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**CANADIAN MENTAL HEALTH ASSOCIATION,  
BATTLEFORDS BRANCH, INC.**

**FINANCIAL STATEMENTS**

**MARCH 31, 2024**

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# **CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.**

## **FINANCIAL STATEMENTS**

**MARCH 31, 2024**

### **CONTENTS**

	<b><u>Page</u></b>
<b>MANAGEMENT REPORT</b>	1
<b>INDEPENDENT AUDITORS' REPORT</b>	2
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	4
Statement of Operations	6
Statement of Changes in Net Assets	7
Statement of Cash Flows	8
Notes to the Financial Statements	9

## MANAGEMENT REPORT

Canadian Mental Health Association, Battlefords Branch, Inc.

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgements and estimates in accordance with Canadian generally accepted accounting principles. This responsibility includes selecting appropriate accounting principles and methods and making decisions affecting the measurement of transactions in which objective judgement is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The board is composed of directors who are not employees of the organization. The board is responsible for overseeing management in the performance of its financial reporting responsibilities. The board fulfils these responsibilities by reviewing the financial information prepared by the administration and discussing relevant matters with external auditors. The board is also responsible for recommending the appointment of the organization's external auditors.

Vantage, an independent firm of chartered professional accountants, is appointed by the board to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the board and administration to discuss their audit findings.



Director

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Canadian Mental Health Association, Battlefords Branch, Inc.

### ***Qualified Opinion***

We have audited the accompanying financial statements of Canadian Mental Health Association, Battlefords Branch, Inc., which comprise the statement of financial position as at March 31, 2024, 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 effects of the matter described in the Basis of Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Mental Health Association, Battlefords Branch, Inc. as at March 31, 2024, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Qualified Opinion***

Canadian Mental Health Association, Battlefords Branch, Inc. derives revenue from fundraising and donations the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our audit of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenue over expenses and net assets for the fiscal 2024 and fiscal 2023 years. Our 2023 auditors' report was also qualified in the same regard.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Canadian Mental Health Association, Battlefords Branch, Inc. 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.

### ***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 Canadian Mental Health Association, Battlefords Branch, Inc.'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.

### ***Auditors' 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 auditors' 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 judgement 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 auditors' 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 auditors' 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.

The logo for Vantage Chartered Professional Accountants, featuring the word "Vantage" in a stylized, cursive script font.

Chartered Professional Accountants

North Battleford, Saskatchewan  
September 26, 2024


# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

### ASSETS

	<u>2024</u>	<u>2023</u>
<b>CURRENT ASSETS</b>		
Cash	\$ 440,264	\$ 364,920
Accounts receivable	3,774	6,497
Government remittances receivable	3,038	2,521
Prepaid expenses	<u>4,291</u>	<u>3,454</u>
	<u>451,367</u>	<u>377,392</u>
<b>INVESTMENTS (Note 3)</b>	<u>7,400</u>	<u>6,163</u>
<b>TANGIBLE CAPITAL ASSETS (Note 4)</b>	2,217,564	2,209,544
Less accumulated amortization	<u>504,129</u>	<u>427,120</u>
	<u>1,713,435</u>	<u>1,782,424</u>
	<u>\$2,172,202</u>	<u>\$2,165,979</u>

**APPROVED ON BEHALF OF THE BOARD**

  
 \_\_\_\_\_  
 Director

See accompanying notes

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2024

### LIABILITIES AND NET ASSETS

	<u>2024</u>	<u>2023</u>
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 28,720	\$ 36,263
Government remittances payable	2,004	2,115
Deferred revenue	90	90
Long term liabilities due within one year (Note 6)	<u>861</u>	<u>16,874</u>
	<u>31,675</u>	<u>55,342</u>
 <b>LONG TERM LIABILITIES</b>		
Long term debt (Note 6)	210,502	195,280
Deferred contribution related to capital asset (Note 5)	<u>799,287</u>	<u>828,631</u>
	<u>1,009,789</u>	<u>1,023,911</u>
 <b>TOTAL LIABILITIES</b>	 <u>1,041,464</u>	 <u>1,079,253</u>
 <b>NET ASSETS</b>		
General fund - unrestricted	379,328	298,830
Invested in capital assets	<u>751,410</u>	<u>787,896</u>
 <b>NET ASSETS</b>	 <u>1,130,738</u>	 <u>1,086,726</u>
	 <u>\$2,172,202</u>	 <u>\$2,165,979</u>

