

Canadian Mental Health Association, Alberta Central Region
Statement of Financial Position
As at March 31, 2025

| | 2025 | 2024 |
|---|----------------|----------------|
| Assets | | |
| Current | | |
| Cash and cash equivalents (Note 3) | 240,479 | 131,408 |
| Restricted cash (Note 3) | 9,487 | 29,431 |
| Accounts receivable (Note 4) | 110,720 | 111,933 |
| Prepaid expenses | 31,357 | 20,740 |
| | 392,043 | 293,512 |
| Internally restricted cash and cash equivalents (Note 3), (Note 11) | 104,323 | 233,982 |
| Notes receivable (Note 5) | - | 20,090 |
| Capital assets (Note 6) | 68,055 | 90,402 |
| | 564,421 | 637,986 |
| Liabilities | | |
| Current | | |
| Accounts payable and accruals (Note 7) | 177,592 | 121,021 |
| Vacation pay accrual | 56,534 | 62,189 |
| Deferred contributions (Note 8) | 157,917 | 130,392 |
| | 392,043 | 313,602 |
| Deferred contributions related to capital assets (Note 9) | 43,760 | 57,342 |
| | 435,803 | 370,944 |
| Commitments (Note 10) | | |
| Net Assets | | |
| Invested in capital assets | 24,295 | 33,059 |
| Internally restricted (Note 11) | 104,323 | 233,983 |
| | 128,618 | 267,042 |
| | 564,421 | 637,986 |

Approved on behalf of the Board of Directors


 Director


 Director

Canadian Mental Health Association, Alberta Central Region

Statement of Operations

For the year ended March 31, 2025

| | 2025 | 2024 |
|---|------------------|------------------|
| Revenue | | |
| Government grants <i>(Note 12)</i> | 2,442,317 | 2,317,462 |
| Contributions from other organizations | 227,988 | 203,090 |
| Public support | 57,090 | 54,126 |
| Other revenues | 44,411 | 65,009 |
| Interest income | 22,345 | 27,195 |
| Gaming income | 21,368 | 753 |
| Amortization of deferred contributions <i>(Note 8)</i> | 13,583 | 14,939 |
| Total revenue | 2,829,102 | 2,682,574 |
| Expenses | | |
| Salaries and benefits | 2,419,260 | 2,234,556 |
| Other program expenditures | 172,334 | 164,022 |
| Building occupancy | 90,986 | 87,610 |
| Office and administration | 66,780 | 70,332 |
| Professional fees | 58,873 | 20,542 |
| Telephone and utilities | 38,139 | 39,726 |
| Travel | 29,392 | 27,318 |
| Amortization | 27,975 | 34,154 |
| Insurance | 27,307 | 22,802 |
| Staff recruitment and education | 22,846 | 22,608 |
| Divisional fees | 12,613 | 13,773 |
| Fundraising expense <i>(Note 13)</i> | 1,020 | 2,955 |
| Total expenses | 2,967,525 | 2,740,398 |
| Deficiency of revenue over expenses before other items | (138,423) | (57,824) |
| Other items | | |
| Loss on disposal of capital assets | - | (405) |
| Deficiency of revenue over expenses | (138,423) | (58,229) |

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association, Alberta Central Region
Statement of Changes in Net Assets

For the year ended March 31, 2025

| | <i>Invested in Capital Assets</i> | <i>Unrestricted</i> | <i>Internally Restricted (Note 11)</i> | 2025 | 2024 |
|---|---|---------------------|--|------------------|-------------|
| Net assets, beginning of year | 33,059 | - | 233,983 | 267,042 | 325,271 |
| Deficiency of revenue over expenses | (14,392) | (124,032) | - | (138,423) | (58,229) |
| Purchase of capital assets | 5,628 | (5,628) | - | - | - |
| Transfer from contingency fund | - | 32,330 | (32,330) | - | - |
| Transfer from reserves to cover deficiency | - | 97,330 | (97,330) | - | - |
| Net assets, end of year | 24,295 | - | 104,323 | 128,619 | 267,042 |

