

**CANADIAN MENTAL HEALTH ASSOCIATION,
WINDSOR-ESSEX COUNTY BRANCH**

FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

Table of Contents

	Page
INDEPENDENT AUDITOR'S REPORT	1-3
FINANCIAL STATEMENTS	
Statement of Financial Position	4
Statement of Operations	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to Financial Statements	8-12



INDEPENDENT AUDITOR'S REPORT

To the Directors of Canadian Mental Health Association, Windsor-Essex County Branch:

Qualified Opinion

We have audited the financial statements of **CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH ("the Entity")**, which comprise the statement of financial position as at March 31, 2025 and the statement of operations, statement of changes in net assets and statement of 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 matters 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 Entity 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 not-for profit organizations, the Entity derives revenue from donations and 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 Entity. Therefore, we were not able to determine whether any adjustments might be necessary to this revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2025 and 2024, 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 Entity 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 audit opinion.



INDEPENDENT AUDITOR'S REPORT (CONTINUED)

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 Entity'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 Entity or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity'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 for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

300-3100 Temple Drive
Windsor, ON N8W 5J6
Tel: (519) 977-6410
Fax: (519) 977-7083
Website: www.rothmosey.com

INDEPENDENT AUDITOR'S REPORT (CONTINUED)

- 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 Entity'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 Entity'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 Entity 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.

Roth Mosey & Partners LLP

**ROTH MOSEY & PARTNERS LLP
LICENSED PUBLIC ACCOUNTANTS**

**Windsor, Ontario
June 25, 2025**

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF FINANCIAL POSITION

March 31, 2025 (with comparative figures for 2024)

	<u>2025</u>	<u>2024</u>
ASSETS (Note 4)		
<i>Current assets</i>		
Cash	\$ 7,580,088	\$ 6,575,537
Accounts receivable	580,779	742,573
Government remittances receivable	103,454	107,522
Prepaid expenses and deposits	255,436	283,860
	8,519,757	7,709,492
<i>Property and equipment</i> (Note 3)	1,625,437	1,802,235
<i>Endowment investment</i> (Note 8)	137,000	137,000
	\$ 10,282,194	\$ 9,648,727
LIABILITIES AND NET ASSETS		
<i>Current liabilities</i>		
Accounts payable and accrued liabilities	\$ 3,482,564	\$ 3,381,089
Government remittances payable	323,561	293,377
Current portion of deferred contributions (Note 5)	376,491	332,073
Current portion of long-term debt (Note 7)	-	23,446
	4,182,616	4,029,985
<i>Long-term liabilities</i>		
Deferred contributions, net of current portion (Note 5)	2,079,846	1,952,066
	2,079,846	1,952,066
	6,262,462	5,982,051
<i>Net assets</i>		
Unrestricted	2,370,922	1,922,401
Internally restricted (Note 8)	884,335	844,611
Externally restricted (Note 8)	122,310	104,168
Invested in property and equipment (Note 3)	642,165	795,496
	4,019,732	3,666,676
	\$ 10,282,194	\$ 9,648,727
On behalf of the Board:		
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Signed by:</div> <div style="margin-left: 10px;">Director</div> </div>		
<div style="display: flex; align-items: center;"> <div style="margin-right: 10px;">Signed by:</div> <div style="margin-left: 10px;">Director</div> </div>		

See accompanying notes

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF OPERATIONS

For The Year Ended March 31, 2025 (with comparative figures for 2024)

	<u>2025</u>	<u>2024</u>
Revenue		
Ontario Health (West) (Note 12)	\$ 19,191,702	\$ 17,436,070
Fundraising	517,095	582,527
Other revenue (Note 6)	3,273,942	2,962,297
Amortization of deferred contributions (Notes 3, 5)	354,073	389,107
	23,336,812	21,370,001
Expenses		
Amortization	482,718	527,908
Building occupancy (Note 13)	511,753	414,002
Equipment repairs, replacement and mobile clinic	178,718	96,302
Housing rent subsidies	1,054,676	936,375
Professional and consulting fees	117,371	290,760
Salaries and benefits (Note 9)	18,969,813	17,215,561
Supplies and other expenses (Note 7)	1,668,707	1,753,938
	22,983,756	21,234,846
Excess of revenue over expenses	\$ 353,056	\$ 135,155

See accompanying notes

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY

STATEMENT OF CHANGES IN NET ASSETS

For The Year Ended March 31, 2025 (with comparative figures for 2024)