See accompanying notes

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## STATEMENT OF OPERATIONS FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
<b>REVENUE</b>		
General and administrative	\$ 327,093	\$ 307,842
Training for Employment Program I	69,061	63,719
Training for Employment Program II	68,944	61,099
David Laird Campground	67,544	70,268
Social and Recreational Program	69,300	50,662
Fundraising	30,135	12,035
Peer support	51,372	44,918
Living Well Learning Centre	3,186	4,088
Rental housing	<u>108,773</u>	<u>109,621</u>
	<u>795,408</u>	<u>724,252</u>
<b>EXPENSES</b>		
General and administrative	255,870	275,735
Training for Employment Program I	84,233	73,567
Training for Employment Program II	123,945	117,716
David Laird Campground	78,278	73,719
Social and Recreational Program	73,305	91,334
Fundraising	8,666	12,035
Peer support	27,451	48,453
Living Well Learning Centre	9,448	5,575
Rental housing	<u>90,200</u>	<u>81,141</u>
	<u>751,396</u>	<u>779,275</u>
<b>EXCESS (DEFICIT) OF REVENUE OVER EXPENSES</b>	<u>\$ 44,012</u>	<u>\$ (55,023)</u>

See accompanying notes



# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED MARCH 31, 2024

	<u>General fund</u>	<u>Invested in capital assets</u>	<u>2024</u>	<u>2023</u>
<b>NET ASSETS</b> at beginning of year	\$ 298,830	\$ 787,896	\$ 1,086,726	\$ 1,141,749
Excess (deficit) of revenue over expenses	106,068	(62,056)	44,012	(55,023)
Repayable funding				
Purchase of tangible capital assets	(24,779)	24,779	NIL	
Loan payments	<u>(791)</u>	<u>791</u>	<u>NIL</u>	<u>          </u>
<b>NET ASSETS</b> at end of year	<u>\$ 379,328</u>	<u>\$ 751,410</u>	<u>\$ 1,130,738</u>	<u>\$ 1,086,726</u>

See accompanying notes

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2024

	<u>2024</u>	<u>2023</u>
<b>CASH PROVIDED BY OPERATING ACTIVITIES</b>		
Excess (deficit) of revenue over expenses	\$ 44,012	\$ (55,023)
Items not requiring cash		
Amortization	91,400	99,958
Gain on sale of capital assets	<u>(132)</u>	<u>          </u>
	<u>135,280</u>	<u>44,935</u>
Net change in non-cash working capital		
Decrease in receivables	2,206	13,541
Increase in deferred revenue	(29,344)	(36,923)
Decrease (increase) in prepaids	(837)	3,110
Decrease in payables	<u>(7,654)</u>	<u>(10,567)</u>
	<u>(35,629)</u>	<u>(30,839)</u>
	<u>99,651</u>	<u>14,096</u>
<b>CASH USED BY FINANCING ACTIVITIES</b>		
Repayment of long term debt	<u>(791)</u>	<u>(44,849)</u>
<b>CASH USED BY INVESTING ACTIVITIES</b>		
Purchase of tangible capital assets	(24,779)	(7,921)
Proceeds from sale of tangible capital assets	2,500	
Increase in investments	<u>(1,237)</u>	<u>(1,609)</u>
	<u>(23,516)</u>	<u>(9,530)</u>
<b>INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	75,344	(40,283)
<b>CASH AND CASH EQUIVALENTS at beginning of year</b>	<u>364,920</u>	<u>405,203</u>
<b>CASH AND CASH EQUIVALENTS at end of year (Note 10)</b>	<u>\$ 440,264</u>	<u>\$ 364,920</u>

See accompanying notes

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 1. STATUTES OF INCORPORATION AND NATURE OF ACTIVITIES

Canadian Mental Health Association, Battlefords Branch, Inc. is incorporated under the Saskatchewan Non-Profit Corporation Act. As a registered charity the company is exempt from income tax under section 149(1) of the Income Tax Act.

Canadian Mental Health Association, Battlefords Branch, Inc. is a volunteer based organization that supports and promotes the rights of persons with mental illness to maximize their full potential through education, recreation, opportunities, advocacy, programs and services; which promotes and enhances the mental health and well being of all members of the community. The Battlefords Branch is autonomous and is affiliated with the Canadian Mental Health Association (Saskatchewan Division) Inc.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and reflect the following policies:

#### (a) Revenue Recognition

The organization 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 in the year 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.

The amount of any pledges to donate funds to the organization are not included in revenue until collection is reasonably assured.

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

Membership fees, revenue from services provided in Training for Employment programs, campground fees, rentals and other fund-raising revenue is recognized in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

A forgivable loan is recognized as a grant when the organization becomes entitled to receive it and not at the time such loans are forgiven.

#### (b) Tangible Capital Assets

Tangible capital assets are recorded at cost.

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

#### (c) Amortization

Amortization is provided using the following estimates of useful life:

Buildings	4 %
Equipment	20 %
Automotive	30 %
Computer	30 %
Website	5 yrs

#### (d) Donated Goods or Services

Donated goods or services are recorded at fair value when a fair value can be reasonably estimated, the goods or services are used in the normal course of operations, and would otherwise have been purchased.

#### (e) Contributed Services

Volunteers contribute a significant amount of time each year to Canadian Mental Health Association, Battlefords Branch, Inc. Because of the difficulty of determining the fair value of contributed services, they are not recognized in the financial statements.

