>NET ASSETS</b>		
General fund	<b>103,744</b>	24,363
Restricted fund	<b>1,139,625</b>	1,139,625
Invested in capital assets	<b>495,333</b>	497,555
	<b>1,738,702</b>	1,661,543
	<b>\$ 5,863,948</b>	\$ 5,895,562

**ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_ Director

  
 \_\_\_\_\_ Director

See notes to financial statements

**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2023**

	2023	2022
<b>REVENUES</b>		
Province of Manitoba	\$ 2,051,594	\$ 1,255,236
Winnipeg Regional Health Authority	1,901,696	1,866,576
United Way	928,166	899,245
Donations and fundraising	435,302	602,758
Administration fees	395,719	317,100
CMHA Grants	381,352	403,781
Interlake East Regional Health Authority	320,352	398,188
Training revenue	265,742	18,899
Province of Manitoba Department of Families	192,500	477,000
Projects and other miscellaneous revenue	172,603	306,172
End Homelessness Winnipeg	139,020	-
RBC Foundation	97,105	118,887
Expense recoveries	85,816	-
Revenue from deferred capital contributions	44,224	52,966
Unrealized gain/loss on investments	29,031	(15,352)
Government of Canada	7,610	-
Winnipeg Foundation	5,415	-
Interest income	1,429	3,338
	<u>7,454,676</u>	<u>6,704,794</u>
<b>EXPENSES</b>		
Amortization	124,838	141,404
Fundraising expense	33,552	23,453
General and administrative expenses	357,980	317,101
Meeting and conferences	26,083	3,459
Occupancy	330,051	403,917
Office	475,914	328,411
Operating expense	26,881	53,239
Programming expenses	565,370	406,038
Public education	423,131	415,479
Purchased services	276,866	123,392
Salaries and wages	4,732,455	4,454,010
Staff recruitment and development	4,396	-
	<u>7,377,517</u>	<u>6,669,903</u>
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<u>\$ 77,159</u>	<u>\$ 34,891</u>

See notes to financial statements

**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2023**

	General Fund	Restricted Fund	Invested in Capital assets	<b>2023</b>	2022
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 24,363	\$ 1,139,625	\$ 497,555	\$ <b>1,661,543</b>	\$ 1,472,868
EXCESS OF REVENUES OVER EXPENSES	77,159	-	-	<b>77,159</b>	34,891
Investment in capital assets	2,222	-	(2,222)	-	-
Transfers to reserve fund Selkirk and District amalgamation	-	-	-	-	153,784
<b>NET ASSETS - END OF YEAR</b>	\$ 103,744	\$ 1,139,625	\$ 495,333	\$ <b>1,738,702</b>	\$ 1,661,543

See notes to financial statements

**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

**Statement of Cash Flows  
Year Ended March 31, 2023**

	2023	2022
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 77,159	\$ 34,891
Item not affecting cash:		
Amortization of capital assets	124,838	141,404
	<u>201,997</u>	<u>176,295</u>
Changes in non-cash working capital:		
Accounts receivable	(256,338)	528,026
Accounts payable	329,287	(286,607)
Deferred income	(315,442)	651,162
Prepaid expenses	(94,947)	(10,092)
Goods and services tax payable	1,499	(19,751)
Deferred capital contributions	(44,224)	(27,758)
	<u>(380,165)</u>	<u>834,980</u>
Cash flow from (used by) operating activities	<u>(178,168)</u>	<u>1,011,275</u>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	-	(5,480)
Amalgamation	-	153,784
Long term Investments	(29,031)	(1,184,648)
	<u>(29,031)</u>	<u>(1,036,344)</u>
Cash flow used by investing activities	<u>(29,031)</u>	<u>(1,036,344)</u>
<b>FINANCING ACTIVITIES</b>		
Advances to related parties	-	(26,439)
Repayment of long term debt	(78,393)	(74,207)
	<u>(78,393)</u>	<u>(100,646)</u>
Cash flow used by financing activities	<u>(78,393)</u>	<u>(100,646)</u>
<b>DECREASE IN CASH FLOW</b>	<b>(285,592)</b>	<b>(125,715)</b>
Cash - beginning of year	<u>1,630,532</u>	<u>1,756,247</u>
<b>CASH - END OF YEAR</b>	<b>\$ 1,344,940</b>	<b>\$ 1,630,532</b>

See notes to financial statements



# CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

## Notes to Financial Statements

Year Ended March 31, 2023

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### 1. PURPOSE OF THE ASSOCIATION

Canadian Mental Health Association, Manitoba and Winnipeg Inc. (the Association) is organized with the mission that people with mental illness are full participants in society. The Association is incorporated under the Corporations Act of Manitoba and is a registered charity under the Income Tax Act.

