



Canadian Mental  
Health Association  
British Columbia  
*Mental health for all*

Association canadienne  
pour la santé mentale  
Colombie-Britannique  
*La santé mentale pour tous*

## **FINANCIAL STATEMENTS**

# **CANADIAN MENTAL HEALTH ASSOCIATION, BC DIVISION**

**March 31, 2018**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
Canadian Mental Health Association, BC Division

### Report on the Financial Statements

We have audited the accompanying financial statements of Canadian Mental Health Association, BC Division, which comprise the statement of financial position as at March 31, 2018, and the statements of changes in net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these 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.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Society's preparation and fair presentation of the financial statements 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 Society's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the financial statements present fairly, in all material respects, the financial position of Canadian Mental Health Association, BC Division as at March 31, 2018 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.

### Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that the accounting principles used in these financial statements have been applied on a basis consistent with that of the preceding year.

*Tompkins Wozny LLP*

Vancouver, Canada  
June 27, 2018

Chartered Professional Accountants



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STATEMENT OF FINANCIAL POSITION

As at March 31

	2018	2017
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and short-term investments <i>[note 3]</i>		
Unrestricted	2,301,510	2,167,724
Restricted for national membership fees - contingency reserve	23,661	21,949
Restricted for branch fundraising	20,006	21,796
Restricted for deferred revenue	8,025,814	14,391,018
	<b>10,370,991</b>	<b>16,602,487</b>
Accounts receivable <i>[note 4]</i>	640,619	511,587
Prepaid expenses	171,584	158,850
<b>Total current assets</b>	<b>11,183,194</b>	<b>17,272,924</b>
Cash and investments restricted for endowment funds <i>[note 3]</i>	537,231	518,536
Capital assets <i>[note 5]</i>	65,237	66,301
	<b>11,785,662</b>	<b>17,857,761</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 6]</i>	458,029	570,467
National membership fees - contingency reserve <i>[note 7]</i>	23,661	21,949
Branch fundraising liability <i>[note 8]</i>	20,006	21,796
Deferred rent	161,809	156,417
Deferred revenue <i>[note 9]</i>	8,025,814	14,391,018
<b>Total current liabilities</b>	<b>8,689,319</b>	<b>15,161,647</b>
Blue Wave Youth Fund <i>[note 9]</i>	132,280	132,280
Lorne Fraser Educational Endowment Fund <i>[note 10]</i>	228,716	224,692
Dr. Jean Moore Endowment Fund <i>[note 10]</i>	99,995	95,098
Dr. Nancy Hall Speaking Up Speaking Out Endowment Fund <i>[note 10]</i>	208,520	198,746
	<b>9,358,830</b>	<b>15,812,463</b>
<b>NET ASSETS</b>		
Invested in capital assets	65,238	66,301
Internally restricted - contract cancellation <i>[note 12]</i>	800,000	800,000
Unrestricted	1,561,594	1,178,997
	<b>2,426,832</b>	<b>2,045,298</b>
	<b>11,785,662</b>	<b>17,857,761</b>

Commitments *[note 15]*

See accompanying notes to the financial statements

Approved by the Board:

Director

Director



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STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets \$	Internally Restricted \$	Unrestricted \$	Total \$
<b>2018</b>				
		<i>[note 12]</i>		
Excess of revenues for the year	—	—	381,534	381,534
Amortization of capital assets	(18,003)	—	18,003	—
Investment in capital assets	16,940	—	(16,940)	—
Increase (decrease) for the year	(1,063)	—	382,597	381,534
<b>Balance, beginning of year</b>	<b>66,301</b>	<b>800,000</b>	<b>1,178,997</b>	<b>2,045,298</b>
<b>Balance, end of year</b>	<b>65,238</b>	<b>800,000</b>	<b>1,561,594</b>	<b>2,426,832</b>
<b>2017</b>				
Excess of expenses for the year	—	—	(55,513)	(55,513)
Amortization of capital assets	(33,818)	—	33,818	—
Investment in capital assets	47,296	—	(47,296)	—
Interfund transfer	—	200,000	(200,000)	—
Increase (decrease) for the year	13,478	200,000	(268,991)	(55,513)
<b>Balance, beginning of year</b>	<b>52,823</b>	<b>600,000</b>	<b>1,447,988</b>	<b>2,100,811</b>
<b>Balance, end of year</b>	<b>66,301</b>	<b>800,000</b>	<b>1,178,997</b>	<b>2,045,298</b>

