

The Canadian Mental Health Association, Alberta North East Region, 1994
Financial Statements
March 31, 2022

Management's Responsibility

To the Board of Directors of The Canadian Mental Health Association, Alberta North East Region, 1994:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment 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 of Directors is composed entirely of Directors who are neither management nor employees of the Association. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Association's external auditors.

MNP LLP is appointed by the Members 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 management to discuss their audit findings.

December 7, 2022

signed by "Susan Goll"

Executive Director

signed by "Monica Viel"

Manager of Operations

To the Board of Directors of The Canadian Mental Health Association, Alberta North East Region, 1994:

Qualified Opinion

We have audited the financial statements of The Canadian Mental Health Association, Alberta North East Region, 1994 (the "Association"), which comprise the statement of financial position as at March 31, 2022, 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 our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

The Canadian Mental Health Association, Alberta North East Region, 1994 derives revenue from workshops, fundraising and public support - 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 the Association. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation in scope.

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 Association 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. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified 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 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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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.

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 Association'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 Association'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 Association 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.

Fort McMurray, Alberta

December 7, 2022

MNP LLP

Chartered Professional Accountants

The Canadian Mental Health Association, Alberta North East Region, 1994
Statement of Financial Position

As at March 31, 2022

	2022	2021
Assets		
Current		
Cash (Note 3)	496,902	496,463
Accounts receivable	109,440	282,200
Prepaid expenses and deposits	15,036	9,903
Good and service taxes recoverable	21,241	14,579
	642,619	803,145
Capital assets (Note 4)	51,794	80,080
	694,413	883,225
Liabilities		
Current		
Accounts payable and accruals	79,511	83,246
Deferred contributions (Note 5)	238,631	378,692
	318,142	461,938
Deferred capital contributions related to capital assets (Note 6)	25,380	38,071
	343,522	500,009
Commitments (Note 7)		
Significant event (Note 11)		
Net Assets		
Unrestricted	261,382	277,920
Investment in capital assets	26,414	42,009
Internally restricted funds (Note 8)	63,095	63,287
	350,891	383,216
	694,413	883,225

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association, Alberta North East Region, 1994

Statement of Operations

For the year ended March 31, 2022

	2022	2021
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Revenue (Note 5)		
Grants and sponsorships	757,888	589,536
Public support - donations	224,393	289,931
Fundraising	99,571	120
Government support	78,932	109,199
Fee for service and workshops	17,318	25,408
Public support - gaming	96	48,243
Public support - United Way	-	23,075
Other	-	56
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	1,178,198	1,085,568
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Expenses		
Salaries and benefits	802,161	720,204
Rent	103,557	94,849
Program expenses	87,221	58,907
Subcontracted services	53,747	26,102
Fundraising expenses	37,314	2,432
Amortization	28,286	29,586
Office expenses	23,588	20,513
Professional fees	15,031	11,301
Repairs and maintenance	12,162	7,129
Office equipment lease	8,576	-
Insurance	8,001	7,629
Bank charges and interest	7,795	6,571
Advertising and promotion	7,374	11,960
Divisional fees	5,467	5,713
Utilities	5,445	5,646
Travel	3,024	2,662
Membership fees	1,543	2,394
Event expenses	231	28,419
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	1,210,523	1,042,017
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Excess (deficiency) of revenue over expenses	(32,325)	43,551
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The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association, Alberta North East Region, 1994
Statement of Changes in Net Assets
For the year ended March 31, 2022

	<i>Unrestricted</i>	<i>Investment in capital assets</i>	<i>Internally restricted funds</i>	2022	<i>2021</i>
Net assets, beginning of year	277,920	42,009	63,287	383,216	339,665
Excess (deficiency) of revenue over expenses	(32,325)	-	-	(32,325)	43,551
Amortization of capital assets	28,286	(28,286)	-	-	-
Internally restricted fund transfer (Note 8)	192	-	(192)	-	-
Amortization of deferred capital contributions (Note 6)	(12,691)	12,691	-	-	-
Net assets, end of year	261,382	26,414	63,095	350,891	383,216

The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association, Alberta North East Region, 1994

Statement of Cash Flows

For the year ended March 31, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Cash receipts from contributions	1,184,885	1,167,080
Cash paid to suppliers	(358,885)	(282,279)
Cash paid for salaries and benefits	(825,561)	(720,204)
Cash receipts from interest	-	56
Increase in cash resources	439	164,653
Cash resources, beginning of year	496,463	331,810
Cash resources, end of year	496,902	496,463

The accompanying notes are an integral part of these financial statements

The Canadian Mental Health Association, Alberta North East Region, 1994

Notes to the Financial Statements

For the year ended March 31, 2022

1. Incorporation and nature of the organization

The Canadian Mental Health Association, Alberta North East Region, 1994 (the "Association") is a not-for-profit organization which was registered under the Alberta Societies Act on November 9, 1994 and is a registered charity under the Income Tax Act and thus is exempt from income taxes.