	Unrestricted	Internally restricted	Externally restricted
Net assets, beginning of year	\$ 1,922,401	\$ 844,611	\$ 104,168
Excess of revenue over expenses	353,056	-	-
Interfund transfers (<i>Note 10</i>)	(57,866)	39,724	18,142
Invested in property and equipment	153,331	-	-
<i>Net assets, end of year</i>	\$ 2,370,922	\$ 884,335	\$ 122,310

See accompanying notes

Invested in property and equipment	Total 2025	Total 2024
\$ 795,496	\$ 3,666,676	\$ 3,531,521
-	353,056	135,155
-	-	-
(153,331)	-	-
\$ 642,165	\$ 4,019,732	\$ 3,666,676

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

STATEMENT OF CASH FLOWS

For The Year Ended March 31, 2025 (with comparative figures for 2024)

	<u>2025</u>	<u>2024</u>
<i>Operating activities</i>		
Excess of revenue over expenses	\$ 353,056	\$ 135,155
Adjustments to reconcile excess of revenue over expenses to cash flow from operations		
Amortization of property and equipment	482,718	527,908
Amortization of deferred contributions	(354,073)	(389,107)
<i>Cash flow from operations</i>	481,701	273,956
Change in:		
Accounts receivable	161,794	(353,914)
Government remittances receivable/payable	34,252	(78,509)
Prepaid expenses and deposits	28,424	(14,969)
Accounts payable and accrued liabilities	101,475	(13,283)
<i>Cash provided by (used in) operating activities</i>	807,646	(186,719)
<i>Financing activities</i>		
Repayment of long-term debt	(23,446)	(25,349)
Net deferred contributions received	526,271	1,109,098
<i>Cash provided by financing activities</i>	502,825	1,083,749
<i>Investing activities</i>		
Acquisition of property and equipment	(305,920)	(721,225)
<i>Cash used in investing activities</i>	(305,920)	(721,225)
<i>Net increase in cash for the year</i>	1,004,551	175,805
Cash, beginning of year	6,575,537	6,399,732
<i>Cash, end of year</i>	\$ 7,580,088	\$ 6,575,537

See accompanying notes

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

1 NATURE OF ORGANIZATION

Canadian Mental Health Association, Windsor-Essex County Branch is a charitable organization incorporated without share capital in the Province of Ontario. The primary purpose of the Entity is to provide programs for enhancing and promoting the optimum mental health of the Windsor-Essex County community through treatment, collaboration, education and community engagement. The corporation is classified as a registered charity under the Income Tax Act of Canada and as such is exempt from income taxes.

2 SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

Revenue Recognition

The organization 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.

All other revenue is recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Property and Equipment

Property and equipment are recorded at cost. Amortization is recorded on the straight-line basis over the estimated useful life of the asset as follows:

Buildings	25 years
Building improvements	10 years
Leasehold improvements	10 years
Furniture and fixtures	5 years
Computer equipment	3 years
Vehicles	5 years

Donated Services

The organization receives services from volunteers. Since those services are not normally purchased by the Entity and due to the difficulty of determining their fair value, donated services are not recognized in these financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

2 SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Use of Estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management estimates and assumptions that affect certain reported amounts and disclosures. Significant estimates include the determination of allowance for doubtful accounts, the useful life of property and equipment and amortization recorded into income from deferred contributions. Accordingly, actual amounts could differ from those estimates.

3 PROPERTY AND EQUIPMENT

Property and equipment consist of the following:

	Cost	Accumulated Amortization	Net Book Value 2025	Net Book Value 2024
Buildings				
354 Aylmer Avenue	\$ 1,027,165	\$ 760,336	\$ 266,829	\$ 338,642
1400 Windsor Avenue	3,746,582	3,018,023	728,559	795,248
Leasehold improvements	365,845	73,168	292,677	329,261
Furniture and fixtures	324,388	125,383	199,005	164,982
Computer equipment	297,577	198,111	99,466	88,574
Vehicles	233,138	194,237	38,901	85,528
	\$ 5,994,696	\$ 4,369,259	\$ 1,625,437	\$ 1,802,235

Investment in property and equipment is calculated as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 795,496	\$ 999,615
Acquisition of property and equipment	305,920	721,225
Amortization of property and equipment	(482,718)	(527,908)
Repayments of long-term debt	23,446	25,349
Advance of deferred contributions	(228,478)	(629,013)
Amortization of deferred contributions	228,499	206,228
Balance, end of year	\$ 642,165	\$ 795,496

During the year, property and equipment in the amount of \$228,478 (2024 - \$629,013) were acquired through restricted contributions. The amortization of \$228,499 (2024 - \$206,228) was included in amortization of deferred contributions.