See accompanying notes to the financial statements



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STATEMENT OF OPERATIONS

Year ended March 31

	2018	2017
	\$	\$
<b>REVENUE</b>		
Grants - B.C. Ministry of Health	3,145,831	981,400
- Ministry of Child and Family Development	2,077,956	1,545,600
- Provincial Health Services Authority	1,475,674	3,248,994
- Doctors of B.C.	1,357,352	2,628,374
- Other Grants	155,144	162,240
Total grants earned <i>[note 9]</i>	8,211,957	8,566,608
Fees for service	656,915	361,814
Donations	569,478	387,291
Registration fees	457,287	406,285
Sponsorships	183,500	240,426
Publications and resource materials	115,039	117,350
Foundations <i>[note 9]</i>	59,940	79,164
Bequests	396	30,133
	<b>10,254,512</b>	<b>10,189,071</b>
<b>EXPENSES</b>		
Wages and benefits	3,658,497	3,125,553
Direct branch support <i>[note 14]</i>	2,276,635	2,022,635
Contract and consulting services	1,786,730	2,429,082
Other program non-staffing costs <i>[note 19]</i>	1,508,690	1,748,139
Rent and occupancy costs	321,043	283,913
Travel	211,672	366,086
Other administrative non-staffing costs <i>[note 19]</i>	195,237	330,146
Advertising and promotion	110,632	120,864
Amortization	18,003	33,818
	<b>10,087,139</b>	<b>10,460,236</b>
<b>Excess of revenue (expenses) before investment income and endowment contributions</b>	<b>167,373</b>	<b>(271,165)</b>
Investment income - net realized gain	250,670	202,522
Investment income - net unrealized gain (loss) <i>[note 13]</i>	(24,350)	33,601
Contributions to endowment funds <i>[note 10]</i>	(12,159)	(20,471)
<b>Excess of revenue (expenses) for the year</b>	<b>381,534</b>	<b>(55,513)</b>

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**STATEMENT OF CASH FLOWS**

Year ended March 31

	2018	2017
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue (expenses) for the year	381,534	(55,513)
Item not affecting cash:		
Amortization of capital assets	18,003	33,818
	<b>399,537</b>	<b>(21,695)</b>
Changes in other non-cash working capital items:		
Accounts receivable	(129,032)	1,423
Prepaid expenses	(12,734)	(43,356)
Accounts payable and accrued liabilities	(112,437)	5,388
National membership fees - contingency reserve	1,712	1,783
Branch fund raising liability	(1,790)	(1,081)
Deferred rent	5,392	114,530
Deferred revenue	(6,365,204)	4,922,810
<b>Cash provided by (used in) operating activities</b>	<b>(6,214,556)</b>	<b>4,979,802</b>
<b>INVESTING ACTIVITIES</b>		
Acquisition of capital assets	(16,940)	(47,296)
Change in endowment fund investments	(18,695)	(51,685)
Lorne Fraser endowment, net of disbursements	4,024	16,683
Jean Moore endowment, net of earnings	4,897	11,300
Nancy Hall endowment, net of earnings	9,774	23,702
<b>Cash used in investing activities</b>	<b>(16,940)</b>	<b>(47,296)</b>
Increase (decrease) in cash and short-term investments during the year	(6,231,496)	4,932,506
Cash and short-term investments, beginning of year	16,602,487	11,669,981
<b>Cash and short-term investments, end of year</b>	<b>10,370,991</b>	<b>16,602,487</b>

*See accompanying notes to the financial statements*



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## **NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

### **1. NATURE OF OPERATIONS**

#### **Structure, Mandate and Operations**

The Canadian Mental Health Association, BC Division (the "Society") is registered under the British Columbia Societies Act and is a tax-exempt charitable organization as defined by the Canadian Income Tax Act.

The Society champions a vision for Canada: mentally health people in a healthy society. We are leading the effort to support people of all ages and all stages to get the resources they need to maintain and improve their mental health and wellbeing. Our objectives include: informing public policy, providing quality services and informing and promoting mental health. The Society's operations are dependent upon funding from the Province of British Columbia, Health Authorities, Foundations, fee for service, individual and corporate donations and sponsorships.

