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FINANCIAL STATEMENTS

CANADIAN MENTAL HEALTH ASSOCIATION, BC DIVISION

March 31, 2022

Limited Liability Partnership _____



Tompkins Wozny
Chartered Professional Accountants

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, 2022, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2022 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 report. We are independent of the Society 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 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.
- 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.

INDEPENDENT AUDITOR'S REPORT

- 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
September 19, 2022

Chartered Professional Accountants



Canadian Mental Health Association, BC Division

STATEMENT OF FINANCIAL POSITION

As at March 31

	2022 \$	2021 \$
ASSETS		
Current		
Cash and short-term investments <i>[note 3]</i>		
Unrestricted	3,587,986	2,608,026
Restricted for national membership fees - contingency reserve	30,852	29,176
Restricted for branch fundraising	—	22,104
Restricted for deferred revenue	17,029,021	21,573,386
	20,647,859	24,232,692
Accounts receivable <i>[note 4]</i>	1,514,662	1,658,188
Prepaid expenses	451,908	104,860
Total current assets	22,614,429	25,995,740
Cash and investments - restricted funds <i>[note 3]</i>	662,452	640,938
Capital assets <i>[note 5]</i>	222,561	261,683
	23,499,442	26,898,361
LIABILITIES		
Current		
Accounts payable and accrued liabilities <i>[note 6]</i>	2,753,082	1,720,003
National membership fees - contingency reserve <i>[note 7]</i>	30,852	29,176
Branch fundraising liability <i>[note 8]</i>	—	22,104
Deferred revenue <i>[note 9]</i>	17,029,021	21,573,386
Total current liabilities	19,812,955	23,344,669
Lorne Fraser Educational Restricted Fund <i>[note 10(i)]</i>	267,549	266,974
Dr. Jean Moore Restricted Fund <i>[note 10(ii)]</i>	141,602	133,024
Dr. Nancy Hall Speaking Up Speaking Out Restricted Fund <i>[note 10(iii)]</i>	253,301	240,940
Deferred rent	138,358	158,049
Deferred contributions related to capital assets <i>[note 11]</i>	115,526	153,687
	20,729,291	24,297,343
NET ASSETS		
Invested in capital assets	107,035	107,996
Internally restricted - contract cancellation <i>[note 13]</i>	1,500,000	1,000,000
Unrestricted	1,163,116	1,493,022
	2,770,151	2,601,018
	23,499,442	26,898,361

Commitments *[note 16]*Other *[note 24]*

See accompanying notes to the financial statements

Approved by the Board:

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Director

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Director



Canadian Mental Health Association, BC Division

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets \$	Internally Restricted \$	Unrestricted \$	Total \$
	<i>[note 13]</i>			
2022				
Excess of revenue for the year	—	—	169,133	169,133
Amortization of capital assets	(79,136)	—	79,136	—
Amortization of deferred contributions	38,161	—	(38,161)	—
Investment in capital assets	40,014	—	(40,014)	—
Transfer to internally restricted	—	500,000	(500,000)	—
Increase (decrease) for the year	(961)	500,000	(329,906)	169,133
Balance, beginning of year	107,996	1,000,000	1,493,022	2,601,018
Balance, end of year	107,035	1,500,000	1,163,116	2,770,151
2021				
Excess of revenue for the year	—	—	744,703	744,703
Amortization of capital assets	(81,016)	—	81,016	—
Amortization of deferred contributions	44,895	—	(44,895)	—
Investment in capital assets	68,589	—	(68,589)	—
Increase for the year	32,468	—	712,235	744,703
Balance, beginning of year	75,528	1,000,000	780,787	1,856,315
Balance, end of year	107,996	1,000,000	1,493,022	2,601,018