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

4 OPERATING LOAN

The Entity has available a revolving operating loan to a maximum of \$750,000 which bears interest at the Toronto-Dominion Bank prime rate plus 0.5%. It is secured by a general security agreement constituting a first ranking security interest in all personal property of the Entity and assignment of insurance. The balance at March 31, 2025 was \$NIL.

5 DEFERRED CONTRIBUTIONS

Deferred contributions represent restricted funding which was received to assist in specific program costs and in fundraising activities.

The activity for the year in this balance is as follows:

	<u>2025</u>	<u>2024</u>
Beginning balance	\$ 2,284,139	\$ 1,564,148
Deferred contributions received during the year	526,271	1,109,098
Less amount recognized as revenue in the year	(354,073)	(389,107)
	2,456,337	2,284,139
Current portion, ending balance	376,491	332,073
Long-term portion, ending balance	\$ 2,079,846	\$ 1,952,066

Deferred contributions received were from Ontario Health (West) in the amount of \$124,401 (2024 - \$89,805) for purchase of building improvements and equipment to support the expansion of the Community Health Clinic and \$49,777 to support additional building upgrades at 1400 Windsor Avenue, and from various other organizations totaling \$352,093 (2024 - \$519,293) for specific program costs, fundraising activities and computer equipment.

6 OTHER REVENUE

Other revenue consists of the following:

	<u>2025</u>	<u>2024</u>
Interest income	\$ 328,614	\$ 342,131
Centre for Addiction and Mental Health	743,069	674,189
Hotel-Dieu Grace Hospital services	119,362	173,880
Ontario Trillium Foundation grant	-	24,792
Program recoveries	1,568,048	1,152,057
Service fees and other	514,849	595,248
	\$ 3,273,942	\$ 2,962,297

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

7 | LONG-TERM DEBT

Long-term debt was paid in full during the year. Interest of \$109 (2024 - \$346) was paid on the long-term debt.

8 | RESTRICTED NET ASSETS

Net assets with internal restrictions have been designated for the following purposes:

	<u>2025</u>	<u>2024</u>
Planned gift reserve	\$ 149,686	\$ 138,488
Endowment reserve	137,000	137,000
Endowment interest	49,940	49,940
First responders reserve	139,770	141,763
Major building repairs - 1400 Windsor Avenue	213,962	197,957
Interest reserve	129,702	120,000
Housing reserve	64,275	59,463
	\$ 884,335	\$ 844,611

Amounts restricted towards the endowment are invested with the WindsorEssex Community Foundation for purposes of creating future programs.

Net assets with external restrictions have been designated for future repairs for premises at 354 Aylmer Avenue.

9 | PENSION PLAN

During the year the organization made contributions for most of its employees to the Healthcare of Ontario Pension Plan, which is a multi-employer final average pay contributory pension plan. Employer contributions made to this plan during the year were \$1,101,410 (2024 - \$1,048,740). In addition, the organization made contributions for its remaining employees to a defined contribution group benefit plan administered by CMHA National totaling \$65,849 (2024 - \$66,391).

10 | INTERFUND TRANSFERS

Interfund transfers are made between net asset accounts to fund building repairs and general operating expenses.

CANADIAN MENTAL HEALTH ASSOCIATION, WINDSOR-ESSEX COUNTY BRANCH

NOTES TO FINANCIAL STATEMENTS

For The Year Ended March 31, 2025

11 FINANCIAL INSTRUMENTS

Financial instruments consist of cash, accounts receivable, endowment investment and accounts payable and accrued liabilities. It is management's opinion that the organization is not exposed to significant risks arising from its financial instruments.

12 ECONOMIC DEPENDENCE

The organization is economically dependent on Ontario Health (West) for the funding of its mental health programs.

13 LEASE COMMITMENT

The organization leases premises at 215 Eugenie St W., Windsor, ON. Under the terms of the lease, the organization may occupy the premises for a ten year term, expiring August 2033.

Minimum payments required under the terms of the lease is as follows:

Year ending March 31, 2026	\$	164,472
2027		164,472
2028		164,472
2029		191,884
2030		205,590
Thereafter		685,300
		\$ 1,576,190