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**FINANCIAL STATEMENTS**

**CANADIAN MENTAL HEALTH  
ASSOCIATION, VANCOUVER-FRASER  
BRANCH**

**March 31, 2021**

Limited Liability Partnership \_\_\_\_\_



**Tompkins Wozny**  
Chartered Professional Accountants

## INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Canadian Mental Health Association, Vancouver-Fraser Branch**

### ***Qualified Opinion***

We have audited the financial statements of Canadian Mental Health Association, Vancouver-Fraser Branch (the Association), which comprise the statement of financial position as at March 31, 2021, and the statements of changes in net assets, operations and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of the report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### ***Basis for Qualified Opinion***

In common with many not-for-profit organizations, the Association derives revenue from donations and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues (expenses), and cash flows from operations for the years ended March 31, 2021 and 2020, current assets as at March 31, 2021 and 2020, and net assets as at April 1, 2019 and March 31 for both the 2021 and 2020 years.

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 Association 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 qualified 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 Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of 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.

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## INDEPENDENT AUDITOR'S REPORT

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- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, in our opinion, the accounting principles used in these financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

*Tompkins Wozny LLP*

Vancouver, Canada  
August 24, 2021

Chartered Professional Accountants



## Canadian Mental Health Association, Vancouver-Fraser Branch

## STATEMENT OF FINANCIAL POSITION


As at March 31

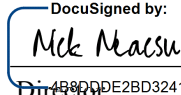
	2021	2020
	\$	\$
<b>ASSETS</b>		<i>[Restated - note 16]</i>
<b>Current</b>		
Cash <i>[note 3]</i>		
Unrestricted	1,128,785	305,370
Restricted for deferred revenue	1,798,591	1,738,330
	2,927,376	2,043,700
Accounts receivable <i>[note 4]</i>	243,479	463,654
Prepaid expenses and deposits	61,123	98,649
<b>Total current assets</b>	<b>3,231,978</b>	<b>2,606,003</b>
Trust funds <i>[note 5]</i>	3,591	9,580
Capital assets <i>[note 6]</i>	862,082	787,440
	<b>4,097,651</b>	<b>3,403,023</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 7]</i>	733,791	531,766
Deferred revenue <i>[note 8]</i>	1,798,591	1,738,330
Current portion of mortgage <i>[note 10]</i>	9,074	8,807
<b>Total current liabilities</b>	<b>2,541,456</b>	<b>2,278,903</b>
Trust liabilities <i>[note 5]</i>	3,591	9,580
Deferred contributions related to capital assets <i>[note 9]</i>	49,398	54,220
Mortgage <i>[note 10]</i>	284,649	293,745
	<b>2,879,094</b>	<b>2,636,448</b>
<b>NET ASSETS</b>		
Invested in capital assets	518,961	430,668
Unrestricted	699,596	335,907
	<b>1,218,557</b>	<b>766,575</b>
	<b>4,097,651</b>	<b>3,403,023</b>

Commitments *[note 11]*Economic dependence *[note 13]*

See accompanying notes to the financial statements

Approved by the Board:

DocuSigned by:  
  
 Shawn McNaughton  
 Director

DocuSigned by:  
  
 Nick Neacsu  
 Director



## Canadian Mental Health Association, Vancouver-Fraser Branch

## STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	Invested in Capital Assets \$	Unrestricted \$	Total \$
<b>2021</b>			
Excess of revenue (expenses) for the year	(115,035)	567,017	451,982
Repayment of mortgage	8,829	(8,829)	—
Capital asset purchases	194,499	(194,499)	—
	88,293	363,689	451,982
<b>Balance, beginning of year</b>	<b>430,668</b>	<b>335,907</b>	<b>766,575</b>
<b>Balance, end of year</b>	<b>518,961</b>	<b>699,596</b>	<b>1,218,557</b>
<b>2020</b> <i>[Restated - note 16]</i>			
Excess of revenue (expenses) for the year	(63,194)	116,976	53,782
Repayment of mortgage	8,484	(8,484)	—
Capital asset purchases	241,511	(241,511)	—
	186,801	(133,019)	53,782
<b>Balance, beginning of year</b>	<b>243,867</b>	<b>468,926</b>	<b>712,793</b>
<b>Balance, end of year</b>	<b>430,668</b>	<b>335,907</b>	<b>766,575</b>