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association, Alberta Central Region
Statement of Cash Flows
For the year ended March 31, 2025

| | 2025 | 2024 |
|---|-----------------|----------------|
| Cash provided by (used for) the following activities | | |
| Operating | | |
| Cash receipts from government, public, and other support | 2,803,911 | 2,696,482 |
| Cash paid to suppliers | (482,068) | (461,619) |
| Cash paid for salaries and benefits | (2,399,182) | (2,230,958) |
| Cash receipts from interest | 22,345 | 30,106 |
| | (54,994) | 34,011 |
| Investing | | |
| Purchase of capital assets | (5,628) | (1,450) |
| Notes received | 20,090 | - |
| Government investment certificate redemption | - | 161,000 |
| (Increase) decrease in restricted cash and cash equivalents | 129,659 | (120,938) |
| | 144,121 | 38,612 |
| Increase in cash resources | 89,127 | 72,623 |
| Cash resources, beginning of year | 160,839 | 88,216 |
| Cash resources, end of year | 249,966 | 160,839 |
| Cash resources are composed of: | | |
| Cash and cash equivalents | 240,479 | 131,408 |
| Restricted cash (Note 3) | 9,487 | 29,431 |
| | 249,966 | 160,839 |

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association, Alberta Central Region

Notes to the Financial Statements

For the year ended March 31, 2025

1. Incorporation and nature of the organization

Canadian Mental Health Association, Alberta Central Region (the "Association") was incorporated under the Society's Act of Alberta and is a registered charity under the Income Tax Act (the "Act"), and thus exempt from tax under section 149(1)(f) of the Act.

The Association's purpose is to promote mental health and support people with mental illness and brain injury through support, education and community partnerships.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Cash designated as internally restricted to fund certain net asset balances are considered not to be available for current operations and, as such are presented as long-term on the statement of financial position.

Guaranteed investment certificate

Guaranteed investment certificate with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment.

Capital assets

Purchased capital assets are recorded at cost. Capital grants are deferred and amortized to revenue at the same rate as the amortization of the capital asset acquired with the funds. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

| | Method | Rate |
|------------------------|---------------|-------------|
| Automotive | straight-line | 5 years |
| Computer equipment | straight-line | 3 years |
| Furniture and fixtures | straight-line | 5 years |
| Leasehold improvements | straight-line | 5 years |
| Fence | straight-line | 10 years |

Canadian Mental Health Association, Alberta Central Region

Notes to the Financial Statements

For the year ended March 31, 2025

2. Significant accounting policies (Continued from previous page)

Long-lived assets and discontinued operations

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

The Association writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Association's ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Association determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value.

Long-lived assets are classified as held for sale when all of the following criteria are met:

- Management, having the authority to approve the action, commits the Association to a plan to sell the assets;
- The assets are available for immediate sale in their present condition;
- The Association has initiated an active program to locate a buyer;
- The sale is probable, and is expected to qualify for recognition as a completed sale within one year;
- The assets are being actively marketed for sale at a reasonable price relative to their fair value; and
- It is unlikely that the plan to sell the asset will be withdrawn or that significant changes will be made to the plan.

Long lived assets classified as held for sale are initially measured at the lower of their carrying amount and fair value less costs to sell, and are not amortized. Subsequent increases in fair value not in excess of the cumulative loss previously recorded are recognized as gains. Disposals are reported as discontinued operations, unless the Association has no substantial continuing operations, if the operations and cash flows of a component of the business have been, or will be, eliminated from the Association's ongoing operations, the Association will not have any significant continuing involvement in its operations subsequent to the disposal, and the Association has other substantial continuing operations.

Net assets

The Association shows internally restricted net assets invested in capital assets as a separate component of net assets. Unrestricted net assets represents the Association's net assets that may be used by the Association for any purpose it deems appropriate. Internally restricted net assets are explained in Note 11 to these financial statements.

Revenue recognition

The Association 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.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Association's operations and would otherwise have been purchased.

The Association benefits from contributed services in the form of volunteer time. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

Canadian Mental Health Association, Alberta Central Region

Notes to the Financial Statements

For the year ended March 31, 2025

2. Significant accounting policies (Continued from previous page)

Non-monetary transactions

The Association enters into agreements with certain customers from whom the Association acquires goods and services. Transactions involving the exchange of monetary consideration representing 10% or greater of the fair value of the arrangement are considered to be monetary transactions. Non-monetary transactions, for which the Association's future cash flows have been significantly affected ("commercial substance"), are recorded at the fair value of the assets given up or received, whichever is more reliably measurable. Non-monetary transactions are measured at carrying value when the transaction:

- lacks commercial substance;
- is an exchange of a product or property held for sale in the ordinary course of business to be sold in same line of business to facilitate sales to customers other than the parties of the exchange;
- for which neither the fair value of assets received or given up can be reliably measured; or
- non-monetary non-reciprocal transfers to owners in restructurings or liquidations.

