

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

FINANCIAL STATEMENTS

March 31, 2026

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

March 31, 2026

CONTENTS

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	3
INDEPENDENT AUDITOR'S REPORT	4-5
FINANCIAL STATEMENTS	
Statement of Financial Position	6
Statement of Operations	7
Statement of Changes in Net Assets	7
Statement of Cash Flow	8
Notes to Financial Statements	9-12

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of Canadian Mental Health Association, Battlefords Branch, Inc. have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of Canadian Mental Health Association, Battlefords Branch, Inc.'s reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board carries out this responsibility principally through its Audit Committee. The Audit Committee is appointed by the Board and meets periodically with management and the members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Audit Committee reports to the Board of Directors prior to its approval of the financial statements. The Committee also considers, for review by the Board and approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the members by Lois Skinner CPA, in accordance with generally accepted auditing standards.



Executive Director

Lois Skinner CPA
PO Box 131 Wilkie, SK S0K 4W0
phone: 306-438-7891
lois@skinnercpa.ca

INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Mental Health Association, Battlefords Branch, Inc.:

Qualified Opinion

I have audited the financial statements of Canadian Mental Health Association, Battlefords Branch, Inc. (CMHA), which comprise the statement of financial position as at March 31, 2026, 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 my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of CMHA as at March 31, 2026, 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

CMHA derives revenue from fundraising activities and donations 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 CMHA. Therefore, I was not able to determine whether any adjustments might be necessary to fundraising revenues, excess of revenues over expenses, and net assets for the years ended March 31, 2026 and 2025.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of CMHA in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 controls 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 CMHA'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 CMHA or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 CMHA'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 CMHA's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause CMHA 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.

I 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 I identify during my audit.



CHARTERED PROFESSIONAL ACCOUNTANT
Wilkie, Saskatchewan
September 29, 2026

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

Statement of Financial Position
March 31, 2026

	<u>2026</u>	<u>2025</u>
<u>ASSETS</u>		
CURRENT		
Cash & deposits	\$ 542,689	\$ 452,686
Accounts receivable		1,020
Government remittances receivable	89	5,130
Prepaid expenses	<u>1,881</u>	<u>2,231</u>
	544,659	461,067
CAPITAL		
Tangible Capital assets (Note 3)	<u>1,590,492</u>	<u>1,679,801</u>
OTHER		
Patronage equity	<u>9,690</u>	<u>8,739</u>
	<u>\$ 2,144,841</u>	<u>\$ 2,149,607</u>
<u>LIABILITIES</u>		
CURRENT		
Accounts payable and accrued liabilities	\$ 31,030	\$ 27,368
Employee deductions withheld	-	6,307
Government deferred revenue	26,215	
Current portion of long-term debt	<u>8,186</u>	<u>7,035</u>
	65,431	40,710
Long-Term Debt (Note 5)	143,062	176,682
Deferred contribution related to capital asset (Note 4)	<u>698,077</u>	<u>746,797</u>
	841,139	923,479
<u>NET ASSETS</u>		
Investment in capital assets	782,029	799,282
General unrestricted	<u>456,242</u>	<u>386,136</u>
Total Net Assets	<u>1,238,271</u>	<u>1,185,418</u>
	<u>\$ 2,144,841</u>	<u>\$ 2,149,607</u>

APPROVED ON BEHALF OF THE BOARD:



