

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**

FINANCIAL REPORTS

MARCH 31, 2016

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**

FINANCIAL STATEMENTS

MARCH 31, 2016

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SOUTH OKANAGAN SIMILKAMEEN BRANCH
FINANCIAL STATEMENTS
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INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Canadian Mental Health Association, South Okanagan Similkameen Branch

We have audited the accompanying financial statements of the Canadian Mental Health Association, South Okanagan Similkameen Branch which comprise the statement of financial position as at March 31, 2016 and statements of net assets, operations and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of the society as at March 31, 2016 and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations, applied on a basis consistent with that of the preceding year.

HLW Chartered Professional Accountants Inc.

Penticton, BC
June 13, 2016

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
STATEMENT OF FINANCIAL POSITION
as at March 31, 2016

ASSETS

	2016	2015
CURRENT ASSETS		
Cash	\$ 154,014	\$ 115,898
Accounts receivable	2,021	2,146
Prepaid expenses	<u>3,159</u>	<u>4,097</u>
	159,194	122,141
CAPITAL ASSETS - Note 3	<u>8,890</u>	<u>11,129</u>
	<u>\$ 168,084</u>	<u>\$ 133,270</u>

LIABILITIES

CURRENT LIABILITIES		
Accounts payable	\$ 13,663	\$ 11,293
Payroll liabilities	<u>35,810</u>	<u>27,357</u>
	49,473	38,650
DEFERRED CONTRIBUTIONS - Note 4	86,721	79,555
DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS - Note 5	<u>5,709</u>	<u>7,136</u>
	<u>141,903</u>	<u>125,341</u>

NET ASSETS

INVESTED IN CAPITAL ASSETS	3,182	3,992
UNRESTRICTED	<u>22,999</u>	<u>3,937</u>
	26,181	7,929
	<u>\$ 168,084</u>	<u>\$ 133,270</u>

COMMITMENTS - Note 6

APPROVED BY THE BOARD:





**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
STATEMENT OF CHANGES IN NET ASSETS
year ended March 31, 2016

	Invested in Capital Assets	Unrestricted	2016 TOTAL	2015 TOTAL
Beginning balances	\$ 3,992	\$ 3,937	\$ 7,929	\$ 4,208
Excess of revenue over expenses	<u>(810)</u>	<u>19,062</u>	<u>18,252</u>	<u>3,721</u>
Ending balances	<u>\$ 3,182</u>	<u>\$ 22,999</u>	<u>\$ 26,181</u>	<u>\$ 7,929</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
STATEMENT OF OPERATIONS
year ended March 31, 2016

	2016	2015
REVENUE		
Grant - Interior Health Authority	\$ 380,904	\$ 386,294
Grant - BC Housing	69,628	64,272
Unity House food service	33,798	43,328
Janitorial services	32,581	6,753
Grant - Gaming	28,657	23,215
Fundraising	28,467	27,598
Donations	21,402	10,551
Grant - United Way	15,023	8,320
Other earnings	7,085	7,125
Grant - Federal Government	6,019	5,924
Grant - other	3,204	1,614
	626,768	584,994
EXPENSES		
Administrative benefits	15,261	14,140
Administrative salaries	60,785	57,028
Advertising and promotion	1,882	1,786
Allowance to clients	12,923	13,264
Amortization of tangible assets	2,237	2,809
Direct service benefits	79,731	77,027
Direct service salaries	312,243	286,627
Fundraising	10,435	8,094
Honorariums	2,004	1,455
Insurance	3,862	6,016
Licences, dues and fees	3,429	1,003
Loss on disposition of capital assets	-	206
Office and sundry	8,590	7,766
Professional fees	9,700	9,759
Program supplies	7,157	10,726
Rent	24,000	24,000
Repairs and maintenance	7,386	9,613
Telephone	3,967	3,356
Training and development	1,104	3,884
Travel	6,514	4,003
Unity House food service supplies	29,096	33,461
Utilities	6,210	5,141
Wellness and recreation	-	109
	608,516	581,273
EXCESS REVENUES OVER EXPENSES	\$ 18,252	\$ 3,721

See accompanying notes to financial statements

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
STATEMENT OF CASH FLOWS
year ended March 31, 2016