See accompanying notes to the financial statements

## Canadian Mental Health Association, Vancouver-Fraser Branch

### STATEMENT OF OPERATIONS

Year ended March 31

	2021	2020
	\$	\$
<b>REVENUE</b>		
Program funding - Fraser Health Authority	2,179,148	2,620,602
- Vancouver Coastal Health Authority	1,660,973	1,501,832
- CMHA, BC Division	1,060,135	805,449
- B.C. Housing	383,679	643,580
- Other	360,247	116,972
- Other CMHA's	328,793	223,358
- Province of BC - Gaming revenue	163,132	161,000
- Province of BC - Other	—	159,750
<b>Total program funding earned [note 8]</b>	<b>6,136,107</b>	<b>6,232,543</b>
Canada Emergency Wage Subsidy	1,069,938	104,888
Donations and fundraising	317,977	600,627
Programs	142,302	251,457
Store sales	109,796	171,388
Tenant rent contributions	96,972	107,925
Interest and other	37,143	46,447
Amortization of deferred contributions related to capital assets [note 9]	4,822	5,139
	<b>7,915,057</b>	<b>7,520,414</b>
<b>EXPENSES</b>		
Wages and benefits [note 15]	5,394,453	5,184,489
Program activities and purchased services	616,862	833,191
Office rent	419,325	406,716
Rent subsidies	366,659	449,320
Equipment repairs and replacement	157,566	87,527
Amortization	119,857	68,333
Office and other	96,622	104,124
Telephone and communications	90,988	97,699
Staff professional development	49,967	40,656
Repairs and maintenance	41,748	49,448
Professional	40,829	14,639
Transportation	30,176	75,460
Payroll processing and bank charges	22,541	36,739
Interest on mortgage	10,324	10,667
Honoraria and enabling	5,158	7,624
	<b>7,463,075</b>	<b>7,466,632</b>
<b>Excess of revenue for the year</b>	<b>451,982</b>	<b>53,782</b>

See accompanying notes to the financial statements

## Canadian Mental Health Association, Vancouver-Fraser Branch

## STATEMENT OF CASH FLOWS

Year ended March 31

	2021	2020
	\$	\$
		<i>[Restated - note 16]</i>
<b>OPERATING ACTIVITIES</b>		
Excess of revenue for the year	451,982	53,782
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(4,822)	(5,139)
Amortization of capital assets	119,857	68,333
	567,017	116,976
Changes in other non-cash working capital items:		
Accounts receivable	220,175	(270,759)
Prepaid expenses and deposits	37,526	89,511
Accounts payable and accrued liabilities	202,025	12,280
Deferred revenue	60,261	209,823
<b>Cash provided by operating activities</b>	<b>1,087,004</b>	<b>157,831</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(194,499)	(241,511)
<b>Cash used in investing activities</b>	<b>(194,499)</b>	<b>(241,511)</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of callable mortgages	(8,829)	(8,484)
<b>Cash used in financing activities</b>	<b>(8,829)</b>	<b>(8,484)</b>
<b>Increase (decrease) in cash during the year</b>	<b>883,676</b>	<b>(92,164)</b>
Cash, beginning of year	2,043,700	2,135,864
<b>Cash, end of year</b>	<b>2,927,376</b>	<b>2,043,700</b>
<b>Cash includes:</b>		
Unrestricted	1,128,785	305,370
Restricted for deferred revenue	1,798,591	1,738,330
	<b>2,927,376</b>	<b>2,043,700</b>

See accompanying notes to the financial statements



**Canadian Mental Health Association, Vancouver-Fraser Branch****NOTES TO FINANCIAL STATEMENTS**

March 31, 2021

**1. NATURE OF OPERATIONS**

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

The Association's objectives are to promote activities to improve the mental health of persons in the cities of Burnaby, Coquitlam, Langley, Maple Ridge, New Westminster, Pitt Meadows, Port Coquitlam, Port Moody, Surrey, Vancouver and White Rock as well as the Corporation of Delta, the Township of Langley and the villages of Anmore and Belcarra.

**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 Association 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. Donations in-kind are only recognized when the fair value is reasonably determinable and significant, with such items recorded at the fair value on the date of contribution.