The Society operates under authority granted by a National/Division Agreement (2004) with the Canadian Mental Health Association. Under Division/Branch agreements, branches may operate in B.C. as incorporated societies. There are a total of 14 [2017/18 - 14] licensed branches in B.C., of which all were incorporated at year end.

The Society's activities include the following:

#### **"Core" Programs**

Those programs are supported by provincial grants, foundations, donations and sponsorships and other income as being the integral, strategic areas related to the Society's mandate.

- Public Policy and Community-Based Research
  - Child & Youth Mental Health Collaborative – provided administrative and program support
  - Police Interfaces Project (Mental Health and Substance Use and the Criminal Justice System)
  - Privacy and Information Sharing Project
  - Submission to CMHA National on the Stepped Care Model and the Health Accord and contribution to Policy Paper on Care Not Corrections – Relieving the Opioid Crisis in Canada
  - Submission to CMHA National on Cannabis
  - Submissions to various Provincial Gov't Standing Committees
  - Submission to BC Government on poverty reduction, regulating recreational cannabis in BC and re-establishing the BC Human Rights Commission
  - Policy Project - "Helping Make Ends Meet?" - an analysis of qualitative data gathered from with lived experience and an in-depth look at the impact of changes to BC's disability benefits



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## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

### 1. NATURE OF OPERATIONS (CONT'D)

#### "Core" Programs (Cont'd)

- Continued promotion of B4Stage4 Campaign – Changing the Way we think and talk about mental health and substance use
  - o Focus on prevention and early intervention
  - o Build an accessible addictions health care system
  - o Strengthen recovery closer to home, in community
  - o Improve crisis care
  - o Lead change in mental health and addictions
  - o Help Shape Our Future - public engagement survey to inform decision-makers on what British Columbians see as the best ways to intervene earlier to address mental health and substance use problems
- Mental Health Promotion
  - BC Partners for Mental Health and Addiction Projects:
    - Beyond the Blues and Risky Drinking Screening
    - Visions: BC's Mental Health & Addictions Journal
    - Website project: [www.heretohelp.bc.ca](http://www.heretohelp.bc.ca)
    - Healthy Minds, Healthy Campuses
    - Publications/Displays/Events
  - CMHA BC Division Website
  - Mind Matters (newsletter)
  - "Just Ask" Social Media Campaign – focus on the prevention of suicide
  - Living Life to the Full – Adults
  - Blue Wave (Youth Living Life to the Full)
  - Bounce Back®: Reclaim Your Health
  - Confident Parents: Thriving Kids – Telephone-based positive parenting coaching program
  - Living Life to the Full (National Project Lead) – training in support of 9 CMHA Divisions and one territory
  - Workplace (Bottom Line Conference, Mental Health Works, Safe & Sound, For My Health Screening program)
  - Ride-Don't-Hide (National Project Lead)
  - Community Gatekeeper Suicide Prevention Training – project to build local capacity through CMHA branches and Crisis Centres





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## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

### 1. NATURE OF OPERATIONS (CONT'D)

#### "Core" Programs (Cont'd)

- Bursaries and scholarships
  - Lorne Fraser Educational Fund - \$7,900 paid in 7 bursaries and 2 scholarships
  - Janice Lee Blue Wave Fund - \$2,250 paid in 3 bursaries
  - FAB (Fine Arts Bursary) - \$1,000 paid in 1 bursary (anonymous donor)
- Branch Development and Support
  - Maintaining Imagine Canada Accreditation
  - Common Bylaws
  - Common Measurement
  - Business Continuity
  - Responding to branch requests for support
  - Talk Today (partnership with the BC Hockey League and Western Hockey League)
  - Media messaging and communications support
  - Supporting Branch Strategic Planning
- Victoria Development Project – focus is employment support and mental health promotion

#### "Administered" Programs

Those programs handled by the Society acting as agent under client contracts.

- BC Patient Satisfaction Steering Committee Project
  - Patient centered performance measurement and improvement for BC Ministry of Health Services
- Community Action Initiative
  - The Society was appointed as the fiscal agent pursuant to a competitive bidding process and a vote by the Community Action Initiative Leadership Council. The Society receives an administrative fee of 4% of expenses and is a non-voting member of the Leadership Council and its respective committees.

