



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, 2019

INDEPENDENT AUDITOR'S REPORT

To the Members of
Canadian Mental Health Association, BC Division

Opinion

We have audited the financial statements of Canadian Mental Health Association, BC Division (the Society), which comprise the statement of financial position as at March 31, 2019 and 2018, and the statements of operations, changes in net assets and cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audits 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 Society in accordance with the ethical requirements that are relevant to our audits 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 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 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

- 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 Society'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 Society 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.

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 15, 2019

Chartered Professional Accountants



Canadian Mental Health Association, BC Division

STATEMENT OF FINANCIAL POSITION

As at March 31

	2019 \$	2018 \$
ASSETS		
Current		
Cash and short-term investments [note 3]		
Unrestricted	3,016,463	2,301,510
Restricted for national membership fees - contingency reserve	25,366	23,661
Restricted for branch fundraising	19,747	20,006
Restricted for deferred revenue	5,551,584	8,025,814
	8,613,160	10,370,991
Accounts receivable [note 4]	432,148	640,619
Prepaid expenses	150,494	171,584
Total current assets	9,195,802	11,183,194
Cash and investments restricted for endowment funds [note 3]	565,277	537,231
Capital assets [note 5]	291,347	65,237
	10,052,426	11,785,662
LIABILITIES		
Current		
Accounts payable and accrued liabilities [note 6]	876,559	458,029
National membership fees - contingency reserve [note 7]	25,366	23,661
Branch fundraising liability [note 8]	19,747	20,006
Deferred revenue [note 9]	5,551,584	8,025,814
Total current liabilities	6,473,256	8,527,510
Blue Wave Youth Fund [note 9]	132,280	132,280
Lorne Fraser Educational Endowment Fund [note 10]	235,069	228,716
Dr. Jean Moore Endowment Fund [note 10]	106,799	99,995
Dr. Nancy Hall Speaking Up Speaking Out Endowment Fund [note 10]	223,409	208,520
Deferred rent	179,463	161,809
Deferred contributions related to capital assets [note 20]	255,846	—
	7,606,122	9,358,830
NET ASSETS		
Invested in capital assets	35,501	65,237
Internally restricted - contract cancellation [note 12]	1,000,000	800,000
Unrestricted	1,410,803	1,561,595
	2,446,304	2,426,832
	10,052,426	11,785,662

Commitments [note 15]

Subsequent event [note 21]

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 \$
2019		[note 12]		
Excess of revenue for the year	—	—	19,472	19,472
Amortization of capital assets	(57,750)	—	57,750	—
Amortization of deferred contributions	32,881	—	(32,881)	—
Investment in capital assets	283,860	—	(283,860)	—
Investment in capital assets with grant funding	(288,727)	—	288,727	—
Interfund transfer	—	200,000	(200,000)	—
Increase (decrease) for the year	(29,736)	200,000	(150,792)	19,472
Balance, beginning of year	65,237	800,000	1,561,595	2,426,832
Balance, end of year	35,501	1,000,000	1,410,803	2,446,304
2018				
Excess of revenue 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	(1,064)	—	382,598	381,534
Balance, beginning of year	66,301	800,000	1,178,997	2,045,298
Balance, end of year	65,237	800,000	1,561,595	2,426,832

See accompanying notes to the financial statements



Canadian Mental Health Association, BC Division

STATEMENT OF OPERATIONS

Year ended March 31

	2019	2018
	\$	\$
REVENUE		
Grants - B.C. Ministry of Health	3,203,529	3,145,831
- Ministry of Child and Family Development	3,166,627	2,077,956
- Provincial Health Services Authority	1,528,067	1,475,674
- Other Grants	313,964	155,144
- Doctors of B.C.	—	1,357,352
Total grants earned <i>[note 9]</i>	8,212,187	8,211,957
Fees for service	506,095	656,915
Registration fees	453,857	457,287
Donations	383,000	569,478
Publications and resource materials	293,203	115,039
Sponsorships	176,550	183,500
Foundations <i>[note 9]</i>	48,664	59,940
Amortization of deferred contributions <i>[note 20]</i>	32,881	—
Bequests	—	396
	10,106,437	10,254,512
EXPENSES		
Wages and benefits	3,810,662	3,658,497
Direct branch support <i>[note 14]</i>	2,321,866	2,276,635
Other program non-staffing costs <i>[note 19]</i>	1,782,653	1,495,998
Contract and consulting services	1,049,529	1,799,422
Rent and occupancy costs	455,677	321,043
Other administrative non-staffing costs <i>[note 19]</i>	355,485	195,237
Advertising and promotion	280,494	110,632
Travel	249,159	211,672
Amortization	57,750	18,003
	10,363,275	10,087,139
Excess of revenue (expenses) before other items:	(256,838)	167,373
Investment income - net realized gain	236,562	250,670
Investment income - net unrealized gain (loss) <i>[note 13]</i>	67,794	(5,655)
Net annual proceeds transferred to endowments	(28,046)	(18,695)
Contributions to endowment funds <i>[note 10]</i>	—	(12,159)
Excess of revenue for the year	19,472	381,534