The Association's purpose is to promote the mental health of all and support people experiencing mental illness. The Association is a member of a nation-wide voluntary organization.

2. Significant accounting policies

These 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 which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

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.

Fee for service and workshop revenue is recognized when services are performed and collection is reasonably assured.

Cash and cash equivalents

Cash and cash equivalents include balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using methods and rates intended to amortize the cost of assets over their estimated useful lives.

	Method	Rate
Computer equipment	declining balance	55 %
Computer software	declining balance	33 %
Office equipment	straight-line	5 years
Leasehold improvements	straight-line	lease term

Long-lived assets

Long-lived assets consist of capital assets held for use and 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 assets are 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.

Contributed materials and services

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

The Canadian Mental Health Association, Alberta North East Region, 1994

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

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 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. Amortization is based on the estimated useful lives of capital assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods 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 and all derivative instruments 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 excess (deficiency) of revenue 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.

Related party financial instruments

The Association initially measures Investments or debt instruments with a quoted market value or derivatives originated in a related party transaction ("related party financial instruments") at fair value.

All other related party financial instruments are measured at cost on initial recognition.

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in an active market, or that have observable inputs significant to the determination of fair value, at fair value. The Association has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Association subsequently measures investments in equity instruments quoted in an active market and all derivative instruments at fair value.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized 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.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue 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 excess (deficiency) of revenue over expenses in the year the reversal occurs.

The Canadian Mental Health Association, Alberta North East Region, 1994

Notes to the Financial Statements

For the year ended March 31, 2022

3. Cash

	2022	2021
Unrestricted cash	405,560	422,798
Externally restricted cash - casino	28,247	10,378
Internally restricted cash (<i>Note 8</i>)	63,095	63,287
	496,902	496,463

The regulations of Alberta Gaming, Liquor and Cannabis provide that the use of the net proceeds from casinos is restricted to certain approved expenditures of the Association. The Association defers recognition of casino revenues until such time as the allowable expenditures are incurred.

4. Capital assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer equipment	14,191	14,007	184	1,248
Computer software	1,486	1,486	-	-
Office equipment	25,033	20,152	4,881	8,738
Leasehold improvements	116,823	70,094	46,729	70,094
	157,533	105,739	51,794	80,080

5. Deferred contributions

	Casino	Recovery College & Welcome Center	Canadian Red Cross - Caregiver Connection	Other	2022	2021
Balance, beginning of year	10,378	228,470	43,876	95,968	378,692	500,543
Funding received or receivable	18,145	466,420	57,092	445,560	987,217	1,029,994
Recognized as revenue	(96)	(534,742)	(82,508)	(496,145)	(1,113,491)	(1,047,689)
Interest earned	-	-	-	-	-	1
Funding repaid or repayable	-	-	-	(13,787)	(13,787)	(104,157)
	28,427	160,148	18,460	31,596	238,631	378,692

6. Deferred contributions related to capital assets

	2022	2021
Balance beginning of period	38,071	50,761
Less: Amounts recognized as revenue during the period	(12,691)	(12,690)
	25,380	38,071

The Canadian Mental Health Association, Alberta North East Region, 1994

Notes to the Financial Statements

For the year ended March 31, 2022

7. Commitments

The Association has entered into a rental lease agreement for the use of office space with estimated minimum annual payments as follows:

2023	62,460
2024	66,134
2025	66,134

8. Internally restricted funds

The Association has internally restricted funds of \$63,095 (2020 - \$63,287) set aside for future disaster recovery.

9. 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.

10. Economic dependence

The Association's primary source of revenue is Alberta Health Services. The funding can be cancelled if the Association does not observe certain established guidelines. The Association's ability to continue viable operations is dependent upon the funding and following the guidelines. As at the date of these financial statements, the Association believes that it is in compliance with the guidelines.

11. Significant event

During the year, the global outbreak of COVID-19 (coronavirus) continued, which has had a significant impact on businesses through the restrictions put in place by the Canadian federal, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. In response to the pandemic, the Association had initially closed the Welcome Centre and delivered programming virtually where possible. In-person events and classes were reinstated during the year in accordance with public gathering regulations.

At this time, it is unknown the full extent of the impact the COVID-19 outbreak may have on the Association as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.