See accompanying notes to the financial statements

Canadian Mental Health Association, BC Division

STATEMENT OF OPERATIONS

Year ended March 31

	2022	2021
	\$	\$
REVENUE		
Grants - Ministry of Child and Family Development	5,860,493	5,484,065
- Provincial Health Services Authority / B.C. Ministry of Health	4,658,183	4,951,241
- Ministry of Mental Health & Addiction	6,252,865	2,718,888
- Other Grants	1,525,077	659,443
Total grants earned <i>[note 9]</i>	18,296,618	13,813,637
Fees for service	832,867	615,281
Donations	498,429	547,834
Registration fees	252,094	312,526
Bequests	167,417	10,000
Publications and resource materials	129,476	138,230
Foundations <i>[note 9]</i>	104,630	76,228
Amortization of deferred contributions <i>[note 11]</i>	38,161	44,895
Sponsorships	25,000	69,500
	20,344,692	15,628,131
EXPENSES		
Wages and benefits <i>[note 19]</i>	8,381,583	7,250,191
Other program non-staffing costs <i>[note 20]</i>	6,258,040	1,723,645
Direct branch support <i>[note 15]</i>	3,500,541	3,207,310
Contract and consulting services	1,526,131	1,513,994
Rent and occupancy costs	437,190	521,513
Other administrative non-staffing costs <i>[note 20]</i>	303,933	150,983
Advertising and promotion	83,350	182,944
Amortization	79,136	81,016
Grants approved <i>[note 23]</i>	45,000	1,205,000
	20,614,904	15,836,596
Excess of expenses before other items:	(270,212)	(208,465)
Investment income - net realized gain	391,752	326,738
Investment income - net unrealized gain <i>[note 14]</i>	47,593	626,860
Contributions to endowment funds <i>[note 12]</i>	—	(430)
Excess of revenue for the year	169,133	744,703

See accompanying notes to the financial statements



Canadian Mental Health Association, BC Division

STATEMENT OF CASH FLOWS

Year ended March 31

	2022 \$	2021 \$
OPERATING ACTIVITIES		
Excess of revenue for the year	169,133	744,703
Items not affecting cash:		
Amortization of capital assets	79,136	81,016
Amortization of deferred contributions	(38,161)	(44,895)
	210,108	780,824
Changes in other non-cash working capital items:		
Accounts receivable	143,526	(1,035,342)
Prepaid expenses	(347,048)	114,431
Accounts payable and accrued liabilities	1,033,079	216,342
National membership fees - contingency reserve	1,676	1,677
Branch fund raising liability	(22,104)	3,406
Deferred rent	(19,691)	(21,294)
Deferred revenue	(4,544,365)	16,366,881
Cash provided by (used in) operating activities	(3,544,819)	16,426,925
INVESTING ACTIVITIES		
Acquisition of capital assets	(40,014)	(68,589)
Change in restricted fund investments	(21,514)	(108,008)
Lorne Fraser Educational Restricted Fund, net of disbursements	575	38,333
Dr. Jean Moore Restricted Fund, net of earnings	8,578	28,418
Dr. Nancy Hall Speaking Up Speaking Out Restricted Fund, net of earnings	12,361	41,257
Cash used in investing activities	(40,014)	(68,589)
Increase (decrease) in cash and short-term investments during the year	(3,584,833)	16,358,336
Cash and short-term investments, beginning of year	24,232,692	7,874,356
Cash and short-term investments, end of year	20,647,859	24,232,692

See accompanying notes to the financial statements



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

1. NATURE OF OPERATIONS

Structure, Mandate and Operations

The Canadian Mental Health Association, BC Division (the "Society") is registered pursuant 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 strive for all people 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 revenue, 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 is a total of 14 [2021 - 14] licensed branches in B.C., of which all were incorporated at year end.

