

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION
Financial Statements
Year Ended March 31, 2024

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Index to Financial Statements

Year Ended March 31, 2024

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Earnings	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 11
Schedule of Project Revenues and Expenditures by Category (<i>Schedule 1</i>)	12

LYLE TILLEY DAVIDSON
Chartered Professional Accountants

INDEPENDENT AUDITOR'S REPORT

To the Members of The Canadian Mental Health Association-Nova Scotia Division

Qualified Opinion

We have audited the financial statements of The Canadian Mental Health Association-Nova Scotia Division (the "Association"), which comprise the statement of financial position as at March 31, 2024, and the statements of earnings, 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, 2024, 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 (ASNPO).

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities 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 fundraising revenue, excess of revenues over expenditures, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 has been modified accordingly because of the possible effects of this limitation of 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 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 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 ASNPO, 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.

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Independent Auditor's Report to the Members of The Canadian Mental Health Association-Nova Scotia Division (*continued*)

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.



Halifax, Nova Scotia
May 27, 2024

CHARTERED PROFESSIONAL ACCOUNTANTS

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Statement of Financial Position

March 31, 2024

	2024	2023
ASSETS		
CURRENT		
Cash	\$ 202,087	\$ 337,912
Term deposits (Note 4)	428,944	207,517
Accounts receivable	47,946	27,064
Harmonized sales tax recoverable	12,674	2,636
Prepaid expenses	12,349	5,303
	<u>704,000</u>	580,432
LONG TERM INVESTMENTS (Note 5)	<u>-</u>	203,458
	\$ 704,000	\$ 783,890
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 75,917	\$ 72,988
Deferred revenue (Note 7)	309,336	334,118
	<u>385,253</u>	407,106
NET ASSETS		
Unrestricted net assets	214,483	277,681
Internally restricted funds (Note 8)	104,264	99,103
	<u>318,747</u>	376,784
	\$ 704,000	\$ 783,890

ON BEHALF OF THE BOARD

_____ Director

_____ Director

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

**Statement of Earnings
Year Ended March 31, 2024**

	2024	2023
REVENUES (Schedule 1, Note 6)		
Project HOPE	\$ 530,875	\$ 401,556
Education - Training	336,910	333,820
mPower	143,869	-
At Work	143,527	134,095
Education - Programming	142,298	103,955
Donations & Special Events	112,385	76,003
Trustee funding - receipts	85,977	17,215
Diversion / Eviction Prevention funding	46,105	73,631
Other revenue	37,671	22,077
	1,579,617	1,162,352
EXPENDITURES (Schedule 1)		
Project HOPE	530,604	401,723
Education - Training	338,833	290,552
mPower	143,869	-
At Work	143,527	134,095
Education - Programming	135,258	99,732
Trustee funding - expenditures	85,977	17,215
Diversion / Eviction Prevention funding	46,105	73,631
Other expenditures	-	3,052
	1,424,173	1,020,000
GENERAL, ADMINISTRATIVE, AND FUNDRAISING (Schedule 1)		
Computer costs	1,368	3,090
Employee salaries	99,072	132,785
Membership dues - National	18,427	18,502
Office and administrative	33,516	28,930
Professional fees	51,847	47,832
Rental	5,619	3,847
Travel	3,632	7,238
	213,481	242,224
	1,637,654	1,262,224
DEFICIENCY OF REVENUES OVER EXPENDITURES FOR THE YEAR	\$ (58,037)	\$ (99,872)

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Statement of Changes in Net Assets

Year Ended March 31, 2024

	Unrestricted net assets	Internally restricted funds	2024	2023
NET ASSETS - BEGINNING OF YEAR	\$ 277,681	\$ 99,103	\$ 376,784	\$ 476,656
Excess (deficiency) of revenues over expenditures	(63,198)	5,161	(58,037)	(99,872)
NET ASSETS - END OF YEAR	\$ 214,483	\$ 104,264	\$ 318,747	\$ 376,784

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

**Statement of Cash Flows
Year Ended March 31, 2024**

	2024	2023
OPERATING ACTIVITIES		
Deficiency of revenues over expenditures	\$ (58,037)	\$ (99,872)
Changes in non-cash working capital:		
Accounts receivable	(20,882)	(12,816)
Harmonized sales tax recoverable	(10,038)	4,568
Prepaid expenses	(7,046)	(2,391)
Accounts payable and accrued liabilities	2,930	11,661
Deferred revenue	(24,782)	281,161
	<u>(59,818)</u>	282,183
Cash flow from (used by) operating activities	<u>(117,855)</u>	182,311
INVESTING ACTIVITIES		
Purchase of term deposits	(17,970)	(2,290)
Proceeds on sale of term deposits	-	99,435
Cash flow from (used by) investing activities	<u>(17,970)</u>	97,145
INCREASE (DECREASE) IN CASH FLOW	(135,825)	279,456
Cash - beginning of year	<u>337,912</u>	58,456
CASH - END OF YEAR	\$ 202,087	\$ 337,912