#### (f) Financial Instruments

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost.

The fair value of a financial instrument is the estimated amount that the organization would receive or pay to settle a financial asset or liability as at the reporting date.

The organization manages its exposure to the risks associated with financial instruments that have the potential to affect its operating and financial performance in accordance with its risk management policy. The objective of the policy is to ensure liquidity and availability of cash for operations.

#### (g) Use of Estimates

The preparation of financial statements in accordance 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 and the reported amount of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the period they become known. Significant estimates include the useful life of tangible capital assets.

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 3. INVESTMENTS

	<u>2024</u>	<u>2023</u>
Innovation Credit Union membership equity	\$ 5,261	\$ 4,870
Battlefords & District Co-op Ltd.	<u>2,139</u>	<u>1,293</u>
	<u>\$ 7,400</u>	<u>\$ 6,163</u>

### 4. TANGIBLE CAPITAL ASSETS

	<u>2024</u>		<u>2023</u>	
	<u>Cost</u>	<u>Accumulated amortization</u>	<u>Net</u>	<u>Net</u>
Land	\$ 154,242		\$ 154,242	\$ 154,242
Buildings	1,712,388	\$ 250,985	1,461,403	1,522,295
Equipment	126,718	88,540	38,178	45,245
Automotive	192,462	141,285	51,177	49,078
Computer	27,034	21,318	5,716	8,166
Website	<u>4,720</u>	<u>2,001</u>	<u>2,719</u>	<u>3,398</u>
	<u>\$2,217,564</u>	<u>\$ 504,129</u>	<u>\$1,713,435</u>	<u>\$1,782,424</u>

### 5. DEFERRED CONTRIBUTIONS

Saskatchewan Housing Corporation (SHC) forgivable loan for the development, construction and/or improvement of 1942 Kramer Place. Unless the organization defaults on the loan, SHC will forgive annually, over fifteen years, commencing in July 2022.

	<u>2024</u>	<u>2023</u>
Balance at beginning of year	\$ 828,631	\$ 865,555
Contributions received for the acquisition of capital assets	24,779	20,000
Amounts amortized to revenue during the year	<u>(54,123)</u>	<u>(56,924)</u>
	<u>\$ 799,287</u>	<u>\$ 828,631</u>

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 6. LONG TERM LIABILITIES

	Total	2024 Due within one year	Long term portion	2023 Long term portion
Long term debt				
(a) 1942 Kramer - loan	\$ <u>211,363</u>	\$ <u>861</u>	\$ <u>210,502</u>	\$ <u>195,280</u>

(a) The Innovation Credit Union loan is secured by mortgage on land and building with a net book value of \$1,238,657; payable at \$1,406 per month including interest at prime plus 0.50%, due May 2026.

### 7. FINANCIAL INSTRUMENTS

#### (a) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The long-term debt payable bears interest at prime plus 0.50%. Changes in the lending rate can cause fluctuations in interest payments and cash flows.

#### (b) Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting its obligations associated with financial liabilities. The company is exposed to liquidity risk arising primarily from the accounts payable. The company's ability to meet obligations depends on the receipt of funds from its operations and other related sources.

The carrying value of cash, accounts receivable and accounts payable approximates their fair values because of the short-term maturities of these items.

### 8. ECONOMIC DEPENDENCE

The organization receives a a major portion of its revenues from the the Saskatchewan Health Authority consisting 60% (49% - 2023) of the organization's total revenue. As this funding is a large portion of the organizations income, its ability to continue is dependent on receiving this funding.

### 9. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current period's financial statement preparation.

# CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2024

### 10. CASH FLOW INFORMATION

Cash and cash equivalents consist of cash on hand, balances on deposit and investments in money market instruments less short term indebtedness. Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amounts:

	<u>2024</u>	<u>2023</u>
Cash	\$ <u>440,264</u>	\$ <u>364,920</u>

### 11. ALLOCATION OF EXPENSES

The organization allocated 15% (prior year 15%) of executive director wages to Peer Support amounting to \$12,000 (prior year \$13,808).

### 12. REVENUES AND EXPENSES BY OBJECT

	<u>2024</u>	<u>2023</u>
Revenue		
Saskatchewan Health Authority	\$ 477,674	\$ 437,117
CMHA	43,750	43,750
Donations and fundraising	79,328	50,316
Rental	49,875	50,663
Programs	62,137	56,124
David Laird Campground	63,944	67,868
Other	<u>18,700</u>	<u>18,414</u>
	<u>795,408</u>	<u>724,252</u>
Expenses		
Wages and benefits	440,752	489,196
Amortization	91,400	99,958
Travel	39,641	32,544
David Laird Campground	19,869	23,519
Interest	17,577	18,433
Programs	126,838	103,110
Rental	<u>15,319</u>	<u>12,515</u>
	<u>751,396</u>	<u>779,275</u>
	<u>\$ 44,012</u>	<u>\$ (55,023)</u>