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### 2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

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### 3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

#### 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

#### Net assets

- a) Net assets invested in capital assets represents the organization's net investment in capital assets which is comprised of the unamortized amount of capital assets purchased with restricted funds.
- b) Internally restricted net assets are funds which have been designated for a specific purpose by the organization's Board of Directors.
- c) Unrestricted net assets comprise the excess of revenue over expenses accumulated by the organization each year, not of transfers, and are available for general purposes.

#### Revenue recognition

Canadian Mental Health Association Manitoba and Winnipeg Inc follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. 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. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

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**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization. Capital assets are amortized over their estimated useful lives at the following rates and methods:

Buildings	4%	declining balance method
Furniture and equipment	20%	declining balance method
Computer equipment	30%	declining balance method

4. CASH

	<b>2023</b>	2022
Cash	<b>\$ 1,344,880</b>	\$ 1,630,532

5. PREPAID EXPENSES

	<b>2023</b>	2022
Prepaid insurance	<b>\$ 10,812</b>	\$ 13,161
Prepaid expenses - other	<b>116,491</b>	19,195
	<b>\$ 127,303</b>	\$ 32,356

6. CAPITAL ASSETS

	Cost	Accumulated amortization	<b>2023 Net book value</b>	2022 Net book value
Land	\$ 300,000	\$ -	<b>\$ 300,000</b>	\$ 300,000
Buildings	3,223,168	1,139,309	<b>2,083,859</b>	2,170,687
Furniture and equipment	358,580	282,928	<b>75,652</b>	94,565
Computer equipment	201,066	176,391	<b>24,675</b>	35,250
Computer software	63,036	43,152	<b>19,884</b>	28,407
	<b>\$ 4,145,850</b>	<b>\$ 1,641,780</b>	<b>\$ 2,504,070</b>	\$ 2,628,909

7. LONG TERM INVESTMENTS

	<b>2023</b>	2022
RBC Dominion - Cash Holding Portfolio	<b>\$ 115,000</b>	\$ 115,007
RBC Dominion - Advisor Alternative Portfolio	<b>425,000</b>	425,992
RBC Dominion - Managed Equity Portfolio	<b>660,000</b>	659,001
	<b>\$ 1,200,000</b>	\$ 1,200,000
Market value	<b>\$ 1,213,679</b>	\$ 1,184,648

**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2023</u>	<u>2022</u>
Accounts payable	\$ 433,403	\$ 16,397
Accrued liabilities	24,829	116,263
Accrued wages	<u>347,748</u>	<u>344,032</u>
	<u>\$ 805,980</u>	<u>\$ 476,692</u>

9. LONG TERM DEBT

	<u>2023</u>	<u>2022</u>
Caisse Groupe Financier Ltee loan bearing interest at 5.5% per annum, repayable in monthly blended payments of \$13,460. The loan matures on April 30, 2023 and is secured by a general security agreement, a first ranked multi-purpose mortgage on the building, assignment of rent and leases, and fire insurance.	\$ 1,468,393	\$ 1,546,785
Amounts payable within one year	<u>(82,814)</u>	<u>(78,393)</u>
	<u>\$ 1,385,579</u>	<u>\$ 1,468,392</u>

Principal repayment terms are approximately:

2024	\$ 82,814
2025	87,486
2026	92,421
2027	97,634
2028	103,141
Thereafter	<u>1,004,897</u>
	<u>\$ 1,468,393</u>

10. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2023</u>	<u>2022</u>
Balance, beginning of year	\$ 584,568	\$ 612,326
Contributions received during year	-	25,208
Less: amortized to revenue	<u>(44,224)</u>	<u>(52,966)</u>
	<u>\$ 540,344</u>	<u>\$ 584,568</u>

# CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

## Notes to Financial Statements

Year Ended March 31, 2023

### 11. RESTRICTED NET ASSETS

In 2015, management established two internally restricted funds, one for special projects and a reserve fund per EL 1.3.1 using excess donations received from various fundraisers. The special project fund is established to address programming priorities. The reserve fund is to be used for unforeseen circumstances not covered through normal revenue streams and upon dissolution to fund severances and pay outstanding obligations. During 2018, the board restricted a \$1,000,000 donation received and any revenues earned from donation during the year and transferred that to the reserve fund. Annually the interest earned on the restricted funds is transferred into the restricted fund.