#### Recipient of the BC Broadcaster Association Humanity Award

- 'Bounce Back Today' Website
- 'Bounce Back Today' TV and Radio advertisements. \$1,000,000 in free advertising.



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## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### Use of Estimates

The preparation of financial statements in conformity with Canadian ASNPO 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 amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets and the determination of the deferred portion of grants. Actual results could differ from these estimates.

#### Revenue Recognition

The Society 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.

Investment income is recognized as revenue when earned.

Grant, publication and other revenue is recognized as the related services are performed, or when the product has been delivered and the amount to be received can be reasonably estimated and collection is reasonably assured.

#### Contributed Services and Materials

The Society relies, in part, on volunteers in carrying out its services. Because of the difficulty of determining the fair value of these services, the value of these services is not recognized in these financial statements. Donated advertising and materials that would have not otherwise been purchased by the Association are not recognized in these financial statements. The total estimated value of such in-kind contributions is disclosed in note 1.

#### Measurement of Financial Instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except for its short-term investments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Financial assets measured at amortized cost include cash, term deposits and accounts receivable. Financial assets measured at fair value include mutual funds and Vancouver Foundation funds in other short-term investments.



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## NOTES TO FINANCIAL STATEMENTS

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### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Financial liabilities measured at amortized cost include accounts payable and branch fundraising liabilities.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end and highly liquid term deposits.

The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are presented using the indirect method.

#### Short-Term Investments

Mutual funds and other short-term investments are recorded at market value.

#### Capital Assets

Capital assets are initially valued at cost and are amortized over their estimated useful lives on the declining balance method at the following annual rates.

- Office equipment 20%
- Computer equipment 30%

Leasehold improvements are amortized straight-line to the end of the lease.

One half of the annual amortization rate is used in the year of acquisition.

#### Deferred Rent Liability

Total rent expense is recorded on a straight-line basis over the lease term including the free rent periods which have been granted at the beginning of the lease. The deferred rent liability will be drawn down as lease payments are made in future periods.



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2018

3. CASH AND SHORT-TERM INVESTMENTS

	2018	2017
	\$	\$
Cash and cash equivalents	9,651,990	15,877,831
Mutual funds (cost - \$140,649 [2017 - \$140,649])	179,972	183,610
Funds held by the Vancouver Foundation (cost - \$904,969 [2017 - \$886,275])	1,076,260	1,059,582
	<b>10,908,222</b>	<b>17,121,023</b>
Less: Portion allocated to Lorne Fraser educational endowment fund <i>[note 10]</i>	(228,716)	(224,692)
Portion allocated to Dr. Jean Moore endowment fund <i>[note 10]</i>	(99,995)	(95,098)
Portion allocated to Dr. Nancy Hall endowment fund <i>[note 10]</i>	(208,520)	(198,746)
	<b>(537,231)</b>	<b>(518,536)</b>
	<b>10,370,991</b>	<b>16,602,487</b>

The funds held by the Vancouver Foundation can be accessed by providing four months notice.

4. ACCOUNTS RECEIVABLE

	2018	2017
	\$	\$
Operations	483,730	319,860
Accrued interest	108,544	122,660
Canadian Mental Health Association BC branches	10,871	8,967
Allowance for doubtful accounts	—	—
	<b>603,145</b>	<b>451,487</b>
Government - GST	37,474	60,100
	<b>640,619</b>	<b>511,587</b>

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
<b>2018</b>			
Computer and office equipment	275,033	230,889	44,144
Leasehold improvements	53,568	32,475	21,093
	<b>328,601</b>	<b>263,364</b>	<b>65,237</b>



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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

**5. CAPITAL ASSETS (CONT'D)**

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
<b>2017</b>			
Computer and office equipment	258,094	215,334	42,760
Leasehold improvements	53,568	30,027	23,541
	<u>311,662</u>	<u>245,361</u>	<u>66,301</u>

**6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES**

	2018	2017
	\$	\$
Operations	<u>274,827</u>	<u>534,129</u>
Canadian Mental Health Association BC branches	<u>183,202</u>	<u>36,338</u>
	<u>458,029</u>	<u>570,467</u>

**7. NATIONAL MEMBERSHIP FEES - CONTINGENCY RESERVE**

A 5% contingency is added to the Annual National Membership fee and is retained by the Society as a reserve to assist branches who are going through significant negative changes in their revenue. At the year-end this contingency balance was \$23,661 [2017 - \$21,949].