Program, store sales and other revenues 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.

Interest income is recognized as revenue when earned.



## Canadian Mental Health Association, Vancouver-Fraser Branch

### NOTES TO FINANCIAL STATEMENTS

March 31, 2021

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

##### Contributed Services

The Association 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.

##### Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and the mortgage.

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.

##### Donated Inventory

Donated inventory is received by the Association which is sold in a thrift store. The donated inventory is not recorded in the financial statements due to the difficulty in determining the fair value of the inventory.

##### Capital Assets

Capital assets are initially valued at cost and are amortized over their estimated useful lives at the following annual rates (one half of the annual rate is used in the year of acquisition):

- |                                      |                                   |
|--------------------------------------|-----------------------------------|
| • Buildings                          | 5% declining balance              |
| • Program and course development     | 5 years straight-line             |
| • Furniture and equipment            | 10 years straight-line            |
| • Computer hardware and IT solutions | 3 years straight-line             |
| • Vehicle                            | 30% declining balance             |
| • Leasehold improvements             | straight-line to the end of lease |

## Canadian Mental Health Association, Vancouver-Fraser Branch

### NOTES TO FINANCIAL STATEMENTS

March 31, 2021

#### 3. CASH

	2021	2020
	\$	\$
Cash	2,547,354	2,038,285
Petty cash	380,022	5,415
	<b>2,927,376</b>	<b>2,043,700</b>
Operating	2,730,204	1,873,120
Gaming	197,172	170,580
	<b>2,927,376</b>	<b>2,043,700</b>

#### 4. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Operations and other	210,214	428,270
Government - GST	33,265	35,384
Allowance for doubtful accounts	—	—
	<b>243,479</b>	<b>463,654</b>

#### 5. TRUST FUNDS

Trust funds represent amounts held in trust for the Fraser Health Therapeutic Volunteer Program, which is administered by the Association.

#### 6. CAPITAL ASSETS

Capital assets are comprised of the following:

	Cost	Accumulated Amortization	Net Book Value
	\$	\$	\$
<b>2021</b>			
Land	333,350	—	333,350
Buildings	284,331	116,853	167,478
Program and course development	149,956	20,862	129,094
Furniture and equipment	108,056	62,891	45,165
Computer hardware and IT solutions	265,080	130,385	134,695
Vehicle	44,029	42,971	1,058
Leasehold improvements	290,518	239,276	51,242
	<b>1,475,320</b>	<b>613,238</b>	<b>862,082</b>

## Canadian Mental Health Association, Vancouver-Fraser Branch

## NOTES TO FINANCIAL STATEMENTS

March 31, 2021

## 6. CAPITAL ASSETS (CONT'D)

	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2020</b>			
Land	333,350	—	333,350
Buildings	214,534	109,568	104,966
Program and course development	123,851	3,422	120,429
Furniture and equipment	108,056	52,391	55,665
Computer hardware and IT solutions	166,484	74,546	91,938
Vehicle	44,029	42,518	1,511
Leasehold improvements	290,518	210,937	79,581
	<b>1,280,822</b>	<b>493,382</b>	<b>787,440</b>

## 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021 \$	2020 \$
Operations and other	<b>176,438</b>	128,650
Vacation, sick time, and pension benefits payable	<b>547,607</b>	402,352
Government remittances - WorkSafeBC	<b>9,746</b>	764
	<b>733,791</b>	<b>531,766</b>

## 8. DEFERRED REVENUE

	Deferred, Beginning of Year \$	Received or Receivable \$	Earned During the Year \$	Deferred, End of Year \$
	<i>[Restated - note 16]</i>			
<b>PROGRAM FUNDING</b>				
Fraser Health Authority	736,604	2,131,475	2,179,148	688,931
Vancouver Coastal Health Authority	557,271	1,737,990	1,660,973	634,288
CMHA, BC Division	40,183	1,060,135	1,060,135	40,183
B.C. Housing	139,652	384,457	383,679	140,430
Other CMHA's	—	336,159	328,793	7,366
Other	93,436	355,299	360,247	88,488
Province of BC - Gaming revenue	170,641	189,663	163,132	197,172
	<b>1,737,787</b>	<b>6,195,178</b>	<b>6,136,107</b>	<b>1,796,858</b>
<b>DONATIONS AND SPONSORSHIPS</b>	<b>543</b>	<b>1,734</b>	<b>544</b>	<b>1,733</b>
	<b>1,738,330</b>	<b>6,196,912</b>	<b>6,136,651</b>	<b>1,798,591</b>

