Docusign Envelope ID: 8D391FA5-3348-4197-8872-73355F18A365

Financial statements of

THE CANADIAN MENTAL HEALTH ASSOCIATION

(operating as the Canadian Mental Health Association (National))

March 31, 2025

Docusign Envelope ID: 8D391FA5-3348-4197-8872-73355F18A365

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INDEPENDENT AUDITOR'S REPORT

To the Members of
The Canadian Mental Health Association

Qualified Opinion

We have audited the financial statements of The Canadian Mental Health Association ("the Association") which comprise the statement of financial position as at March 31, 2025 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, 2025, 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

In common with many charitable organizations, the Association derives revenue from donations and sponsorships, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our 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 donations and sponsorships revenues, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, current assets as at March 31, 2025 and 2024, and net assets as at April 1 and March 31 for both the 2025 and 2024 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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.

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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 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.

TORONTO, Ontario
June 21, 2025

Licensed Public Accountants

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THE CANADIAN MENTAL HEALTH ASSOCIATION
Statement of Financial Position

As at March 31	2025	2024
Assets		
Current		
Cash	**$ 239,778**	$ 2,376,649
Accounts receivable (note 9(a))	**3,798,128**	3,354,000
Prepaid expenses	**182,941**	386,402
	4,220,847	6,117,051
Investments (note 3)	**5,236,420**	5,497,439
Capital and intangible assets (note 4)	**78,542**	-
	$ 9,535,809	$ 11,614,490
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities (note 9(b))	**$ 3,646,967**	$ 3,570,306
Deferred revenue (note 5)	**1,974,120**	3,097,232
	5,621,087	6,667,538
Net assets		
Unrestricted	**369,602**	1,406,959
Internally restricted (note 6)	**3,545,120**	3,539,993
	3,914,722	4,946,952
	$ 9,535,809	$ 11,614,490

Commitments (note 7)
Contingency (note 10)

On behalf of the Board of Directors:

Signed by:
Ross Manning
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Chair

DocuSigned by:
Amanda O'Sullivan
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Treasurer

See accompanying notes to financial statements.

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THE CANADIAN MENTAL HEALTH ASSOCIATION
Statement of Operations

Year ended March 31	2025	2024
Revenue		
Donations and sponsorships	**$ 4,241,363**	$ 3,284,982
Push-Up Challenge donations	**4,018,416**	2,451,426
Workplace mental health program subscription and training	**1,393,840**	1,932,820
Investment income	**337,673**	254,629
Ride Don't Hide registration and donations	**337,119**	345,481
Division support license fees (note 9(c))	**218,750**	218,750
Federation web platform fees	**162,750**	291,450
Certification fees	**90,304**	58,140
Bequests	**32,615**	279,766
Other	**7,546**	104,758
Program grants	**-**	1,694,153
Revenue sharing (note 9(d))	**(2,501,249)**	(1,829,264)
	8,339,127	9,087,091
Expenses		
Salaries and benefits	**5,206,405**	5,035,388
Push-Up Challenge	**1,243,313**	898,459
Program funding to other CMHAs (note 9(e))	**846,265**	1,436,226
Purchased services	**501,552**	904,687
Selling	**367,238**	68,452
Technology	**355,844**	446,200
Administrative and other	**194,495**	258,986
Bad debt	**126,373**	-
Translation	**111,844**	45,614
Occupancy	**108,653**	125,572
Credit card processing and other service charges	**106,501**	73,396
Travel	**98,242**	126,354
Creative and design	**80,502**	37,512
Amortization of capital assets	**12,190**	-
Media monitoring	**11,940**	10,069
Property tax recovery	**-**	(60,215)
	9,371,357	9,406,700
Deficiency of revenue over expenses for the year	**$ (1,032,230)**	$ (319,609)

See accompanying notes to financial statements.

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THE CANADIAN MENTAL HEALTH ASSOCIATION
Statement of Changes in Net Assets

Year ended March 31	Unrestricted	Internally restricted: Contingency reserve	Internally restricted: Strategic initiative reserve	Total 2025	Total 2024
Net assets, beginning of year	**$ 1,406,959**	**$ 3,174,993**	**$ 365,000**	**$ 4,946,952**	$ 5,266,561
Deficiency of revenue over expenses	**(1,032,230)**	**-**	**-**	**(1,032,230)**	(319,609)
Transfers (note 6)	**(5,127)**	**-**	**5,127**	**-**	-
Net assets, end of year	**$ 369,602**	**$ 3,174,993**	**$ 370,127**	**$ 3,914,722**	$ 4,946,952

See accompanying notes to financial statements.