The Society's activities include the following:

"Core" Programs

Core programs are integral to the Society and are in strategic alignment with the Society's mandate. These programs are supported by provincial grants, foundations, donations and sponsorships and other income

Core programs include:

1. Public policy and community-based research activities such as:

- Targeted research projects focused on equitable access to services for people with mental health and substance use problems
- Submissions to CMHA National to inform federal mental health and substance use policy
- Submissions to the Province of BC standing committees, elected officials, and public servants to inform provincial mental health and substance use policy
- Continued policy work to influence the strengthening of the mental health and substance use systems of care with an emphasis on:
 - o Prevention and early intervention
 - o Building an accessible addictions health care system
 - o Strengthening recovery closer to home in communities



Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

1. NATURE OF OPERATIONS (CONT'D)

"Core" Programs (Cont'd)

- o Improving crisis care, with a focus on reducing reliance on police responses
- o Leading change in mental health and addictions
- Promotion and advocacy through media interviews and speaking engagements

2. Mental Health Promotion - BC Partners for Mental Health and Substance Use Information

Initiatives including:

- Beyond the Blues and Risky Drinking Screening
- Visions: BC's Mental Health & Addictions Journal
- Heretohelp.bc.ca
- Healthy Minds, Healthy Campuses
- Publications, displays and events
- CMHA BC division website
- Mind Matters newsletter
- Living Life to the Full – Adults
 - o Living Life to the Full national project lead; training in support of CMHA divisions and branches across Canada
- 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
- Administering grants-based funding for campus suicide prevention and community-based substance use treatment and recovery resources
- Workplace Mental Health Education and Training including the development of a new provincial digital hub and training program focused on tourism, hospitality, community social services, and continuing care sectors
- Provincial oversight and quality assurance for a primary care integrated employment services program operated in partnership with a Lower Mainland branch and an Interior Branch.

3. Bursaries and Scholarships

- Lorne Fraser Scholarship and Educational Bursary
- Janice Lee Blue Wave Youth Bursary
- Mental Health Fine Arts Bursary
- Indigenous Mental Health Fine Arts Bursary



Canadian Mental Health Association, BC Division**NOTES TO FINANCIAL STATEMENTS**

March 31, 2022

1. NATURE OF OPERATIONS (CONT'D)**"Core" Programs (Cont'd)****4. Branch Relations**

- Business continuity
- Responding to branch requests for support and advice
- Talk Today (partnership with the BC Hockey League and Western Hockey League)
- Media messaging, communications, and marketing support

5. Victoria Services

- Employment services
- Mental health promotion
- Ride Don't Hide
- Operation of Confident Parents, Thriving Kids-Anxiety program
- Navigation of the Greater Victoria mental health system
- Development of a regional suicide prevention program in the Westshore and Sooke communities
- Administration of resources to develop and launch a peer assisted crisis team in Victoria (and New Westminster).

"Administered" Programs

Administered Programs are handled by the Society acting as agent under client contracts. These include:

- BC Patient Satisfaction Steering Committee Project
- Community Action Initiative

Administered Programs are reported under fees for services.

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.



Canadian Mental Health Association, BC Division**NOTES TO FINANCIAL STATEMENTS**

March 31, 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**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 or the services delivered. 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. Contributions include grants, donations, foundations, and bequests.

Investment income is recognized as revenue when received or earned. The change in market value in investments is recognized as income as an unrealized gain or loss.

Fee for service, registration fees, publications and resource materials are 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.

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 deposit 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.

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.

Canadian Mental Health Association, BC Division**NOTES TO FINANCIAL STATEMENTS**

March 31, 2022

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

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 respective leases.

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

	2022	2021
	\$	\$
Cash and cash equivalents	9,554,731	7,805,214
Mutual funds and other securities (cost - \$10,109,568 [2021 - \$15,494,651])	10,562,245	15,894,666
Funds held by the Vancouver Foundation (cost - \$886,275 [2021 - \$886,275])	1,193,335	1,173,750
	21,310,311	24,873,630
Less: Portion allocated to Lorne Fraser Educational Restricted Fund [note 10]	(267,549)	(266,974)
Portion allocated to Dr. Jean Moore Restricted Fund [note 10]	(141,602)	(133,024)
Portion allocated to Dr. Nancy Hall Restricted Fund [note 10]	(253,301)	(240,940)
	(662,452)	(640,938)
	20,647,859	24,232,692

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, 2022

4. ACCOUNTS RECEIVABLE

	2022	2021
	\$	\$
Operations - fees for service and other	691,467	718,481
- grants	720,891	766,729
Canadian Mental Health Association BC branches	36,536	122,699
Allowance for doubtful accounts	—	—
	1,448,894	1,607,909
Government - GST	65,768	50,279
	1,514,662	1,658,188