## Canadian Mental Health Association, Vancouver-Fraser Branch

### NOTES TO FINANCIAL STATEMENTS

March 31, 2021

#### 9. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2021	2020
	\$	\$
<b>Balance, beginning of year</b>	<b>54,220</b>	59,359
Contributions received	—	—
Amortized to revenue	<b>(4,822)</b>	(5,139)
<b>Balance, end of year</b>	<b>49,398</b>	54,220

#### 10. MORTGAGE

	2021	2020
	\$	\$
VanCity mortgage bearing fixed interest at 3.49% per annum, repayable in monthly blended payments of \$1,596. The mortgage matures on February 28, 2043 and is secured by a registered mortgage over the land and building located at 818 Kennedy Street, New Westminster.	<b>293,723</b>	302,552
Current portion of mortgage	<b>(9,074)</b>	(8,807)
Long-term portion of mortgage	<b>284,649</b>	293,745

#### 11. COMMITMENTS

The Association's minimum lease commitments for the next five years, for base rent only, are as follows:

	\$
2022	<b>259,530</b>
2023	<b>254,686</b>
2024	<b>221,198</b>
2025	<b>224,776</b>
2026	<b>116,816</b>
	<b>1,077,006</b>

#### 12. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at March 31, 2021.

**Canadian Mental Health Association, Vancouver-Fraser Branch****NOTES TO FINANCIAL STATEMENTS**

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March 31, 2021

**12. FINANCIAL INSTRUMENTS (CONT'D)****Credit Risk**

The Association is exposed to credit risk with respect to its cash and accounts receivable. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and cash balances are held 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 Association 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 Association is exposed to interest rate risk on its callable mortgage. Such instruments are subject to periodic interest rate review on maturity and renewal and cash flows could change with an increase in interest rates and interest expense payable.

There has been no change in the Association's risk exposure in the above noted risks since the previous period.

**13. ECONOMIC DEPENDENCE**

The Association is dependent on grants from governments and governmental agencies to meet its obligations and to finance its continued operations.

**14. EMPLOYEE PENSION BENEFITS**

The Association and its employees contribute to the Municipal Pension Plan of British Columbia, a multi-employer defined benefit pension plan.

Employer contributions to the Municipal Pension Plan of \$306,227 [2020 - \$271,595] 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 plan covers approximately 196,000 active employees, of which approximately 62 are employees of the Society.

## Canadian Mental Health Association, Vancouver-Fraser Branch

### NOTES TO FINANCIAL STATEMENTS

March 31, 2021

#### 15. WAGES AND BENEFITS

Pursuant to the British Columbia Societies Act, the Association is required to disclose wages and benefits paid to employees who are paid \$75,000 or more during the fiscal year. Wages and benefits expense includes \$1,575,862 [2020 - \$1,156,558] paid to sixteen [2020 - 11] employees during the year. No remuneration was paid to any members of the board.

#### 16. RESTATEMENT

During the year, it was determined certain deferred revenues from prior years no longer met the definition of the liability and should have been reported as revenue. This has been adjusted retroactively to the March 31, 2020 figures as follows:

	Before restatement	After restatement	Change
	\$	\$	\$
<b>Statement of Financial Position</b>			
Cash - unrestricted (deficit)	(73,163)	305,370	378,533
Cash - restricted for deferred revenue	2,116,863	1,738,330	(378,533)
Deferred revenue	2,116,863	1,738,330	(378,533)
Unrestricted (deficit)	(42,626)	335,907	378,533
<b>Statement of Cash Flows</b>			
Cash - unrestricted (deficit)	(73,163)	305,370	378,533
Cash - restricted for deferred revenue	2,116,863	1,738,330	(378,533)
<b>Statement of Changes in Net Assets</b>			
Unrestricted - balance, beginning of year	90,393	468,926	378,533
Unrestricted - balance, end of year	(42,626)	335,907	378,533

#### 17. COMPARATIVE FIGURES

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