**8. BRANCH FUNDRAISING LIABILITY**

The Society has been the administrator for joint fundraising activities on its own behalf and for nine branches within BC. All joint fundraising activities were discontinued on September 30, 2007 with the exception of monthly giving donations which continue to be collected and shared with participating branches, net of fund raising costs. The branch fund raising liability is offset by an equal amount of restricted cash.



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March 31, 2018

**9. DEFERRED REVENUE**

	Deferred, Beginning of Year \$	Received or Receivable (Returned) \$	Earned During the Year \$	Deferred, End of Year \$
<b>GRANT REVENUES</b>				
<b>Providence Health Care Society</b>				
Provincial Consumer Survey	278,461	3,357	15,000	266,818
<b>Provincial Health Service Authority</b>				
BC Partners	91,754	644,454	628,818	107,390
Bounce Back (Youth)	190,846	750,000	819,161	121,685
Privacy and Information Sharing	24,751	—	24,058	693
Project Unite	99,788	—	—	99,788
<b>PHSA (Health Emergency Management BC)</b>				
Talk in Tough Times Support Line	—	227,350	3,637	223,713
<b>B.C. Ministry of Health</b>				
Campus - Substance Use	73,960	—	48,659	25,301
Primary Health Care Initiatives	1,122,252	—	106,771	1,015,481
Bounce Back (Adult)	6,181,144	—	2,081,356	4,099,788
Community Gatekeeper	1,725,779	—	909,044	816,735
<b>Ministry of Child and Family Development</b>				
Beyond the Blues	—	8,000	8,000	—
Confident Parents	2,694,400	—	2,069,956	624,444
<b>Vancouver Coastal Health</b>				
Police Interfaces	8,870	—	6,452	2,418
<b>Doctors of BC</b>				
Child & Youth Mental Health	1,467,830	(110,478)	1,357,352	—
<b>CMHA - Victoria</b>				
Victoria Program Support	120,589	5,000	6,052	119,537
<b>CMHA - Toronto</b>				
National IPS Project	3,984	131,499	117,641	17,842
<b>CMHA - South Okanagan Similkameen</b>				
Branch/division Strategic Planning	—	1,500	—	1,500
<b>CMHA - Prince George</b>				
Branch/division Strategic Planning	—	3,000	—	3,000
<b>McMaster University</b>				
Centre for Research into Workplace Disability	10,000	—	10,000	—
	<b>14,094,408</b>	<b>1,663,682</b>	<b>8,211,957</b>	<b>7,546,133</b>



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March 31, 2018

9. DEFERRED REVENUE (CONT'D)

	Deferred, Beginning of Year \$	Received or Receivable \$	Earned During the Year \$	Deferred, End of Year \$
<b>FOUNDATION REVENUE</b>				
<b>B.C. Mental Health Foundation</b>				
Justice	70,341	—	—	70,341
Workplace Training	28,604	—	7,923	20,681
<b>Calgary Foundation</b>				
Beyond the Blues	—	4,250	—	4,250
<b>Margaret Roche Foundation</b>				
Victoria Program Support	46,000	—	46,000	—
<b>Victoria Foundation</b>				
Victoria Program Support	—	6,017	6,017	—
	<b>144,945</b>	<b>10,267</b>	<b>59,940</b>	<b>95,272</b>
<b>FEES FOR SERVICE</b>				
Bounce Back - National Roll Out	31,220	—	—	31,220
Living Life to the Full	—	178,330	—	178,330
Understanding Addictions	4,000	13,530	13,530	4,000
Workplace Training	—	89,290	83,290	6,000
Communications	—	76,500	66,500	10,000
	<b>35,220</b>	<b>357,650</b>	<b>163,320</b>	<b>229,550</b>
<b>OTHER</b>				
Ride Don't Hide	67,844	—	67,844	—
Ride Don't Hide - Victoria	—	4,000	—	4,000
Policy Alliance	4,400	240	76	4,564
Community Gatekeeper - Sustainability Fund	43,501	102,794	—	146,295
Campus Summit Registrations	700	—	700	—
	<b>116,445</b>	<b>107,034</b>	<b>68,620</b>	<b>154,859</b>
Subtotal	<b>14,391,018</b>	<b>2,138,633</b>	<b>8,503,837</b>	<b>8,025,814</b>
Blue Wave Youth Fund <i>[note 17]</i>	<b>132,280</b>	—	—	<b>132,280</b>
	<b>14,523,298</b>	<b>2,138,633</b>	<b>8,503,837</b>	<b>8,158,094</b>



