

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC
Financial Statements
Year Ended March 31, 2024

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

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INDEPENDENT AUDITOR'S REPORT

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, 2024, 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, 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 (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 24, 2024



CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 2,150,388	\$ 1,344,940
Term deposits	400,000	-
Accounts receivable	262,981	634,510
Goods and services tax recoverable	67,199	39,446
Prepaid expenses	75,600	127,303
	2,956,168	2,146,199
CAPITAL ASSETS (Note 6)	2,392,219	2,504,072
LONG TERM INVESTMENTS (Note 7)	1,345,299	1,213,679
	\$ 6,693,686	\$ 5,863,950
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 470,189	\$ 805,980
Current portion of long term debt (Note 9)	87,486	82,814
Deferred contributions	2,190,296	1,240,531
	2,747,971	2,129,325
LONG TERM DEBT (Note 9)	1,318,044	1,385,579
OPERATING RESERVE FUND	70,000	70,000
DEFERRED CAPITAL CONTRIBUTIONS	502,909	540,344
	4,638,924	4,125,248
NET ASSETS		
Unrestricted surplus	431,357	103,744
Restricted surplus	1,139,625	1,139,625
Invested in capital assets	483,780	495,333
	2,054,762	1,738,702
	\$ 6,693,686	\$ 5,863,950

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, 2024

	2024	2023
REVENUES		
Province of Manitoba	\$ 2,479,028	\$ 2,051,594
Winnipeg Regional Health Authority	1,890,856	1,901,696
United Way	979,690	928,166
Administration fees	553,523	395,719
Donations and fundraising	485,653	435,302
Province of Manitoba Department of Families	192,500	192,500
CMHA Grants	364,342	381,352
Interlake East Regional Health Authority	320,352	320,352
End Homelessness Winnipeg	237,561	139,020
Projects and other miscellaneous revenue	167,154	172,603
Training revenue	132,505	265,742
Unrealized gain/loss on investments	131,620	29,031
RBC Foundation	98,446	97,105
Revenue from deferred capital contributions	37,435	44,224
Expense recoveries	10,197	85,816
Interest income	699	1,429
Winnipeg Foundation	376	5,415
Government of Canada	-	7,610
	8,081,937	7,454,676
EXPENSES		
Amortization	111,853	124,838
Fundraising expense	8,166	33,552
General and administrative expenses	553,523	397,980
Meeting and conferences	43,198	26,083
Occupancy	349,688	339,451
Office	574,006	435,690
Operating expense	7,973	5,477
Programming expenses	489,330	564,138
Public education	165,981	423,131
Purchased services	324,188	276,866
Salaries and wages	5,130,488	4,732,455
Staff recruitment and development	12,218	17,856
	7,770,612	7,377,517
EXCESS OF REVENUES OVER EXPENSES	\$ 311,325	\$ 77,159

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Statement of Changes in Net Assets

Year Ended March 31, 2024

	Unrestricted Surplus	Restricted Surplus	Invested in Capital Assets	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 103,744	\$ 1,139,625	\$ 495,333	\$ 1,738,702	\$ 1,661,543
EXCESS OF REVENUES OVER EXPENSES	311,325	-	-	311,325	77,159
Investment in capital assets	11,553	-	(11,553)	-	-
Transfers to Restricted surplus	-	-	-	-	-
OCD Centre amalgamation	4,735	-	-	4,735	-
NET ASSETS - END OF YEAR	\$ 431,357	\$ 1,139,625	\$ 483,780	\$ 2,054,762	\$ 1,738,702

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Statement of Cash Flows

Year Ended March 31, 2024

	2024	2023
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 311,325	\$ 77,159
Item not affecting cash:		
Amortization of capital assets	<u>111,853</u>	124,838
	<u>423,178</u>	201,997
Changes in non-cash working capital:		
Accounts receivable	371,529	(256,338)
Accounts payable	(335,791)	329,287
Deferred contributions	949,765	(315,442)
Prepaid expenses	51,703	(94,947)
Goods and services tax payable	(27,753)	1,499
Deferred capital contributions	<u>(37,435)</u>	<u>(44,224)</u>
	<u>972,018</u>	<u>(380,165)</u>
Cash flow from (used by) operating activities	<u>1,395,196</u>	<u>(178,168)</u>
INVESTING ACTIVITIES		
Long term Investments	(131,620)	(29,031)
Amalgamation	<u>4,735</u>	-
Cash flow used by investing activities	<u>(126,885)</u>	<u>(29,031)</u>
FINANCING ACTIVITY		
Repayment of long term debt	<u>(62,863)</u>	<u>(78,393)</u>
INCREASE (DECREASE) IN CASH FLOW	1,205,448	(285,592)
Cash - beginning of year	<u>1,344,940</u>	1,630,532
CASH - END OF YEAR	<u>\$ 2,550,388</u>	\$ 1,344,940
CASH CONSISTS OF:		
Cash	\$ 2,150,388	\$ 1,344,940
Term deposits	<u>400,000</u>	-
	<u>\$ 2,550,388</u>	<u>\$ 1,344,940</u>

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2024

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.