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Notes to Financial Statements

Year Ended March 31, 2024

1. PURPOSE OF THE ASSOCIATION

The Canadian Mental Health Association-Nova Scotia Division (the "Association") was incorporated by Chapter 142 of the Acts of Nova Scotia Legislature of 1931 under the name of "The Nova Scotia Society for Mental Hygiene". The name was changed and the objectives of the Association expanded by an amendment of the Act, March 13, Chapter 118 of the Acts of 1961. The Association is a registered charity under federal income tax legislation.

The Association's mission is to support the mental health of all Nova Scotians. This mission is achieved through the provision of community-based supports and services that promotes positive mental health, quality of life, and prevents mental health related injury and disease through:

Strengthening our collective voice by developing collaborative and supportive relationships among multiple sectors and partners, in support of mental health for all;

Ensuring quality services through the provision of quality and timely, evidence-based mental health promotion, injury-disease (mental health and addictions) awareness, education, training, programs and initiatives that improve mental health and quality of life for all Nova Scotians; and,

Enhancing organizations' health by providing provincial and local community leadership to pilot and deliver innovative evidence-based mental health promotion, injury-disease recovery based prevention supports and services for all Nova Scotians.

The Association receives funds and incurs expenditures for specific communities or purposes. The funds are considered restricted in use for the purpose for which they were intended. Any unexpended funds held at the end of the fiscal year are classified as internally restricted funds and safeguarded for future use.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Cash and cash equivalents

Cash consists of cash on hand and deposits held in Canadian financial institutions net of outstanding cheques.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued, except for transactions with related parties which are recorded at the exchange amount. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

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THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Notes to Financial Statements

Year Ended March 31, 2024

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Capital assets

Capital assets are stated at cost less accumulated amortization and are amortized over their estimated useful lives at the following rates and methods:

Computer equipment	30%
Furniture and fixtures	20%

Amortization is calculated at one-half of the normal annual rate in the year of acquisition; no amortization is recorded in the year of disposal. All assets were fully amortized at March 31, 2024.

Impairment of long-lived assets

The Association tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Revenue recognition

The Canadian Mental Health Association-Nova Scotia Division 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.

Donated goods

Donated goods are recorded at their fair market value at the time of the donation. During the year, no goods were donated (2023 - \$nil).

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Government grants

Government grants are recorded when there is a reasonable assurance that the Association had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

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 amount 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 period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. The most significant estimates in these financial statements include the allowance for doubtful accounts, the estimated useful life of capital assets and accrued liabilities. At March 31, 2024, there was no allowance for doubtful accounts (2023 - \$nil).

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Notes to Financial Statements

Year Ended March 31, 2024

3. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. Financial instruments consist of cash, term deposits, accounts receivable, accounts payable and accrued liabilities, and long term investments. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2024.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from funders. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. Due to the nature of the funding, credit risk is minimized.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its funders and other related sources and accounts payable and accrued liabilities.

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 comprises three types of risk: currency risk, interest rate risk and other price risk. The Association is mainly exposed to interest rate risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities. The Association is exposed to interest rate risk primarily through its term deposits.

4. TERM DEPOSITS

Term deposits consist of the following guaranteed investment certificates (GICs):

	<u>2024</u>	<u>2023</u>
(a) GIC, earning interest at 4.90%, with a maturity date of April 11, 2024.	\$ 213,503	\$ -
(b) GIC, earning interest at 4.00%, with a maturity date of May 2, 2024.	215,441	-
GIC matured in the year	-	207,517
	<u>\$ 428,944</u>	<u>\$ 207,517</u>

The GIC that matured during the year was immediately renewed to a Cashable GIC.