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
2022			
Computer and office equipment	435,994	251,389	184,605
Leasehold improvements	114,521	76,565	37,956
	550,515	327,954	222,561
2021			
Computer and office equipment	395,982	192,581	203,401
Leasehold improvements	114,521	56,239	58,282
	510,503	248,820	261,683

6. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2022	2021
	\$	\$
Operations	1,925,061	1,578,042
Municipal pension plan - employees [note 22]	56,150	33,691
Deferred retirement allowance	—	15,516
Canadian Mental Health Association BC branches	771,871	92,754
	2,753,082	1,720,003

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 \$30,852 [2021 - \$29,176].

Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

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 (Reallocated) \$	Earned During the Year \$	Deferred, End of Year \$
GRANT REVENUES				
Ministry of Child and Family Development				
CPTK - Behavioral	23,324	3,426,678	2,948,457	501,545
CPTK - Anxiety	527,437	2,472,564	2,907,536	92,465
Community Child and Youth Mental Health	—	4,500	4,500	—
	550,761	5,903,742	5,860,493	594,010
Provincial Health Service Authority / B.C.				
Ministry of Health				
BC Partners	29,987	586,100	483,727	132,360
BC Partners Strategic Planning	69,847	—	64,136	5,711
Bounce Back (Youth)	5,837	1,005,000	837,149	173,688
Bounce Back (Adult)	1,504,208	2,500,000	3,158,171	846,037
Bounce Back (Adult) - COVID-19 Surge	255,000	(255,000)	—	—
Project Unite	47,230	—	15,000	32,230
Primary Health Care Initiatives	650,464	—	100,000	550,464
Community Gatekeeper	134,507	—	—	134,507
	2,697,080	3,836,100	4,658,183	1,874,997
Ministry of Mental Health & Addiction				
Community Sector Early Intervention Response to the Mental Health Impacts of COVID-19	832,281	—	537,017	295,264
Substance Use Treatment and Recovery Beds	13,366,504	—	4,138,378	9,228,126
Campus Suicide Prevention [note 23]	109,296	—	109,296	—
Workplace Mental Health Initiatives	2,727,400	—	849,430	1,877,970
Living Life to the Full	31,631	412,000	158,615	285,016
Provincial Suicide Prevention	—	2,000,000	460,129	1,539,871
	17,067,112	2,412,000	6,252,865	13,226,247
	20,314,953	12,151,842	16,771,541	15,695,254

Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

9. DEFERRED REVENUE (CONT'D)

	Deferred, Beginning of Year \$	Received or Receivable (Reallocated) \$	Earned During the Year \$	Deferred, End of Year \$
Balance forward from previous page	20,314,953	12,151,842	16,771,541	15,695,254
Providence Health Care Society				
Provincial Consumer Survey	381,647	—	15,000	366,647
CMHA - Toronto				
National IPS Project	—	153,518	153,518	—
Bounce Back - National				
Bounce Back - National Roll Out	192,909	569,911	311,588	451,232
Others	—	1,044,971	1,044,971	—
	20,889,509	13,920,242	18,296,618	16,513,133
FOUNDATION REVENUE				
B.C. Mental Health Foundation				
Justice	70,341	—	—	70,341
Vancouver Foundation				
Policy Peer Employment	33,150	—	33,150	—
Cognitive Remediation and Recovery Colleges	175,000	(125,000)	39,500	10,500
Law Foundation of B.C.				
Human Rights Determinants	5,913	—	5,913	—
Morris Foundation				
Living Life to the Full	15,149	—	15,149	—
Others	—	10,918	10,918	—
	299,553	(114,082)	104,630	80,841
FEES FOR SERVICE				
Living Life to the Full	15,567	—	4,883	10,684
Understanding Addictions	4,025	—	4,025	—
	19,592	—	8,908	10,684
OTHER				
Policy Alliance	4,804	—	4,804	—
Community Gatekeeper - Sustainability Fund	223,148	—	25,000	198,148
CMHA - South Okanagan Similkameen				
Branch/division Strategic Planning	1,500	—	—	1,500
CMHA - Prince George				
Branch/division Strategic Planning	3,000	—	3,000	—
Others	—	128,633	31,868	96,765
	232,452	128,633	64,672	296,413
Subtotal	21,441,106	13,934,793	18,474,828	16,901,071
Blue Wave Youth Fund [note 18]	132,280	1,500	5,830	127,950
	21,573,386	13,936,293	18,480,658	17,029,021