Non-monetary transactions, including donations in kind, such as items donated for fundraising activities, are recorded in the financial statements where fair values are reasonably determinable.

Measurement uncertainty (use of estimates)

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 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Provisions are made for slow moving and obsolete inventory as well as warranty and after sales service costs. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which they become known.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has not made such an election during the year.

The Association subsequently measures investments in equity instruments quoted in an active market at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Association's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in deficiency of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Canadian Mental Health Association, Alberta Central Region

Notes to the Financial Statements

For the year ended March 31, 2025

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group, there are numerous assets affected by the same factors, and no asset is individually significant. Management considers whether the issuer is having significant financial difficulty and whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year deficiency of revenues over expenses.

The Association reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in deficiency of revenues over expenses in the year the reversal occurs.

3. Restricted cash, cash equivalents, and guaranteed investment certificate

Included in restricted cash are funds with respect to deferred contributions of \$9,487 (\$29,431 in 2024).

The Association has internally restricted some cash and cash equivalents for long-term planning purposes related to a building fund and contingency fund as disclosed in Note 11. The internal operating reserve fund (Note 11) is intended to help fund future operations and is supported by funds maintained in the general bank account.

4. Accounts receivable

| | 2025 | 2024 |
|-----------------------------------|----------------|-------------|
| Trade receivables | 5,973 | 4,155 |
| Goods and services tax receivable | 13,755 | 7,038 |
| Government receivables | 88,787 | 98,100 |
| CMHA receivable | 2,205 | 2,640 |
| | 110,720 | 111,933 |

5. Notes receivable

Note receivable of \$20,090 bears interest at 4.50% annually, received in full during the year.

Canadian Mental Health Association, Alberta Central Region
Notes to the Financial Statements

For the year ended March 31, 2025

6. Capital assets

| | <i>Cost</i> | <i>Accumulated amortization</i> | <i>2025 Net book value</i> | <i>2024 Net book value</i> |
|------------------------|----------------|-------------------------------------|------------------------------------|------------------------------------|
| Automotive | 65,438 | 45,051 | 20,387 | 31,476 |
| Computer equipment | 63,922 | 60,945 | 2,977 | 2,727 |
| Furniture and fixtures | 83,884 | 78,564 | 5,320 | 9,427 |
| Leasehold improvements | 4,405 | 4,405 | - | 839 |
| Fence | 65,619 | 26,248 | 39,371 | 45,933 |
| | 283,268 | 215,213 | 68,055 | 90,402 |

7. Accounts payable and accruals

The Association has authorized six credit cards with an aggregate maximum of \$18,000, (\$20,000 in 2024) bearing interest at 19.99% on outstanding balances and 22.99% on cash advances. At year-end, \$1,778 (\$4,835 in 2024) is outstanding on these credit cards.

**Canadian Mental Health Association,
Alberta Central Region
Notes to the Financial Statements**

For the year ended March 31, 2025

8. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for future operations of the Association.

Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

| | <i>Balance, beginning of year</i> | <i>Amount received during the year</i> | <i>Less: Amount recognized as revenue during the year</i> | <i>Less: Transfers to accounts payable</i> | <i>Less: Transfers to deferred capital contributions</i> | 2025 | 2024 |
|--|---|--|---|--|--|----------------|----------------|
| Fees in advance | 17,428 | - | - | - | - | 17,428 | 17,428 |
| CHMA - Alberta Division Education | - | 154,942 | (154,942) | - | - | - | - |
| Government of Alberta - Alberta Brain Injury Network (ABIN) | - | 670,497 | (662,652) | - | - | 7,845 | - |
| ASIST | 5,200 | - | (5,200) | - | - | - | 5,200 |
| Raffle funds | 275 | - | - | - | - | 275 | 275 |
| Casino funds | 29,154 | - | (19,942) | - | - | 9,212 | 29,154 |
| City of Red Deer - Pathways | - | 355,085 | (355,085) | - | - | - | - |
| City of Red Deer - Lived/living homelessness | 11,815 | 103,427 | (57,939) | (57,303) | - | - | 11,815 |
| City of Red Deer - capital project | - | 88,787 | - | - | - | 88,787 | - |
| Amethyst tenant subsidy | 1,270 | - | (1,270) | - | - | - | 1,270 |
| City of Red Deer - Amethyst | - | 991,680 | (991,680) | - | - | - | - |
| Lifelong Learning - Amethyst | 1,500 | - | (1,500) | - | - | - | 1,500 |
| Government of Alberta - crisis counselor | 63,750 | 99,970 | (129,350) | - | - | 34,370 | 63,750 |
| | 130,392 | 2,464,388 | (2,379,560) | (57,303) | - | 157,917 | 130,392 |