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STATEMENT OF CASH FLOWS

Year ended March 31

	2019	2018
	\$	\$
OPERATING ACTIVITIES		
Excess of revenue for the year	19,472	381,534
Items not affecting cash:		
Amortization of capital assets	57,750	18,003
Amortization of deferred contributions	(32,881)	—
	44,341	399,537
Changes in other non-cash working capital items:		
Accounts receivable	208,471	(129,032)
Prepaid expenses	21,090	(12,734)
Accounts payable and accrued liabilities	418,530	(112,437)
National membership fees - contingency reserve	1,705	1,712
Branch fund raising liability	(259)	(1,790)
Deferred rent	17,654	5,392
Deferred revenue	(2,474,230)	(6,365,204)
Cash used in operating activities	(1,762,698)	(6,214,556)
INVESTING ACTIVITIES		
Acquisition of capital assets	(283,860)	(16,940)
Acquisition of capital assets with restricted grants	288,727	—
Change in endowment fund investments	(28,046)	(18,695)
Lorne Fraser endowment, net of disbursements	6,353	4,024
Jean Moore endowment, net of earnings	6,804	4,897
Nancy Hall endowment, net of earnings	14,889	9,774
Cash provided by (used in) investing activities	4,867	(16,940)
Decrease in cash and short-term investments during the year	(1,757,831)	(6,231,496)
Cash and short-term investments, beginning of year	10,370,991	16,602,487
Cash and short-term investments, end of year	8,613,160	10,370,991

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NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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 healthy 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
 - Police Interfaces Project (Mental Health and Substance Use and the Criminal Justice System)
 - Privacy and Information Sharing Project - policy work focused on structural determinants of mental health and addictions, employment supports, and peer support
 - Submissions to CMHA National to inform federal mental health and substance use policy
 - Submissions to various Provincial Government Standing Committees
 - Continued policy work to inform the strengthening of the mental health and substance use systems of care with an emphasis on:
 - 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



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NOTES TO FINANCIAL STATEMENTS

March 31, 2019

1. NATURE OF OPERATIONS (CONT'D)

"Core" Programs (Cont'd)

- 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
 - 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 (Living Life to the Full - Youth)
- Bounce Back®: Reclaim Your Health Youth and Adults
- Confident Parents: Thriving Kids ("CPTK") – 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)
- Community Gatekeeper Suicide Prevention Training – project to build local capacity through CMHA branches and Crisis Centres
- Bursaries and scholarships
 - Lorne Fraser Educational Fund - \$5,900 paid in 7 bursaries and 1 scholarships
 - Janice Lee Blue Wave Fund - \$2,250 paid in 3 bursaries
 - FAB (Fine Arts Bursary) - \$2,000 paid in 2 bursaries
 - LGM Continuous Learning - \$1,000 paid in 1 bursary
- Branch Development and Support
 - Maintaining Imagine Canada Accreditation
 - Common Bylaws
 - Business Continuity
 - Responding to branch requests for support
 - Talk Today (partnership with the BC Hockey League and Western Hockey League)



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March 31, 2019

1. NATURE OF OPERATIONS (CONT'D)

"Core" Programs (Cont'd)

- Media messaging and communications support
- Victoria Services – focus is employment support mental health promotion and the new site for the Confident Parents, Thriving Kids Anxiety Program.

"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.

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.



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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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 Society 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.

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.



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

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.