Director



Director

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

Statement of Operations
for the year ended March 31, 2026

	<u>2026</u>	<u>2025</u>
REVENUE		
General and administrative	\$ 338,754	\$ 391,656
Training for Employment Program I	69,648	68,335
Training for Employment Program II	71,204	63,687
David Laird Campground	110,538	78,291
Social and Recreational Program	50,029	51,200
Fundraising receipts	55,842	51,732
Peer support	50,078	48,692
Living Well Learning Centre	1,713	2,127
Rental housing	<u>106,885</u>	<u>108,923</u>
Total Revenues	<u>854,691</u>	<u>864,643</u>
EXPENSES		
General and administrative	\$ 274,942	\$ 286,374
Training for Employment Program I	78,889	71,699
Training for Employment Program II	115,854	143,557
David Laird Campground	90,837	80,692
Social and Recreational Program	64,283	58,620
Fundraising	28,797	23,161
Peer support	59,214	52,744
Living Well Learning Centre	1,730	1,227
Rental housing	<u>87,292</u>	<u>91,889</u>
Total Expenses	<u>801,838</u>	<u>809,963</u>
Excess revenues over expenses	<u>\$ 52,853</u>	<u>\$ 54,680</u>

Statement of Changes in Net Assets
for the year ended March 31, 2026

	<u>2026</u>	<u>2025</u>		
	Invested in Capital Assets	General Unrestricted	TOTAL	Total
Net Assets, beginning of the year	\$ 799,282	\$ 386,136	\$ 1,185,418	\$ 1,130,738
Excess of revenue over expenses	(49,993)	102,846	52,853	54,680
Purchase of capital assets	-	-	-	-
Transfer for payments net of proceeds	<u>32,740</u>	<u>(32,740)</u>	<u>-</u>	<u>-</u>
Net assets, end of year	<u>\$ 782,029</u>	<u>\$ 456,242</u>	<u>\$ 1,238,271</u>	<u>\$ 1,185,418</u>

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

Statement of Cash Flow
for the year ended March 31, 2026

	<u>2026</u>	<u>2025</u>
OPERATING ACTIVITIES		
Cash provided by (used in) operations		
Net income (loss) for the year	\$ <u>52,853</u>	\$ <u>54,680</u>
Amortization	89,308	88,869
Gain on disposal of assets and parts	<u> </u>	<u>(40,414)</u>
	<u>142,161</u>	<u>103,135</u>
Net change in non-cash working capital		
Accounts receivable(increase) decrease	6,061	662
Prepaid(increase) decrease	350	2,060
Accounts payable increase(decrease)	23,570	2,861
Deferred revenue increase(decrease)	(48,720)	(52,490)
Current portion of		
long-term debt increase(decrease)	<u>1,151</u>	<u>6,174</u>
	<u>(17,588)</u>	<u>(40,733)</u>
CASH FLOWS FROM(USED IN) OPERATING ACTIVITIES	<u>124,573</u>	<u>62,402</u>
INVESTMENT ACTIVITIES		
Capital asset acquisitions		(74,971)
Proceeds on sale of capital assets		60,150
Change in patronage equity	<u>(951)</u>	<u>(1,339)</u>
CASH FLOWS FROM(USED IN) INVESTING ACTIVITIES	<u>(951)</u>	<u>(16,160)</u>
FINANCING ACTIVITIES		
Long-term debt repayments	<u>(33,619)</u>	<u>(33,820)</u>
CASH FLOWS FROM(USED IN) FINANCING ACTIVITIES	<u>(33,619)</u>	<u>(33,820)</u>
INCREASE (DECREASE) IN CASH AND EQUIVALENTS	90,003	12,422
CASH AND EQUIVALENTS AT BEGINNING OF Period	<u>452,686</u>	<u>440,264</u>
CASH AND EQUIVALENTS AT END OF period	\$ <u>542,689</u>	\$ <u>452,686</u>

See notes to financial statements

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

Notes to Financial Statements

March 31, 2026

1. PURPOSE OF THE ORGANIZATION

Canadian Mental Health Association, Battlefords Branch, Inc. (CMHA) is incorporated under the Saskatchewan Non-Profit Corporations Act. As a registered charity the organization 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO) and are in accordance with Canadian generally accepted accounting principles. The more significant accounting policies that have been adopted are as follows:

Revenue recognition

Canadian Mental Health Association, Battlefords Branch, 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 in the year received or receivable if the amounts to be received can be reasonably measured 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 fundraising 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.