	2016	2015
OPERATING ACTIVITIES		
Cash received from provincial government agencies	\$ 485,914	\$ 457,319
Cash received from consumers	33,798	43,328
Cash received from gaming	32,601	32,000
Cash received from donations and other	43,998	34,300
Cash received from fundraising	30,157	30,041
Cash received from federal government agency	6,019	5,924
Cash paid to suppliers and employees	(594,392)	(573,077)
Interest received	21	-
INCREASE IN CASH	38,116	29,835
CASH, BEGINNING OF YEAR	115,898	86,063
CASH, END OF YEAR	\$ 154,014	\$ 115,898

1. NATURE OF THE SOCIETY

The Canadian Mental Health Association, South Okanagan Similkameen Branch (the "society") promotes the mental health of all people and supports the resilience and recovery of people with mental illness through advocacy, education, research and service. The society adheres to the standards and principles of the Canadian Mental Health Association.

The society is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act. As a result of its status as a charity, the society is exempt from income taxes and may issue tax receipts to donors as long as it complies with the rules and regulations of the Income Tax Act.

The operations of the society are primarily funded by the Interior Health Authority and BC Housing.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of accounting

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

b) 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.

c) Capital assets

Capital assets are reported at cost or deemed cost. Amortization has been recorded at the following rates and methods, which have been established by estimates of useful lives.

Furniture and equipment	20% declining balance
Computers	45% declining balance

Capital assets are amortized at one-half their normal rates in the year of acquisition, and no amortization is taken in the year of disposition.

Impairment of capital assets is reviewed whenever events or changes in the circumstances indicate that the carrying value may not be recoverable. If the total of the estimated undiscounted future cash flows is less than the carrying value of the asset, an impairment loss is recognized for the excess of the carrying value over the fair value of the asset during the year the impairment occurs.

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Use of estimates

When preparing financial statements in accordance with ASNPO, the society is required to make estimates and assumptions relating to the:

- Reported amounts of revenue and expenses for the year;
- Reported amounts of assets and liabilities; and
- Disclosure of contingent assets and liabilities at the report date.

Management's assumptions are based on a number of factors, including historical experience, current events and actions that the society may undertake in the future, and other assumptions that are believed to be reasonable under the circumstances. Actual results could differ from those estimates under different conditions and assumptions. Estimates were used when accounting for certain items, such as the useful lives of capital assets.

3. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net Book Value	
			2016	2015
Furniture and equipment	\$ 50,330	\$ 41,465	\$ 8,865	\$ 11,082
Computers	7,024	6,999	25	47
	<u>\$ 57,354</u>	<u>\$ 48,464</u>	<u>\$ 8,890</u>	<u>\$ 11,129</u>

4. DEFERRED CONTRIBUTIONS

Deferred contributions represents the balance at year end of an accumulation of unspent contributions received to fund programs of the society. Changes in the deferred contributions balances are as follows:

	2016	2015
Beginning balance	\$ 79,555	\$ 59,469
Less amount recognized as revenue in the year	(54,259)	(41,065)
Add amount received related to the following year	<u>61,425</u>	<u>61,151</u>
Ending balance	<u>\$ 86,721</u>	<u>\$ 79,555</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
NOTES TO FINANCIAL STATEMENTS
March 31, 2016

5. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

Deferred contributions related to capital assets represents restricted contributions with which certain capital assets were purchased. Changes in the deferred contributions balances for the period are as follows:

	2016	2015
Beginning balance	\$ 7,136	\$ 8,920
Less amounts amortized to revenue	<u>(1,427)</u>	<u>(1,784)</u>
Ending balance	<u>\$ 5,709</u>	<u>\$ 7,136</u>

6. COMMITMENTS

The society leases the premises where they operate which expires on April 30, 2017. Future minimum lease payments in the next year are:

2017	<u>\$ 24,000</u>
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In addition, the society leases office equipment under an operating lease which requires monthly payments in the amount of \$150.20 expiring November 6, 2017. Future minimum lease payments over the next two years are as follows:

2017	\$ 1,802
2018	<u>1,202</u>
	<u>\$ 3,004</u>

7. PENSION PLAN

Total cash payments for employee future benefits for 2015, consisting of cash contributed by the society to its defined contribution plan amounted to \$31,763 (2015 - \$29,456).

8. FINANCIAL INSTRUMENTS

The society uses risk management to monitor and manage its risk arising from financial instruments. These risks include credit risk, interest rate risk and liquidity risk.