Canadian Mental Health Association, BC Division**NOTES TO FINANCIAL STATEMENTS**

March 31, 2022

10. RESTRICTED FUNDS**(i) Lorne Fraser Educational Restricted 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.

	2022	2021
	\$	\$
Balance, beginning of year	266,974	228,641
Add:		
Donations	3,310	85
Investment income - realized gain	9,758	9,154
Investment income - unrealized gain	3,411	39,667
	283,453	277,547
Less:		
Miscellaneous	(4,004)	(206)
Scholarships	(11,900)	(10,367)
	(15,904)	(10,573)
Balance, end of year	267,549	266,974

(ii) Dr. Jean Moore Restricted 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.

	2022	2021
	\$	\$
Balance, beginning of year	133,024	104,606
Add:		
Donations	100	75
Investment income - realized gain	4,882	4,620
Investment income - unrealized gain	3,596	23,723
Balance, end of year	141,602	133,024

Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

March 31, 2022

10. RESTRICTED FUNDS (CONT'D)

(iii) Dr. Nancy Hall Speaking Up Speaking Out Restricted Fund

The Dr. Nancy Hall Speaking Up Speaking Out Fund was established in March 2011 to fund policy work and consists of funds primarily invested at the Vancouver Foundation. The Society commits to growing the restricted fund to \$1 million.

	2022 \$	2021 \$
Balance, beginning of year	240,940	199,683
Add:		
Investment income - realized gain	10,572	10,006
Investment income - unrealized gain	1,789	31,251
Balance, end of year	253,301	240,940

11. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2022 \$	2021 \$
Balance, beginning of year	153,687	198,582
Transfer to revenue	(38,161)	(44,895)
Balance, end of year	115,526	153,687

In 2019, 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.

12. PERMANENT ENDOWMENT

The Society holds \$409,942 [2021 - \$408,942] of aggregate contributed principal with the Vancouver Foundation. The market value of these funds at March 31, 2022 is \$572,376 [2021 - \$563,640]. 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.

Contributions to the endowment funds are summarized as follows:

	2022 \$	2021 \$
Vancouver Foundation permanent endowment fund	—	430

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13. INTERNALLY RESTRICTED FUNDS

The Society has internally restricted \$1,500,000 [2021 - \$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.

For the year ending March 31, 2022, \$500,000 [2021 - \$Nil] of the \$1,500,000 was internally restricted.

14. NET UNREALIZED GAIN

The net unrealized gain 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.

15. DIRECT BRANCH SUPPORT

	2022 \$	2021 \$
Bounce Back	2,801,440	2,882,456
Peer Assisted Crisis Teams	273,639	—
Persons with Persistent and Multiple Barriers	343,488	—
Recovery Colleges and Cognitive Remediation	39,500	—
COVID-19 Surge	36,000	302,750
Donation sharing	6,474	22,104
	3,500,541	3,207,310

16. COMMITMENTS

The future premise lease commitment for the next five fiscal years, for base rent only, is as follows:

	\$
2023	208,535
2024	195,122
2025	148,953
2026	152,248
2027	69,204
	774,062

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17. 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, 2022.

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 and a professional investment manager.

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.

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).

18. 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.



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19. 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 \$118,941 [2021 - \$Nil] for services provided by one [2021 - none] contractors during the year.

Wages and benefits expense includes \$6,359,706 [2021 - \$3,470,079] paid to sixty-six [2021 - thirty-seven] employees during the year.