3. CASH AND SHORT-TERM INVESTMENTS

	2019	2018
	\$	\$
Cash and cash equivalents	1,858,868	9,651,990
Mutual funds and other securities (cost - \$6,194,211 [2018 - \$140,649])	6,244,185	179,972
Funds held by the Vancouver Foundation (cost - \$886,275 [2018 - \$904,969])	1,075,384	1,076,260
	9,178,437	10,908,222
Less: Portion allocated to Lorne Fraser educational endowment fund <i>[note 10]</i>	(235,069)	(228,716)
Portion allocated to Dr. Jean Moore endowment fund <i>[note 10]</i>	(106,799)	(99,995)
Portion allocated to Dr. Nancy Hall endowment fund <i>[note 10]</i>	(223,409)	(208,520)
	(565,277)	(537,231)
	8,613,160	10,370,991

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



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

4. ACCOUNTS RECEIVABLE

	2019	2018
	\$	\$
Operations	377,326	483,730
Accrued interest	15,444	108,544
Canadian Mental Health Association BC branches	1,783	10,871
Allowance for doubtful accounts	—	—
	394,553	603,145
Government - GST	37,595	37,474
	432,148	640,619

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
2019			
Computer and office equipment	337,126	144,713	192,413
Leasehold improvements	114,521	15,587	98,934
	451,647	160,300	291,347
2018			
Computer and office equipment	142,538	98,363	44,175
Leasehold improvements	25,250	4,188	21,062
	167,788	102,551	65,237

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2019	2018
	\$	\$
Operations	821,884	274,827
Canadian Mental Health Association BC branches	54,675	183,202
	876,559	458,029

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 \$25,366 [2018 - \$23,661].



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

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.

9. DEFERRED REVENUE

	Deferred, Beginning of Year \$	Received or Receivable (Returned) \$	Earned During the Year \$	Deferred, End of Year \$
GRANT REVENUES				
Providence Health Care Society				
Provincial Consumer Survey	266,818	4,270	178,441	92,647
Provincial Health Service Authority				
BC Partners	107,390	644,454	701,326	50,518
BC Partners Strategic Planning	—	200,000	—	200,000
Bounce Back (Youth)	121,685	689,550	683,389	127,846
Other	—	14,393	14,393	—
Privacy and Information Sharing	693	—	693	—
Project Unite	99,788	—	—	99,788
PHSA (Health Emergency Management BC)				
Talk in Tough Times Support Line	223,713	97,440	128,266	192,887
B.C. Ministry of Health				
Primary Health Care Initiatives	1,015,481	—	95,431	920,050
Bounce Back (Adult)	4,099,788	—	2,501,933	1,597,855
Community Gatekeeper	816,735	—	606,165	210,570
Ministry of Child and Family Development				
Beyond the Blues	—	8,000	8,000	—
CPTK - Behavioral	624,444	2,750,000	2,228,301	1,146,143
CPTK - Anxiety [note 20]	—	1,211,273	930,326	280,947
Vancouver Coastal Health				
Police Interfaces	2,418	—	2,418	—
CMHA - Victoria				
Victoria Program Support	119,537	—	78,036	41,501
CMHA - Toronto				
National IPS Project	17,842	47,179	55,069	9,952
	7,516,332	5,666,559	8,212,187	4,970,704



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

9. DEFERRED REVENUE (CONT'D)

	Deferred, Beginning of Year \$	Received or Receivable (Returned) \$	Earned During the Year \$	Deferred, End of Year \$
FOUNDATION REVENUE				
B.C. Mental Health Foundation				
Justice	70,341	—	—	70,341
Workplace Training	20,681	—	—	20,681
Calgary Foundation				
Beyond the Blues	4,250	—	4,250	—
Law Foundation of BC				
Human Rights Determinants	—	41,000	30,614	10,386
Morris Foundation				
Living Life to the Full	—	30,880	13,800	17,080
	95,272	71,880	48,664	118,488
FEES FOR SERVICE				
Bounce Back - National Roll Out	33,086	—	4,146	28,940
Living Life to the Full	176,464	60,000	53,464	183,000
Understanding Addictions	4,000	—	—	4,000
Workplace Training	6,000	—	6,000	—
Communications	10,000	40,000	36,500	13,500
	229,550	100,000	100,110	229,440
OTHER				
Ride Don't Hide - Victoria	4,000	500	4,000	500
Policy Alliance	4,564	240	—	4,804
Campus - Substance Use	25,301	—	25,301	—
Community Gatekeeper - Sustainability Fund	146,295	76,853	—	223,148
CMHA - South Okanagan Similkameen				
Branch/division Strategic Planning	1,500	—	—	1,500
CMHA - Prince George				
Branch/division Strategic Planning	3,000	—	—	3,000
	184,660	77,593	29,301	232,952
Subtotal	8,025,814	5,916,032	8,390,262	5,551,584
Blue Wave Youth Fund <i>[note 17]</i>	132,280	—	—	132,280
	8,158,094	5,916,032	8,390,262	5,683,864



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2019

10. ENDOWMENT FUNDS

Contributions to the endowment funds are summarized as follows:

	2019	2018
	\$	\$
Vancouver Foundation permanent endowment fund <i>[note 11]</i>	—	12,159

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.