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## NOTES TO FINANCIAL STATEMENTS

March 31, 2018

### 10. ENDOWMENT FUNDS

Contributions to the endowment funds are summarized as follows:

	2018	2017
	\$	\$
Vancouver Foundation permanent endowment fund [note 11]	12,159	20,471

#### Lorne Fraser Educational Endowment Fund

Each year, the Lorne Fraser Educational Fund awards bursaries and scholarships to people who live with a mental illness and/or addiction and wish to further their pursuit of post-secondary education. Bursaries are awarded in the amount of \$700 each. In addition, the scholarship program annually awards \$1,000 or \$2,000 to two post-secondary students living with mental illness and/or addiction whose educational and career goals are related to mental health promotion.

Lorne Fraser, the fund's founder and namesake, passed away October 28, 2017 at the age of 80. He was committed to increasing opportunities for people with a mental illness. He lived with bipolar disorder for many years and recognized the importance of education to personal well-being. Since 1982, the Lorne Fraser Educational Fund has helped more than 160 British Columbians pursue their educational dreams.

	2018	2017
	\$	\$
<b>Balance, beginning of year</b>	224,692	208,009
Add:		
Donations	5,165	500
Investment income - realized gain	8,188	7,831
Investment income - unrealized gain (loss)	(462)	16,415
	237,583	232,755
Less:		
Miscellaneous	(967)	(847)
Scholarships	(7,900)	(7,216)
	(8,867)	(8,063)
<b>Balance, end of year</b>	228,716	224,692





**Canadian Mental Health Association, BC Division**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

**10. ENDOWMENT FUNDS (CONT'D)**

**Dr. Jean Moore Endowment Fund**

The Dr. Jean Moore Fund was established in April 2006 to support future child and youth initiatives and consists of funds primarily invested at the Vancouver Foundation. In 2012, a \$10,000 contribution to the Fund was approved by the Society with a further \$10,000 approved and contributed in 2015.

	2018	2017
	\$	\$
<b>Balance, beginning of year</b>	<b>95,098</b>	<b>83,798</b>
Add:		
Donations	1,188	1,100
Investment income - realized gain	3,902	3,327
Investment income - unrealized gain (loss)	(173)	6,900
Less:		
Miscellaneous	(20)	(27)
<b>Balance, end of year</b>	<b>99,995</b>	<b>95,098</b>

**Dr. Nancy Hall Speaking Up Speaking Out Endowment Fund**

On March 26, 2011 the Society approved an initial contribution of \$50,000 to this endowment fund to be invested at the Vancouver Foundation and invested in a retractable fund. In 2012, an additional \$50,000 contribution was approved to this endowment fund with a further \$25,000 approved and contributed in 2015. These funds will be used to fund policy work and the Society commits to growing the endowment to \$1 million.

	2018	2017
	\$	\$
<b>Balance, beginning of year</b>	<b>198,746</b>	<b>175,044</b>
Add:		
Donations	1,670	783
Investment income - realized gain	8,487	7,418
Investment income - unrealized gain (loss)	(380)	15,503
Less:		
Miscellaneous	(3)	(2)
<b>Balance, end of year</b>	<b>208,520</b>	<b>198,746</b>



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**NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

**11. PERMANENT ENDOWMENT**

The Society holds \$407,572 [2017 - \$395,413] of aggregate contributed principal with the Vancouver Foundation. The market value of these funds at March 31, 2018 is \$511,076 [2017 - \$500,182]. In accordance with the provisions of the Vancouver Foundation Act, the amounts are held permanently by the Vancouver Foundation. As the Society has the right to receive only the investment income on these funds and has no access to the contributed principal, the Society's financial statements do not reflect this amount as an asset.