20. OTHER PROGRAM NON-STAFFING COSTS

Other program non-staffing costs include:

	2022 \$	2021 \$
Expenses related to:		
Administrative	303,933	150,983
Programs	6,258,040	1,723,645
	6,561,973	1,874,628
Bank, credit card charges, payroll and pension processing	25,040	40,946
Cultural adaptation	—	14,548
Equipment	7,881	11,114
GST recovery	—	(2,265)
Honoraria	4,016	54,588
Insurance	49,196	42,938
License fees	157,414	97,763
Membership fees and dues	47,114	26,621
National membership fees	5,585	7,276
Office and administration	49,025	66,889
Shipping & handling	57,044	73,877
Printing and resource materials	162,281	247,691
Professional fees	133,029	95,874
Program conferences and events (recovery)	26,731	(11,505)
Project support	4,916,934	447,550
Royalties	93,906	122,413
Scholarships and awards	12,600	11,767
Staff development	53,741	20,405
Technology and website	565,101	382,340
Telephone	152,401	118,740
Travel	42,934	5,058
	6,561,973	1,874,628

Canadian Mental Health Association, BC Division

NOTES TO FINANCIAL STATEMENTS

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21. RELATED PARTY TRANSACTIONS

Honoraria expense includes \$Nil [2021 - \$1,594] paid to a board member who contributed time and expertise on a Society project outside of their fiduciary duties as a Director. This was approved by the board of directors.

Contract and consulting services expense includes \$47,928 [2021 - \$127,225] paid to a company at which one Board member was an executive-level employee, following full disclosure and management of the conflict of interest by both the Society and the executive's company.

Amounts paid to related parties were incurred in the normal course of business and are measured at the exchange amount, which is the amount agreed upon by the transacting parties on terms and conditions similar to non-related parties.

22. PENSION PLAN

(a) Municipal Pension Plan of British Columbia

The Society and its employees contribute to the Municipal Pension Plan of British Columbia ("MPP"), a multi-employer defined benefit pension plan.

Employer contributions to the MPP of \$577,369 [2021 - \$353,367] were expensed during the year. Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent actuarial valuation for the plan at December 31, 2018 indicated the plan is fully funded. The results of the next valuation, as at December 31, 2021, will be announced in Fall 2022. The plan covers approximately 390,000 active employees, of which approximately 66 are employees of the Society.

When the Society's application for membership in the MPP was approved, existing employees were given 90 days to decide whether or not they wanted to join the plan. Those who opted out of the MPP have provided a Waiver of Pension Coverage. After this period, enrolment for regular full time employees is mandatory after 3 months of continuous employment.

(b) Pension Plan for Employees of The Canadian Mental Health Association

A portion of the Society's employees, who originally opted out of enrolment with the MPP when the Society's application for membership in the MPP was approved, remain on the Pension Plan for Employees of The Canadian Mental Health Association. This plan is administered by a national board of trustees and is a defined contribution pension plan.

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23. GRANTS APPROVED

In 2020, the Province of BC invested \$1,335,000 to support campus-based suicide prevention efforts at post-secondary institutions across BC. The Society developed and administered the application and adjudication process for the campus grants program and disbursed the funds in the 2021 fiscal year. Each campus' program will continue into the 2022 fiscal year with the funds provided and will be independently evaluated.

24. OTHER - COVID-19

The COVID-19 pandemic has had a significant worldwide economic impact. The extent of the impact on the Society's operations is now more fully understood. However, certain impacts have been significant and are described below.

Requirement to work remotely

Provincial Health Orders related to COVID-19 resulted in the Society restricting employees from working at its rented facilities and requiring them to work remotely from their homes. It is anticipated that the Society's strategic direction will continue to encourage employees to work remotely in a hybrid model, thereby providing the Society with opportunities to reduce its rental space and related costs in the future.

No government benefits claimed

The Federal and Provincial government has implemented several programs to support organizations and workers that have been financially impacted by COVID-19. The Society's funding and revenue streams have not been impacted significantly and no workers have been laid-off or terminated. Accordingly, the Society has not yet applied for financial support provided by these programs.