2. BASIS OF PRESENTATION

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

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, 2024

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

	2024	2023
Cash	\$ 2,150,388	\$ 1,344,880

5. PREPAID EXPENSES

	2024	2023
Prepaid insurance	\$ 11,572	\$ 10,812
Prepaid expenses - other	64,028	116,491
	\$ 75,600	\$ 127,303

6. CAPITAL ASSETS

	Cost	Accumulated amortization	2024 Net book value	2023 Net book value
Land	\$ 300,000	\$ -	\$ 300,000	\$ 300,000
Buildings	3,223,168	1,222,663	2,000,505	2,083,860
Furniture and equipment	358,580	298,058	60,522	75,652
Computer equipment	201,066	183,793	17,273	24,675
Computer software	63,036	49,117	13,919	19,885
	\$ 4,145,850	\$ 1,753,631	\$ 2,392,219	\$ 2,504,072

7. LONG TERM INVESTMENTS

	2024	2023
RBC Dominion - Cash Holding Portfolio	\$ 115,000	\$ 115,000
RBC Dominion - Advisor Alternative Portfolio	425,000	425,000
RBC Dominion - Managed Equity Portfolio	660,000	660,000
	\$ 1,200,000	\$ 1,200,000
Market value	\$ 1,345,299	\$ 1,213,679

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2024

8. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	<u>2024</u>	<u>2023</u>
Accounts payable	\$ 18,253	\$ 433,403
Accrued liabilities	32,257	24,829
Accrued wages	<u>419,678</u>	<u>347,748</u>
	<u>\$ 470,188</u>	<u>\$ 805,980</u>

9. LONG TERM DEBT

	<u>2024</u>	<u>2023</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.	\$ 1,405,530	\$ 1,468,393
Amounts payable within one year	<u>(87,486)</u>	<u>(82,814)</u>
	<u>\$ 1,318,044</u>	<u>\$ 1,385,579</u>

Principal repayment terms are approximately:

2025	\$ 87,486
2026	92,421
2027	97,634
2028	103,141
2029	108,959
Thereafter	<u>915,889</u>
	<u>\$ 1,405,530</u>

10. DEFERRED CAPITAL CONTRIBUTIONS

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 540,344	\$ 584,568
Contributions received during year	-	-
Less: amortized to revenue	<u>(37,435)</u>	<u>(44,224)</u>
	<u>\$ 502,909</u>	<u>\$ 540,344</u>

CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2024

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.

	2024	2023
Special projects fund	\$ 82,237	\$ 82,237
Reserve fund	1,057,388	1,057,388
	-	-
	\$ 1,139,625	\$ 1,139,625

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% (2023 - 7%) of their monthly gross basic earnings, up to the Yearly Maximum Pensionable Earnings (YMPE) as set annually by the Canada Pension Plan (2024-\$68,500) (2023 - \$66,600) and 8.75% (2023 - 8.75%) of their earnings above the YMPE. This plan, to which contributions for the Association during the year totalled \$259,366 (2023 - \$230,628) 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, 2024.

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, 2024

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>2024</u>
Association reporting	
Total funding per Association	\$ 192,500
Province of Manitoba Department of Families	
Per Department of Families Funding Confirmation	<u>192,500</u>
Difference	<u>\$ -</u>

16. STATEMENT OF REVENUES AND EXPENDITURES SUMMARY

	<u>Revenues</u>	<u>Expenses</u>	<u>Net total</u>
Agency	\$ 1,505,052	\$ 1,108,797	\$ 396,255
Bounce Back - CMHA National	193,021	194,568	(1,547)
Bounce Back - RBC	98,446	98,446	-
Bounce Back - WRHA	150,000	150,650	(650)
Care for All in Education	550,000	542,134	7,866
CMHA Projects	189,882	163,917	25,965
Community Housing Support	658,033	702,569	(44,536)
Divisional Support	158,501	171,238	(12,737)
Employment with Support - Province of Manitoba	192,500	201,641	(9,141)
Employment with Support - CMHA Toronto	171,321	171,830	(509)
Employment with Support - Youth	167,093	167,093	-
Futures Forward	239,651	240,012	(361)

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CANADIAN MENTAL HEALTH ASSOCIATION MANITOBA AND WINNIPEG INC

Notes to Financial Statements

Year Ended March 31, 2024

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

	Revenues	Expenses	Net total
Housing Expansion	462,313	462,313	-
OCD Centre	112,038	142,574	(30,536)
OSI - Can	3,376	2,445	931
Portable Housing Benefit	110,000	109,844	156
Provincial Mental Health Portal	152,588	152,588	-
Reaching Home	126,457	126,737	(280)
Rehabilitation Services - WRHA	1,058,557	1,059,330	(773)
Rehabilitation Services - Selkirk	320,352	320,745	(393)
Rise	62,752	62,868	(116)
Selkirk - Portable Rehabilitation Services	82,500	82,306	194
Thrival Kits	291,883	291,883	-
United Way Older Adult	83,003	83,003	-
Well Being Learning Centre	137,391	153,559	(16,168)
Wellness Skills Support	277,000	297,752	(20,752)
Youth Hub Initiative	443,971	443,974	(3)
Youth Mental Health Education	84,256	65,796	18,460
	\$ 8,081,937	\$ 7,770,612	\$ 311,325