	2019	2018
	\$	\$
Balance, beginning of year	228,716	224,692
Add:		
Donations	3,145	5,165
Investment income - realized gain	8,758	8,188
Investment income - unrealized gain (loss)	3,853	(462)
	244,472	237,583
Less:		
Miscellaneous	(503)	(967)
Scholarships	(8,900)	(7,900)
	(9,403)	(8,867)
Balance, end of year	235,069	228,716



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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.

	2019	2018
	\$	\$
Balance, beginning of year	99,995	95,098
Add:		
Donations	500	1,188
Investment income - realized gain	4,382	3,902
Investment income - unrealized gain (loss)	1,928	(173)
Less:		
Miscellaneous	(6)	(20)
Balance, end of year	106,799	99,995

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.

	2019	2018
	\$	\$
Balance, beginning of year	208,520	198,746
Add:		
Donations	1,225	1,670
Investment income - realized gain	9,489	8,487
Investment income - unrealized gain (loss)	4,175	(380)
Less:		
Miscellaneous	—	(3)
Balance, end of year	223,409	208,520



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11. PERMANENT ENDOWMENT

The Society holds \$407,837 [2018 - \$407,572] of aggregate contributed principal with the Vancouver Foundation. The market value of these funds at March 31, 2019 is \$519,957 [2018 - \$511,076]. 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 \$1,000,000 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 was a \$200,000 [2018 - \$Nil] transfer to internally restricted funds for the year ended March 31, 2019.

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

	2019	2018
	\$	\$
Bounce Back	1,865,739	1,687,942
Donation sharing	24,747	20,006
Workplace Training (WorkSafeBC)	20,727	34,160
Communications Support	37,000	—
Gatekeeper	373,653	534,527
	2,321,866	2,276,635



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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:

	\$
2020	251,431
2021	255,771
2022	221,198
2023	208,535
2024	195,122
	1,132,057

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, 2019.

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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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, 2019, the Society held \$237,904 [2018 - \$294,343] in a U.S. dollar bank account.

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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to market risk through its investment in equity-based investments (mutual funds).

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 \$304,329 [2018 - \$216,412] for services provided by three [2018 - two] contractors during the year.

Wages and benefits expense includes \$450,805 [2018 - \$339,021] paid to four [2018 - three] employees during the year.



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19. OTHER PROGRAM NON-STAFFING COSTS

Other program non-staffing costs include:

	2019	2018
	\$	\$
Expenses related to:		
Administrative	355,485	195,237
Programs	1,782,653	1,495,998
	2,138,138	1,691,235
Bank, credit card charges, payroll and pension processing	62,924	43,234
Cultural adaptation	5,498	60,314
Equipment	27,116	61,331
GST recovery	(62,759)	(78,401)
Honoraria	43,482	19,623
Insurance and professional fees	80,755	70,949
License fees	53,340	78,873
Membership fees and dues	17,186	14,917
National membership fees	7,268	6,738
Office and administration	137,620	90,260
Shipping & handling	103,392	86,985
Printing and resource materials	581,988	454,305
Program conferences and events	276,997	319,751
Project support	235,048	124,986
Royalties	97,748	45,429
Scholarships and awards	12,411	9,400
Staff development	37,954	25,467
Technology and website	355,020	184,385
Telephone	65,150	72,689
	2,138,138	1,691,235



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20. DEFERRED CONTRIBUTION RELATED TO CPTK-ANXIETY START UP

	2019	2018
	\$	\$
Balance, beginning of year	—	—
Contribution during the year	288,727	—
Transfer to revenue	(32,881)	—
Balance, end of year	255,846	—

The total funding received from the Ministry of Child and Family Development that was designated for the CPTK-Anxiety program was \$1,500,000. The deferred contribution represents amounts required for the start up of the program that was spent on capital assets for the Society's Victoria office. The contribution has been deferred and will be amortized to income over the estimated useful life of the capital assets and the term of the Victoria office lease.

21. SUBSEQUENT EVENT

Subsequent to the year-end, there was union certification of 34 staff members, effective April 2019.

22. COMPARATIVE FIGURES

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