**12. INTERNALLY RESTRICTED FUNDS**

The Society has internally restricted \$800,000 as a contract cancellation contingency. Contracts received by the Society have cancellation clauses with notice periods of 10 – 30 days. This internally restricted amount is not available for other purposes without the approval of the Society's board of directors.

There were no changes to internally restricted funds for the year ended March 31, 2018.

**13. NET UNREALIZED GAIN (LOSS)**

The net unrealized gain (loss) represents the difference between the cost and the quoted market value of the Society's investments at the date of the financial statements. These market values fluctuate on a daily basis.

**14. DIRECT BRANCH SUPPORT**

	2018	2017
	\$	\$
Bounce Back	1,687,942	1,472,457
Donation sharing	20,006	21,796
Workplace Training (WorkSafeBC)	34,160	—
Gatekeeper	534,527	528,382
	<b>2,276,635</b>	<b>2,022,635</b>



**Canadian Mental Health Association, BC Division**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

**15. COMMITMENTS**

Operations are conducted from leased premises, currently rented at a base rent plus operating expenses and property taxes. The lease expires on September 30, 2026.

The future lease commitment for the next five years, for base rent only, is:

	\$
2019	179,249
2020	192,953
2021	196,248
2022	147,498
2023	141,703
	<b>857,651</b>

**16. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments. The following analysis presents the Society's exposures to significant risk as at March 31, 2018.

**Credit Risk**

The Society is exposed to credit risk with respect to its bank deposits, accounts receivable and short-term investments. The Society assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and short-term investments are invested with a large Canadian credit union.

**Liquidity Risk**

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

**Interest Rate Risk**

The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-rate instruments are subject to periodic interest rate review on maturity and renewal and the floating rate instruments subject the Society to cash flow risks.



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## **NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

### **16. FINANCIAL INSTRUMENTS (CONT'D)**

#### **Currency Risk**

The Society has bank accounts that are denominated in a foreign currency and thus are exposed to the financial risk of earnings fluctuations arising from changes in foreign exchange rates and the degree of volatility of these rates. As at March 31, 2018, the Society held \$294,343 [2017 - \$297,842] in a U.S. dollar bank account.

### **17. BLUE WAVE YOUTH FUND**

The Blue Wave Youth Fund was initiated by a gift from Blue Wave Foundation, a private foundation. The fund is designated specifically to support youth mental health.

### **18. WAGES AND BENEFITS AND CONTRACT AND CONSULTING SERVICES**

Pursuant to the British Columbia Societies Act, the Society is required to disclose wages and benefits paid to employees and fees paid to contractors, in excess of \$75,000 during the fiscal year.

Contract and consulting services expense includes \$216,412 [2017 - \$461,593] for services provided by two [2017 - four] contractors during the year.

Wages and benefits expense includes \$339,021 [2017 - \$616,216] paid to three [2017 - six] employees during the year.



**Canadian Mental Health Association, BC Division**

**NOTES TO FINANCIAL STATEMENTS**

March 31, 2018

**19. OTHER PROGRAM NON-STAFFING COSTS**

Other program non-staffing costs include:

	2018	2017
	\$	\$
Expenses related to:		
Administrative	195,237	330,146
Programs	1,508,690	1,748,139
	<b>1,703,927</b>	<b>2,078,285</b>
Bank, credit card charges, payroll and pension processing	43,234	33,139
Cultural adaptation	60,314	4,766
Equipment	61,331	77,762
Evaluation	12,692	11,964
GST recovery	(78,401)	(89,273)
Honoraria	19,623	37,422
Insurance, legal and audit	70,949	59,808
License fees	78,873	69,879
Membership fees and dues	14,917	21,274
National membership fees	6,738	5,172
Office and administration	92,499	79,233
Shipping & handling	84,746	71,055
Printing and resource materials	454,305	398,375
Program conferences and events	319,751	714,439
Project support	124,986	178,383
Royalties	45,429	36,411
Scholarships and awards	9,400	8,966
Staff development	25,467	19,460
Technology and website	184,385	252,046
Telephone	72,689	88,004
	<b>1,703,927</b>	<b>2,078,285</b>

**20. COMPARATIVE FIGURES**

Certain prior year's comparative figures have been reclassified where necessary to conform to the current year's presentation.