	<b>2023</b>	2022
Special projects fund	<b>\$ 82,237</b>	\$ 82,237
Reserve fund	<b>1,057,388</b>	1,057,388
	-	-
	<b><u>\$ 1,139,625</u></b>	<b><u>\$ 1,139,625</u></b>

### 12. EMPLOYEE BENEFIT PLAN

All employees of the Association are members of the United Way Agencies' Employee Benefits Plan, a multi-employer defined benefits plan, which will provide employee pension benefits based on a calculation of gross basic earnings and contributing services.

The employees and the Association each contribute 7% (2022 - 7%) of their monthly gross basic earnings, up to the Yearly Maximum Pensionable Earnings (YMPE) as set annually by the Canada Pension Plan (2023-\$66,600) (2022 - \$64,900) and 8.75% (2022 - 8.75%) of their earnings above the YMPE. This plan, to which contributions for the Association during the year totalled \$230,628 (2022 - \$198,080) is accounted for as a defined contribution plan.

### 13. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2023.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, long term debt, obligations under capital leases, contributions to the pension plan, and accounts payable.

#### Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risk. The organization is mainly exposed to currency risk and interest rate risk.

#### Currency risk

(continues)

**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

13. FINANCIAL INSTRUMENTS *(continued)*

Currency risk is the risk to the organization's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The organization is exposed to foreign currency exchange risk on its US dollar investment portfolio. The organization does not use derivative instruments to reduce its exposure to foreign currency risk.

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. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

Unless otherwise noted, it is management's opinion that the organization is not exposed to significant other price risks arising from these financial instruments.

14. INDEMNIFICATION

The Association has indemnified its present and future directors, officers and employees against expenses, judgments and any amount actually or reasonably incurred by them in connection with any action, suit or proceeding in which the directors are sued as a result of their service, if they acted honestly and in good faith with a view to the best interest of the Association. The nature of the indemnity prevents the Association from reasonably estimating the maximum exposure. The Association has purchased directors' and officers' insurance with respect to this indemnification.

15. PROVINCE OF MANITOBA DEPARTMENT OF FAMILIES FUNDING RECONCILIATION

	<u>2023</u>
<b>Association reporting</b>	
Total funding per Association	<b>\$ 192,500</b>
<b>Province of Manitoba Department of Families</b>	
Per Department of Families Funding Confirmation	<u>192,500</u>
Difference	<u>\$ -</u>

16. STATEMENT OF REVENUES AND EXPENDITURES SUMMARY

	Revenues	Expenses	Net total
Agency	\$ 1,259,125	\$ 1,045,427	\$ 213,698
Bounce Back - CMHA National	210,244	285,590	(75,346)
Bounce Back - RBC	97,105	97,105	-
Bounce Back - WRHA	150,000	150,647	(647)
Care for All in Education	572,177	572,177	-
CMHA Projects	290,543	289,107	1,436
Community Housing Support	658,032	659,730	(1,698)
Divisional Support	146,000	150,944	(4,944)
Employment with Support - Province of Manitoba	200,000	201,391	(1,391)
Employment with Support - CMHA Toronto	180,783	180,783	-
Futures Forward	231,971	231,971	-
OSI - Can	13,346	13,346	-

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**CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC**

**Notes to Financial Statements**

**Year Ended March 31, 2023**

16. STATEMENT OF REVENUES AND EXPENDITURES SUMMARY *(continued)*

	Revenues	Expenses	Net total
Portable Housing Benefit	110,000	118,959	<b>(8,959)</b>
Provincial Mental Health Portal	44,445	44,445	-
Reaching Home	139,020	139,020	-
Rehabilitation Services - WRHA	1,058,556	1,059,700	<b>(1,144)</b>
Rehabilitation Services - Selkirk	320,352	320,404	<b>(52)</b>
Rise	39,530	39,530	-
Selkirk - Portable Rehabilitation Services	82,500	85,050	<b>(2,550)</b>
Thrival Kits	580,000	580,000	-
United Way Older Adult	67,314	67,314	-
Well Being Learning Centre	126,939	126,245	<b>694</b>
Wellness Skills Support	277,000	282,302	<b>(5,302)</b>
Workplace Conference	118,796	148,448	<b>(29,652)</b>
Youth Hub Initiative	400,924	407,908	<b>(6,984)</b>
Youth Mental Health Education	79,974	79,974	-
	<b>\$ 7,454,676</b>	<b>\$ 7,377,517</b>	<b>\$ 77,159</b>