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Notes to Financial Statements

Year Ended March 31, 2024

5. LONG TERM INVESTMENTS

Long term investments consists of the following GIC:

	<u>2024</u>	<u>2023</u>
GIC, earning interest at 4.90%, with a maturity date of April 11, 2024.	\$ -	\$ 203,458

6. REVENUES

During the year, the Association recognized revenues from the following sources:

	<u>2024</u>	<u>2023</u>
Affordable Housing Association of Nova Scotia (AHANS) -Project HOPE	\$ 286,875	\$ 225,759
Department of Community Services (DCS) - Project HOPE	243,000	175,546
Department of Community Services (DCS) - Education - Training	79,000	79,000
Office of Addictions and Mental Health (OAMH) - mPower Employment and Social Development Canada (ESDC) - At Work	79,901	-
Department of Health & Wellness (DHW) - various projects	147,621	134,096
Mental Health Foundation of Nova Scotia (MHF-NS) - various projects	121,987	99,567
Red Cross - various projects	132,281	78,002
Trustee funding	113,608	19,090
Diversion / Eviction Prevention funding	85,977	17,215
Other sources	46,105	73,631
	<u>243,262</u>	<u>260,447</u>
	\$ 1,579,617	\$ 1,162,353

7. DEFERRED REVENUE

	<u>Opening</u>	<u>Receipts</u>	<u>Expenditures</u>	<u>Ending</u>
AHANS - Project HOPE	\$ 12,282	\$ 298,476	\$ 286,874	\$ 23,884
DHW - various projects	27,883	119,265	121,987	25,161
CMHA-Vancouver - Education - Training	-	12,000	-	12,000
Training revenue	9,468	77,921	23,293	64,096
OAMH - mPower	173,380	-	79,901	93,479
MHF-NS - various projects	94,742	128,254	132,280	90,716
Red Cross - various projects	16,363	94,430	110,793	-
	<u>\$ 334,118</u>	<u>\$ 730,346</u>	<u>\$ 755,128</u>	<u>\$ 309,336</u>

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION

Notes to Financial Statements

Year Ended March 31, 2024

8. INTERNALLY RESTRICTED FUNDS

	Opening	Receipts	Expenditures	Ending
CAST	\$ 32,528	\$ 7,310	\$ 270	\$ 39,568
Annapolis	33,697	-	-	33,697
Kings	1,526	-	-	1,526
Cumberland	3,661	-	-	3,661
Cape Breton	13,358	-	-	13,358
Halifax	3,915	-	-	3,915
Project HOPE	418	1,000	86	1,332
Thrive	10,000	21,341	24,134	7,207
	<u>\$ 99,103</u>	<u>\$ 29,651</u>	<u>\$ 24,490</u>	<u>\$ 104,264</u>

9. COMPARATIVE FIGURES

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

THE CANADIAN MENTAL HEALTH ASSOCIATION-NOVA SCOTIA DIVISION
Schedule of Project Revenues and Expenditures by Category
Year Ended March 31, 2024

(Schedule 1)

	Project HOPE	Education - Training	m-Power	At Work	Education - Programming	Other & Administrative	Trustee Funding	Diversion / Eviction Prevention	Total
REVENUES									
Government grant funding	\$ 243,000	\$ 88,265	\$ 79,901	\$ 143,527	\$ 112,721	\$ -	\$ 85,977	\$ -	\$ 753,391
Non-government grant funding	286,875	155,285	63,968	-	22,267	-	-	-	528,395
Donations and fundraising	1,000	2,968	-	-	7,310	48,766	-	-	60,044
Other	-	1,025	-	-	-	6,667	-	46,105	53,797
Education & training	-	69,486	-	-	-	740	-	-	70,226
Interest	-	-	-	-	-	30,264	-	-	30,264
Special event	-	19,881	-	-	-	30,048	-	-	49,929
Corporate sponsorship	-	-	-	-	-	33,571	-	-	33,571
	<u>530,875</u>	<u>336,910</u>	<u>143,869</u>	<u>143,527</u>	<u>142,298</u>	<u>150,056</u>	<u>85,977</u>	<u>46,105</u>	<u>1,579,617</u>
EXPENDITURES									
Client support	28,186	-	-	21,353	-	-	85,977	46,105	181,621
Computer costs	-	962	-	-	538	1,368	-	-	2,868
Employee salaries	434,568	222,966	125,069	114,117	98,093	99,072	-	-	1,093,885
Dues & fees	-	561	-	-	-	18,427	-	-	18,988
Office and administrative	59,613	81,828	8,203	7,056	24,074	33,516	-	-	214,290
Professional fees	-	-	-	-	-	51,847	-	-	51,847
Rental	-	2,691	-	-	2,983	5,619	-	-	11,293
Travel	8,237	29,825	10,597	1,001	9,570	3,632	-	-	62,862
	<u>530,604</u>	<u>338,833</u>	<u>143,869</u>	<u>143,527</u>	<u>135,258</u>	<u>213,481</u>	<u>85,977</u>	<u>46,105</u>	<u>1,637,654</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	\$ 271	\$ (1,923)	\$ -	\$ -	\$ 7,040	\$ (63,425)	\$ -	\$ -	\$ (58,037)