Canadian Mental Health Association, Alberta Central Region

Notes to the Financial Statements

For the year ended March 31, 2025

9. Deferred contributions related to capital assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

| | 2025 | 2024 |
|---|-----------------|----------|
| Balance, beginning of year | 57,342 | 72,282 |
| Amount recognized during the year as amortization | (13,583) | (14,940) |
| Balance, end of year | 43,759 | 57,342 |

10. Commitments

The Association has into various lease agreements and contractual payment obligations with estimated minimum annual payments as follows:

| | |
|------|--------|
| 2026 | 41,493 |
| 2027 | 29,353 |
| 2028 | 674 |
| | |
| | 71,520 |

11. Internally restricted net assets

The board has previously approved internally restricted net assets representing a general reserve, a building fund, and a contingency fund. The funds can not be used for other purposes without Board approval.

| | 2025 | 2024 |
|------------------------------------|------------------|----------|
| General operating reserve | | |
| Transfers to combine reserves | 201,653 | - |
| Transfer to cover deficit | (97,330) | - |
| | 104,323 | - |
| Building fund | | |
| Balance, beginning of year | 139,468 | 161,000 |
| Transfers | - | (21,532) |
| Transfers to combine reserves | (139,468) | - |
| | - | 139,468 |
| Contingency fund | | |
| Balance, beginning of year | 94,515 | 113,044 |
| Transfers approved during the year | (32,330) | (18,529) |
| Transfers to combine reserves | (62,185) | - |
| | - | 94,515 |
| | 104,323 | 233,983 |

Canadian Mental Health Association, Alberta Central Region

Notes to the Financial Statements

For the year ended March 31, 2025

12. Government grants

| | 2025 | 2024 |
|--|-----------|-----------|
| City of Red Deer Outreach and Support Services Initiative (OSSI) & Reaching Home - Housing First (Amethyst) | 991,680 | 971,059 |
| City of Red Deer Outreach and Support Services Initiative (OSSI) & Reaching Home - Intensive Case Management (Pathways to Housing) | 355,085 | 324,862 |
| City of Red Deer Outreach and Support Services Initiative (OSSI) & Reaching Home - Lived/Living Experience of Homelessness | 31,763 | 74,354 |
| Alberta Health Services - Alberta Brain Injury Initiative | 662,652 | 534,241 |
| Other government support | 401,137 | 412,946 |
| | 2,442,317 | 2,317,462 |

13. Charitable fundraising

| | 2025 | 2024 |
|---|----------|----------|
| Contributions | | |
| Donations and other contributions | 35,406 | 44,853 |
| Fundraising events | 20,943 | 9,273 |
| Casino and raffle | 21,368 | 753 |
| | 77,717 | 54,879 |
| Contributions were utilized as follows | | |
| Program costs | (74,339) | (51,167) |
| Fundraising expense (event costs) | (1,020) | (2,955) |
| Administration costs | (2,358) | (757) |
| | (77,717) | (54,879) |
| | - | - |

The above transactions occurred during the year as a result of charitable fundraising which are required to be disclosed to comply with Alberta Fundraising and Solicitation responsibilities.

14. 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 interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

Financial instruments that potentially subject the Association to concentrations of credit risk consist primarily of trade accounts receivable as it grants credit to its customers in the normal course of business. The Association's sales are concentrated; however, credit exposure is limited due to the Association's large customer base. To mitigate risk, the Association regularly reviews its receivables and follows up on outstanding balances when necessary.

During the year, one support, one municipal government agency, and one federal government agency makes up 93% of total accounts receivable (one supporter made up 88% in 2024).

Canadian Mental Health Association, Alberta Central Region

Notes to the Financial Statements

For the year ended March 31, 2025

15. Economic dependence

The Association's primary source of revenue is from government grants to maintain its operations. If funding is not received, the operations of the Association will be significantly reduced.

16. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.