Tangible capital assets

Tangible capital assets are recorded at cost.

Amortization

Amortization is provided using the following estimates of useful life:

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

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

Notes to Financial Statements

March 31, 2026

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Contributed Services

Volunteers contribute a significant amount of time each year to the organization. Because of the difficulty of determining a fair value of contributed services, they are not recognized in the financial statements.

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.

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically, and as adjustments become necessary, they are reported in earnings in the period in which they become known. Significant estimates include the useful life of tangible capital assets.

3. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated Depreciation	<u>2026</u> Net Book Value	<u>2025</u> Net Book Value
Land	154,242	NIL	154,242	154,242
Buildings	1,713,674	365,635	1,348,039	1,404,208
Equipment	125,899	101,516	24,383	30,479
Automotive	198,725	139,438	59,287	84,696
Computer	27,034	24,233	2,801	4,001
Website	<u>4,720</u>	<u>2,980</u>	<u>1,740</u>	<u>2,175</u>
	<u>\$ 2,224,294</u>	<u>\$ 633,802</u>	<u>\$ 1,590,492</u>	<u>\$ 1,679,801</u>

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.
Notes to Financial Statements
March 31, 2026

4. 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>2026</u>	<u>2025</u>
Balance at beginning of year	\$ 746,797	\$ 799,287
Contributions received for the acquisition of capital assets	-	-
Amounts amortized to revenue during the year	<u>(48,720)</u>	<u>(52,490)</u>
	<u>\$ 698,077</u>	<u>\$ 746,797</u>

5. LONG TERM DEBT

	<u>2026</u>		<u>2025</u>
	Total	Due within one year	Long term portion
Innovation credit union	\$151,248	\$8,136	\$143,062
			<u>\$176,682</u>

The Innovation Credit Union loan is secured by mortgage on land and building, payable at \$1,402 per month including interest at 5.86%, due June 2031.

6. FINANCIAL INSTRUMENTS

Interest Rate Risk

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

Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting its obligations associated with financial liabilities. The organization is exposed to liquidity risk arising primarily from the accounts payable. The organization'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.

7. ECONOMIC DEPENDENCE

CMHA receives a major portion of its revenues from the Saskatchewan Health Authority consisting 42% (51% - 2025) of the organizations total revenue. As this funding is a large portion of the organizations income, its ability to continue is dependent on receiving this funding.

8. COMPARATIVE FIGURES

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

CANADIAN MENTAL HEALTH ASSOCIATION, BATTLEFORDS BRANCH, INC.

Notes to Financial Statements

March 31, 2026

9. 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 comprises the following balance sheet amounts:

	<u>2026</u>	<u>2025</u>
Cash	\$ <u>542,689</u>	\$ <u>452,686</u>

10. ALLOCATION OF EXPENSES

The organization allocated 15% (prior year 15%) of executive director wage to Peer Support amounting to \$12,885 (prior year \$12,417).

11. REVENUES AND EXPENSES BY OBJECT

	<u>2026</u>	<u>2025</u>
REVENUE		
Saskatchewan Health Authority	\$ 443,075	\$ 438,311
CMHA	46,414	45,063
Donations and fundraising	114,432	120,848
Rental	50,400	50,400
Programs	71,307	63,403
David Laird Campground	110,538	78,291
Other	<u>18,525</u>	<u>70,728</u>
	<u>854,691</u>	<u>867,044</u>
EXPENSES		
Wages and benefits	489,299	471,650
Amortization	89,308	88,869
Travel	32,318	47,186
David Laird Campground	34,942	27,146
Interest	13,627	14,538
Programs	126,410	137,979
Rental	<u>15,934</u>	<u>22,595</u>
	<u>801,838</u>	<u>809,963</u>
	\$ <u>52,853</u>	\$ <u>57,081</u>