

Financial Statements of

**CANADIAN
PSYCHOLOGICAL
ASSOCIATION**

And Independent Auditor's Report thereon

Year ended December 31, 2025



KPMG LLP

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INDEPENDENT AUDITOR'S REPORT

To the members of Canadian Psychological Association

Opinion

We have audited the financial statements of Canadian Psychological Association (the Association), which comprise:

- the statement of financial position as at December 31, 2025
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at December 31, 2025 and its results of operations, its changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 auditor's 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 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 the 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.



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- 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.
- 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.

KPMG LLP

Chartered Professional Accountants, Licensed Public Accountants

Ottawa, Canada

May 6, 2026

CANADIAN PSYCHOLOGICAL ASSOCIATION

Statement of Financial Position

December 31, 2025, with comparative information for 2024


	2025	2024
Assets		
Current assets:		
Cash	\$ 1,281,015	\$ 1,264,902
Accounts receivable	159,730	212,978
Prepaid expenses and advances	96,921	172,307
	<u>1,537,666</u>	<u>1,650,187</u>
Investments (note 2)	3,482,960	3,130,438
Tangible capital and intangible assets (note 3)	54,946	70,151
	<u>\$ 5,075,572</u>	<u>\$ 4,850,776</u>

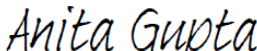
Liabilities and Fund Balances

Current liabilities:		
Accounts payable and accrued liabilities (note 7)	\$ 834,881	\$ 843,516
Deferred revenue (note 4)	696,606	725,589
	<u>1,531,487</u>	<u>1,569,105</u>
Fund balances (note 5):		
Unrestricted	824,072	658,486
Internally restricted	2,583,559	2,476,936
Invested in tangible capital and intangible assets	54,946	70,151
Wesley Coons Memorial Fund	81,508	76,098
	<u>3,544,085</u>	<u>3,281,671</u>
Commitments (note 8)		
Contingent liability (note 9)		
	<u>\$ 5,075,572</u>	<u>\$ 4,850,776</u>

See accompanying notes to financial statements.

On behalf of the Board:


Steven Smith (Apr 29, 2026 12:59:45 ADT) President


Anita Gupta (Apr 29, 2026 13:30:30 ADT) Past President

CANADIAN PSYCHOLOGICAL ASSOCIATION

Statement of Operations

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Revenue:		
Members:		
Membership fees	\$ 1,788,963	\$ 1,735,042
Events and workshops	705,732	650,091
Accreditation	391,204	322,833
Publications	358,178	361,021
Partnership revenue	219,258	214,470
Investments income	253,356	243,424
Other	184,667	225,966
	<u>3,901,358</u>	<u>3,752,847</u>
Expenses:		
Personnel	1,899,385	1,773,070
Corporate and administration	199,023	223,407
Governance and committees	123,454	111,321
Rent and operating costs	38,020	212,984
Information technology	227,660	205,284
Events and workshops	250,339	248,435
Translation	31,203	39,998
Travel	51,169	45,463
Amortization	15,205	20,436
Publications	217,781	194,920
Accreditation	408,295	381,918
Awards, bursaries and grants	68,856	53,390
Service fees	108,554	80,596
	<u>3,638,944</u>	<u>3,591,222</u>
Excess of revenue over expenses	<u>\$ 262,414</u>	<u>\$ 161,625</u>

See accompanying notes to financial statements.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Statement of Changes in Fund Balances

Year ended December 31, 2025, with comparative information for 2024

	Unrestricted	Investment in tangible capital and intangible assets	Internally restricted note 5(a))	Wesley Coons Memorial Fund note 5(b))	2025 Total	2024 Total
Fund balances, beginning of year	\$ 658,486	\$ 70,151	\$ 2,476,936	\$ 76,098	\$ 3,281,671	\$ 3,120,046
Excess (deficiency) of revenue over expenses	373,133	–	(116,791)	6,072	262,414	161,625
Amortization of tangible capital and intangible assets	15,205	(15,205)	–	–	–	–
Interfund transfers	(222,752)	–	223,414	(662)	–	–
Fund balances, end of year	\$ 824,072	\$ 54,946	\$ 2,583,559	\$ 81,508	\$ 3,544,085	\$ 3,281,671

See accompanying notes to financial statements.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Statement of Cash Flows