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THE CANADIAN MENTAL HEALTH ASSOCIATION
Statement of Cash Flows

Year ended March 31	**2025**	2024
Cash provided (used) by operating activities:		
Deficiency of revenue over expenses for the year	**$ (1,032,230)**	$ (319,609)
Items not requiring an outlay of cash:		
Amortization of capital assets	**12,190**	-
Unrealized gain on investments	**(46,595)**	(50,967)
	(1,066,635)	(370,576)
Changes in non-cash working capital items:		
Accounts receivable	**(444,128)**	(1,587,937)
Prepaid expenses	**203,461**	(386,402)
Accounts payable and accrued liabilities	**76,661**	2,495,303
Deferred revenue	**(1,123,112)**	1,258,273
	(1,287,118)	1,779,237
Net cash provided (used) by operating activities	**(2,353,753)**	1,408,661
Cash provide (used) by investing activities:		
Purchase of capital assets	**(90,732)**	-
Purchase of investments (net)	**307,614**	(4,168,400)
Cash provided (used) by investing activities	**216,882**	(4,168,400)
Decrease in cash	**(2,136,871)**	(2,759,739)
Cash, beginning of year	**2,376,649**	5,136,388
Cash, end of year	**$ 239,778**	$ 2,376,649

See accompanying notes to financial statements.

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1 Organization

The Canadian Mental Health Association (operating as The Canadian Mental Health Association (National)) ("the Association") was incorporated under Letters Patent of Canada in 1926 as a registered charity. The Association is a national association that exists to promote mental health of all and support the recovery and resilience of people experiencing mental illness.

Provincial / territorial divisions and regional branches of the Association were established to deal with the affairs of the Association, which are deemed to be a provincial / territorial or regional nature. The Association is responsible for the affairs at a national level and works closely with all levels of the Association to achieve its mandate. The Association has significant influence over the activities of the provincial / territorial divisions and regional branches. The assets, liabilities and results of operations of the Canadian Mental Health Association provincial divisions and branches are not included in the financial statements as they are not controlled by the Association.

The Association is a registered charity and is exempt from income taxes.

2 Significant accounting policies

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

(a) Revenue recognition

(i) Contributions

The Association follows the deferral method of accounting for contributions.

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.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized. Contributions restricted for the purchase of capital assets are deferred and recognized as revenue on the same basis as the amortization expense related to the acquired capital asset.

(ii) Workplace mental health program subscription

Workplace mental health program subscription fees are recognized as revenue in the fiscal year to which they relate. Workplace mental health program subscription fees received in advance of the fiscal year to which they relate are recorded as deferred revenue.

(iii) License and web hosting fees from provincial divisions / branches

License and web hosting fees from provincial divisions / branches are recognized evenly over the fiscal year.

(iv) Event revenues

Event revenues including Push-up Challenge and Ride Don't Hide registration and donations, sponsorships and conference revenues are recognized in revenue upon completion of the event.

(v) Other fees

Fees for services are recognized as revenue when the service is rendered.

(vi) Bequests

The Association may be the beneficiary under various wills and trust agreements. The total realizable amounts are not at present readily determinable. The Association recognizes such bequests when the proceeds are received.

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2 Significant accounting policies (continued)

(b) Cash

Cash includes cash on deposit with a major financial institution. From time to time, the investment portfolio holds cash and cash equivalents as a short-term strategy. Such investments are shown under the investments caption in the non-current assets section of the statement of financial position as they are not used for current operating needs.

(c) Investments

The Association may liquidate investments upon approval by the Board of Directors to fund special projects and operations. Investments have been presented as non-current as the Association does not intend to liquidate.

(d) Capital and intangible assets

The Association records capital assets at cost. The cost of a capital asset comprises its purchase price and any directly attributable cost of preparing the asset for its intended use.

When conditions indicate a capital asset no longer contributes to the Association's ability to provide services or changes in circumstances indicate that its carrying amount may not be recoverable, its net carrying amount is written down to its fair value or replacement cost.

(i) Tangible capital assets

Tangible capital assets are amortized on a straight-line basis, except where otherwise noted, using the following annual rates:

Computers and equipment	30% declining balance
Furniture	10 years
Leasehold improvements	Term of lease

(ii) Intangible assets with finite useful life

Intangible assets with a finite useful life consist of the Association's website and are measured at cost less accumulated amortization. The website has been amortized over its estimated useful life of 3 years on a straight-line basis.

(e) Employee pension plans

After completing twelve months of service, all full-time employees of the Association are offered the option to become members of The Canadian Mental Health Association Pension Plan ("the Plan"), which is a multi-employer defined contribution pension plan for the Association's employees across the country, after completing twelve months of service.

The Association does not recognize any share of the Plan's pension surplus or deficit as insufficient information is available to identify the Association's share of the underlying pension assets and liabilities.

Defined contribution accounting is applied to the Plan and contributions to the Plan are expensed as incurred.

(f) Contributed goods and services

Contributed materials and services are recognized only when a fair value can be reasonably estimated and when the material and services are used in the normal course of the Association's operations and would otherwise have been purchased. The Association has opted not to recognize in the financial statements contributed materials and services received as donations-in-kind.

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2 Significant accounting policies (continued)

(g) Financial instruments

(i) Measurement

The Association initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for cash and investments, which are measured at fair value. Fair values are determined by reference to quoted market prices in active markets.

(ii) Impairment

When there is an indication of impairment or such an impairment is determined to have occurred, the carrying amount of financial assets is reduced by the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of that asset. If the circumstances that led to the Association recording an impairment improve and management determines that all or a portion of the impairment can be recovered, the impairment is reversed up to the amount that the financial asset would have otherwise been recorded at on the reversal date.

(h) Management 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, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the current period. Significant estimates include the impairment of accounts receivable and allocated program expenses funded by program grants.

Actual results could differ from those estimates, the impact of which would be recorded in future periods. All estimates are reviewed periodically and adjustments are made to the statement of operations in the year they become known.

3 Investments

As at March 31	**2025**	2024
Cash and cash equivalents	**$ 51,174**	$ 56,216
Guaranteed investment certificate ("GIC")	**3,745,055**	-
Fixed income	**848,281**	4,892,668
Canadian equities	**422,205**	387,416
U.S. equities	**169,705**	161,139
Investments, carrying value	**$ 5,236,420**	$ 5,497,439
Investments, at cost	**$ 5,049,428**	$ 5,295,326

The GIC's yield interest at rates ranging from 2.95% to 4.45% (2024 - 5.20% to 6.05%) and mature on dates ranging from September 18, 2025 to March 17, 2026 (2024 - September 2, 2024 to February 21, 2025).

The fixed income investments are pooled funds, yielding rates ranging from 2.89% to 6.60% (2024 - 2.37% to 6.59%).

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4 Capital assets

As at March 31	2025		2024	
	Cost	**Accumulated amortization**	Cost	Accumulated amortization
Computers and equipment	**$ 168,518**	**$ 168,518**	$ 168,518	$ 168,518
Website	**165,320**	**165,320**	165,320	165,320
Furniture	**77,376**	**7,738**	-	-
Leasehold improvements	**13,356**	**4,452**	-	-
	$ 424,570	**$ 346,028**	$ 333,838	$ 333,838
Net book value		**$ 78,542**		$ -

5 Deferred revenue

As at March 31	2025	2024
Externally restricted contributions	**$ 1,591,866**	$ 2,499,093
Workplace mental health program subscription	**382,254**	598,139
	$ 1,974,120	$ 3,097,232

The activity in deferred revenue is as follows:

	Opening	**Additions (Repayments)**	**Revenue**	**Deferred**
Externally restricted contributions				
Bounceback	**$ 997,213**	**$ 600,000**	**$ (1,131,508)**	**$ 465,705**
Campus Peer Support	**157,821**	**(31,347)**	**(117,974)**	**8,500**
Research	**119,664**	**-**	**(119,664)**	**-**
Recovery Colleges	**859,396**	**-**	**(237,460)**	**621,936**
Resilient Minds and Rural MH	**345,000**	**375,000**	**(283,668)**	**436,332**
MHCC	**-**	**50,000**	**-**	**50,000**
Other	**19,999**	**26,276**	**(36,882)**	**9,393**
	2,499,093	**1,019,929**	**(1,927,156)**	**1,591,866**
Workplace mental health program	**598,139**	**382,254**	**(598,139)**	**382,254**
	$ 3,097,232	**$ 1,402,183**	**$ (2,525,295)**	**$ 1,974,120**

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5 Deferred revenue (continued)

Revenue has been recognized on the statement of operations as follows:

Year ended March 31	**2025**	2024
Workplace mental health program subscription and training	**$ 598,139**	$ 707,285
Donations and sponsorships	**1,927,156**	600,665
Program grants	**-**	1,694,153
	$ 2,525,295	$ 3,002,103

6 Internally restricted net assets

The Board of Directors of the Association has internally restricted funds to be used for specific purposes.

	Beginning of year	**Transfers**	**End of year**
Contingency reserve	**$ 3,174,993**	**$ -**	**$ 3,174,993**
Strategic initiative reserve	**365,000**	**5,127**	**370,127**
	$ 3,539,993	**$ 5,127**	**$ 3,545,120**

(a) Contingency reserve

In accordance with the Internally Restricted Reserve Policy approved by the Board of Directors, a contingency reserve is to be maintained at an amount equal to between six to nine months operating expenses of the Association, currently estimated by management to be $2,500,000 to $3,750,000 (2024 - $2,500,000 to $3,750,000).