Year ended December 31, 2025, with comparative information for 2024

	2025	2024
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses		
Operations	\$ 256,342	\$ 155,044
Wesley Coon Memorial Fund	6,072	6,581
Item not involving cash:		
Amortization of tangible capital and intangible assets	15,205	20,436
Change in unrealized gains/losses in investments	(352,522)	(181,565)
Changes in non-cash operating working capital:		
Accounts receivable	53,248	(56,432)
Prepaid expenses and advances	75,386	(53,589)
Accounts payable and accrued liabilities	(8,635)	106,335
Deferred revenue	(28,983)	(51,254)
	16,113	(54,444)
Investing activities:		
Tangible capital and intangible asset additions	–	(53,500)
	–	(53,500)
Increase (decrease) in cash	16,113	(107,944)
Cash, beginning of year	1,264,902	1,372,846
Cash, end of year	\$ 1,281,015	\$ 1,264,902

See accompanying notes to financial statements.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements

Year ended December 31, 2025

The Canadian Psychological Association (the "Association") was organized in 1939 and incorporated under the Canada Corporations Act, Part II in May 1950. Effective August 13, 2013, the Association's articles of incorporation were continued under section 211 of the Canada Not-for-profit Corporations Act. The Association is registered as a not-for-profit corporation and as such is not subject to income tax under paragraph 149(1)(l) of the Income Tax Act (Canada).

Its mission is to serve the public and its membership by advancing psychological science, practice, and education through research, advocacy, and collaboration. Its objectives are:

- To promote the psychological health and welfare of all Canadians;
- To promote excellence and innovations in psychological research, education and practice;
- To promote the advancement, development, dissemination, and application of psychological knowledge; and
- To provide high quality services to members.

1. Significant accounting policies:

These financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. The Association's significant accounting policies are as follows:

(a) Revenue recognition:

The Association uses the restricted fund method to account for contributions to the Wesley Coons Memorial Fund. The Fund reports the activities detailed in note 5.

The Association follows the deferral method of accounting for all other contributions and uses fund accounting. Unrestricted contributions are recognized as revenue when received or receivable if the amount 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.

Membership fees and subscriptions are collected on a calendar year basis and are recognized as revenue in the year to which the membership or subscription relate. Fees and subscriptions collected prior to the membership or subscription year are recorded as deferred revenue.

Annual convention and royalty revenues are recognized as revenue in the year in which they are earned.

Unrestricted investment income is recognized as revenue when earned.

(b) Fund accounting:

The unrestricted fund accounts for the Association's program delivery, journal productions and administrative activities.

The invested in tangible capital and intangible assets fund reports the Association's investment in tangible capital and intangible assets.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(b) Fund accounting (continued):

The internally restricted fund reports the revenue, expenses and fund balances of the Association for which the funding is restricted to that activity.

The Wesley Coons Memorial Fund reports the revenue, expenses and fund balances of the Association for which the funding is restricted to that activity.

(c) Tangible capital and intangible assets:

Tangible capital and intangible assets are stated at cost, less accumulated amortization. Amortization is provided using both the declining-balance and straight-line methods at following annual rates:

Asset	Rate
Declining balance:	
Office furniture and equipment	20%
Straight line:	
Computers	Five years
Computer software	Three years
Leasehold improvements	Over term of lease

The carrying amount of an item is tested for recoverability whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized when the asset's carrying amount is not recoverable and exceeds its fair value.

(d) Allocation of administration expenses:

A portion of administration expenses is allocated as overhead to the Accreditation Panel on a percentage of 18% of the direct expenses of the Accreditation Panel.

(e) Sections processing charge:

The Association and its 35 Sections represent the interests and promote the advancement of the discipline of psychology in Canada. The Association has significant influence over the Sections.

(f) Use of estimates:

The preparation of the financial statements 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 revenue and expenses during the year. Actual results could differ from those estimates. These estimates are reviewed annually and, as adjustments become necessary, they are recognized in the financial statements in the period they become known.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

1. Significant accounting policies (continued):

(g) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has elected to carry its investments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

2. Investments:

	2025	2024
	Fair value	Fair value
Cash equivalents	\$ 321,320	\$ 6,867
Canadian equities	686,163	608,600
Guaranteed investment certificates	1,917,216	2,128,690
Bonds	170,261	90,075
Mutual funds	247,456	158,416
US equities	140,544	137,790
	\$ 3,482,960	\$ 3,130,438

The guaranteed investment certificates have maturity dates between January 2026 and April 2027 and effective interest rates ranging from 3.45% - 5.18%.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

3. Tangible capital and intangible assets:

			2025	2024
	Cost	Accumulated amortization	Net book value	Net book value
Tangible capital assets				
Office furniture and equipment	\$ 134,609	\$ 99,827	\$ 34,782	\$ 41,402
Computers	120,495	110,891	9,604	16,869
Leasehold improvements	82,172	71,612	10,560	11,880
Intangible assets:				
Computer software	11,577	11,577	–	–
	\$ 348,853	\$ 293,907	\$ 54,946	\$ 70,151

Cost and accumulated amortization at December 31, 2024 amounted to \$348,853 and \$278,702.