Funds in the contingency reserve are held at the discretion of the Board of Directors and may be utilized only upon approval by the Board of Directors.

(b) Strategic initiative reserve

A strategic initiative reserve has been approved by the Board of Directors and is to be maintained at a minimum of $100,000 (2024 - $100,000).

Funds held in the strategic initiative reserve are held at the discretion of the Board of Directors but may be utilized by the Chief Executive Officer of the Association upon approval of the Board of Directors.

During the year, the Board of Directors approved a transfer of $235,000 from unrestricted net assets to strategic initiative reserve. Additionally, the Board of Directors approved a transfer of $229,873 from strategic initiative reserve to unrestricted net assets to fund branding revitalization project.

7 Commitments

The Association has a lease commitment for the premises which expires in November 2027 and requires the following minimum annual payments before applicable sales taxes and additional rent:

2026	$ 146,613
2027	157,609
2028	168,606
Total	$ 472,828

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8 Pension

Employer contributions made to the plan during the year by the Association total $193,605 (2024 - $145,200). These amounts are included in salaries and benefits in the statement of operations.

Each year an independent actuary determines the funding status of the Plan by comparing the actuarial value of invested assets to the estimated present value of all pension benefits that members have earned to date. The most recent actuarial valuation of the Plan as at December 31, 2024 indicates the Plan is 101% funded. The Plan's statement of financial position as at December 31, 2024 disclosed total pension obligations of $62.8 million with net assets at that date of $63.4 million indicating a surplus of $572 thousand.

9 Provincial / territorial divisions and regional branches transactions and balances

Transactions with the provincial / territorial divisions and regional branches are in the normal course of operations and have been recorded at the exchange amount, which is the amount of consideration agreed to by both parties.

(a) Accounts receivable

Included in accounts receivable is $167,176 (2024 - $118,497) receivable from provincial / territorial divisions and regional branches. Amounts receivable are non-interest bearing and have no fixed terms.

(b) Accounts payable

Included in accounts payable is $84,207 (2024 - $626,657) payable to provincial / territorial divisions and regional branches. Amounts payable are non-interest bearing and have no fixed terms of repayment.

(c) Revenue

Included in revenues of the Association are the following amounts from provincial / territorial divisions and regional branches:

Year ended March 31		**2025**		2024
Division support license fees	**$**	**218,750**	$	218,750
Federation web platform fees		**162,750**		291,450
Other		**1,095**		26,782
	$	**382,595**	$	536,982

(d) Revenue sharing

The Association receives general, Push-up Challenge and Ride Don't Hide donations which are designated for provincial / territorial divisions and regional branches. The amounts received are recorded in revenues of the Association. The Association transfers the revenues, less an administrative fee, to the designated provincial / territorial divisions and regional branches. The amounts transferred to the designated provincial / territorial divisions and regional branches of $2,501,249 (2024 - $1,829,264) is recorded as a reduction in gross revenues.

(e) Program funding to other CMHAs

The Association provides funding to it's provincial / territorial and regional branches. The amounts provided to provincial / territorial divisions and regional branches was $846,265 (2024 - $1,436,226).

10 Contingency

During the year a statement of claim was received. Management expects a notice of discontinuance to be filed by the claimant. If a notice of discontinuance is not filed by the claimant and the Association is unsuccessful in defending this claim, it is not anticipated that the award, if any, will exceed the limits of the Association's insurance coverage.

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11 Financial instruments

The Association is exposed to various risks through its financial instruments. The following analysis provides a measure of the Association's risk exposure and concentrations. The financial instruments and the nature of the risks to which they may be subject are as follows:

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk through its cash, accounts receivable and investments.

The Association's bank accounts are held at one financial institution and funds on deposit exceed the maximum amount insured and hence there is a concentration of credit risk.

Fees and other accounts receivable are unsecured and therefore pose a higher risk of default.

Credit risk related to investments is minimized by ensuring that these assets are invested in credit-worthy parties.

Liquidity risk

Liquidity risk is the risk that the Association will not be able to meet a demand for cash or fund its obligations as they come due.

The Association manages liquidity risk through its investment policy and cash flow budgeting process.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk is comprised of currency risk, interest rate risk and other price risk.

Currency risk

Currency risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association's investment portfolio includes US equities. As a result, the Association is exposed to the risk that arises from fluctuation of foreign exchange rates.

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 Association is subject to interest rate risk to the extent that interest rates may affect the value of fixed income securities held.

The Association has formal policies and procedures that establish target asset mix, minimum credit ratings and varying terms of the securities held.

Other price risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments in the market.

The Association is exposed to other price risk through its investment in equities.

Changes in risk

There have been no significant changes in the Association's risk exposures from the prior year.