4. Deferred revenue:

Deferred revenue represents membership and accreditation panel fees, conference and journal subscription revenue received in advance for the subsequent year. The balances at year end are:

	2025	2024
Membership fees	\$ 447,618	\$ 521,099
Accreditation panel fees	215,333	183,000
Conference	17,600	18,500
Other	16,055	2,990
	\$ 696,606	\$ 725,589

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Fund balances:

The Association considers its capital to consist of its fund balances. The Association's overall objective with regards to its fund balances is to fund on-going working capital requirements, tangible capital and intangible assets, future projects and contingencies. The Association manages its net assets by establishing internally restricted funds and appropriating amounts to these internal restricted funds for anticipated future projects, contingencies and other requirements. These allocations are disclosed in note 5(a).

In the year, the Association revised its overall strategy with respect to its unrestricted and internally restricted funds as disclosed in note 5(a).

a) Internally restricted funds:

The Association's internally restricted funds consist of the following:

	Balance, beginning of year	Excess of revenue over expenses	Interfund transfer	Balance, end of year
Contingency fund	\$ 1,749,223	\$ —	\$ —	\$ 1,749,223
Working capital fund	150,000	—	—	150,000
Strategic initiatives fund	293,920	(78,967)	—	214,953
Association infrastructure fund	146,629	(3,690)	—	142,939
Sections fund	—	(17,043)	205,947	188,904
Accreditation panel fund	137,164	(17,091)	17,467	137,540
	<u>\$ 2,476,936</u>	<u>\$ (116,791)</u>	<u>\$ 223,414</u>	<u>\$ 2,583,559</u>

The internally restricted fund balances are committed for specific purposes, which reflect the application of the Association's reserve policy as described below.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

5. Fund balances (continued):

a) Internally restricted funds:

- i) The Contingency fund is established to reserve funds to support on-going operations of the Association and payment of its commitments during large scale events which could threaten the continuing operations of the Association.
- ii) The Working capital fund is established to reserve funds to allow for efficient cash flow management of the Association.
- iii) The Strategic initiative fund is established to reserve funds committed to approved strategic initiatives and projects within the next four years.
- iv) The Association infrastructure fund is established to reserve funds to be allocated to identified investments within the Association.
- v) The Sections fund is established to reserve funds to support Section activities representing specialized areas of psychology.
- vi) The Accreditation panel fund is established as a dedicated source of funds for accreditation activities and related special projects.

(b) Wesley Coons Memorial Fund:

The Wesley Coons Memorial fund was established by the Estate of Wesley Coons to fund annual eligible expenses by members of the Board and designated senior staff.

The Fund's activities are summarized below:

	2025	2024
Investment income	\$ 6,734	\$ 8,805
Eligible expenses	662	2,224
Net revenue	\$ 6,072	\$ 6,581

6. Government remittances:

Included in accounts payable and accrued liabilities are government remittances recoverable of \$33,810 (2024 - payable of \$53,491).

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

7. Commitments:

The Association has entered into an operating lease commitment for office space. Commitments for the next five years and thereafter, including its proportionate share of operating costs, are:

2026	\$	144,739
2027		144,739
2028		144,739
2029		144,739
2030		144,739
Thereafter (2031-2035)		707,533
	\$	1,431,228

8. Contingent liability:

The Association allows employees to accrue sick days and carry them forward to future years to be used as short-term disability, as necessary. These amounts do not vest with the employee and have not been recorded in these financial statements.

9. Financial risks:

The Association is subject to the following risks from its financial instruments:

(a) Liquidity risk:

Liquidity risk is the risk the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations.

(b) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association is exposed to credit risk with respect to the accounts receivable. The Association assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts. At year-end, there were no amounts allowed for in accounts receivable.

CANADIAN PSYCHOLOGICAL ASSOCIATION

Notes to Financial Statements (continued)

Year ended December 31, 2025

9. Financial risks (continued):

(c) 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.

(i) 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 interest rates. The Association's interest rate risk is limited to its investments in guaranteed investment certificates as disclosed in note 2.

(ii) Currency risk:

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Association is not subject to significant currency risk as its cash holdings in U.S. dollars on deposit totals \$55,711 (2024 - \$83,241).

(iii) Other price risk:

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices other than those arising from changes in interest and exchange rates. The Association's other price risk is limited to its investments in guaranteed investment certificates as disclosed in note 2.

Management believes that its financial risks are appropriately mitigated and do not pose a significant risk to the Association's operations. There have been no significant changes in these risks or to the policies, procedures and methods used to manage these risks in the year.

10. Comparative information:

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.