The society does not use any derivative financial instruments to mitigate these risks.

a) Credit risk

Credit risks arise from cash. Cash is deposited with reputable, major financial institutions to limit the credit risk exposure.

b) Interest rate risk

The society is exposed to interest rate risk with respect to cash. Changes in interest rates can affect the cash flows related to interest income and expense.

c) Liquidity risk

Liquidity risk exposure is dependent on the receipt of funds from government grants, donors, fundraising and other sources to enable the society to pay its liabilities as they become due.

9. COMPARATIVE FIGURES

Certain of the comparative figures have been reclassified to conform to the current year's presentation.

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
CORE OPERATIONS SCHEDULE
year ended March 31, 2016

	2016	2015
REVENUE		
Grants	\$ 152,204	\$ 151,324
Miscellaneous	3,180	1,492
	<u>155,384</u>	<u>152,816</u>
EXPENSES		
Administrative benefits	14,539	13,390
Administrative salaries	51,807	54,485
Advertising and promotion	1,484	2,483
Amortization of tangible assets	2,237	2,808
Direct service benefits	13,086	7,468
Direct service salaries	24,734	21,540
Insurance	2,762	3,467
Licences, dues and fees	1,176	1,003
Loss on disposition of capital assets	-	206
Office and sundry	4,870	4,399
Professional fees	2,100	5,359
Program supplies	2,802	5,753
Rent	16,200	16,200
Repairs and maintenance	3,270	4,752
Telephone	3,967	3,213
Training and development	764	2,704
Travel	4,408	4,003
Utilities	6,210	5,141
	<u>156,416</u>	<u>158,374</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (1,032)</u>	<u>\$ (5,558)</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
UNITY HOUSE SCHEDULE
year ended March 31, 2016

	2016	2015
REVENUE		
Grants	\$ 183,273	\$ 184,998
Miscellaneous	2,152	2,439
	<u>185,425</u>	<u>187,437</u>
EXPENSES		
Direct service benefits	40,189	39,488
Direct service salaries	159,456	150,250
Program supplies	460	2,031
	<u>200,105</u>	<u>191,769</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (14,680)</u>	<u>\$ (4,332)</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH
MEALS PROGRAM SCHEDULE
year ended March 31, 2016**

	2016	2015
REVENUE		
Unity House food service	\$ 33,798	\$ 43,328
Gaming	28,056	23,215
United Way	5,000	8,150
Grants	404	1,614
Donations	105	4,000
Miscellaneous	2	1,407
	<u>67,365</u>	<u>81,714</u>
EXPENSES		
Direct service benefits	4,423	9,226
Direct service salaries	19,781	28,849
Insurance	1,100	2,549
Professional fees	1,100	1,100
Program supplies	-	63
Rent	7,800	7,800
Repairs and maintenance	4,116	4,777
Training and development	215	155
Travel	73	-
Unity House food service supplies	29,096	33,461
	<u>67,704</u>	<u>87,980</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (339)</u>	<u>\$ (6,266)</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH
MENTAL HEALTH ADVOCACY
year ended March 31, 2016**

	2016	2015
REVENUE		
Grants	<u>\$ 24,345</u>	<u>\$ 24,690</u>
EXPENSES		
Administrative benefits	722	731
Administrative salaries	3,119	2,297
Direct service benefits	4,366	4,625
Direct service salaries	18,591	17,899
Office and sundry	-	68
	<u>26,798</u>	<u>25,620</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (2,453)</u>	<u>\$ (930)</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
CMHA PROGRAMS SCHEDULE
year ended March 31, 2016

	2016	2015
REVENUE		
Janitorial services	\$ 32,581	\$ 6,753
Fundraising	28,467	27,598
Donations	21,297	6,551
United Way	9,000	-
Grants	6,019	5,925
Miscellaneous	1,092	1,034
Gaming	601	-
Memberships	578	751
	<u>99,635</u>	<u>48,612</u>
EXPENSES		
Administrative benefits	-	22
Administrative salaries	5,859	246
Advertising and promotion	398	412
Direct service benefits	1,699	743
Direct service salaries	27,383	12,222
Fundraising expenses	10,435	6,986
Licences, dues and fees	2,254	-
Office and sundry	127	-
Professional fees	3,200	-
Program supplies	3,760	1,860
Repairs and maintenance	-	85
Training and development	125	1,025
Travel	2,033	-
	<u>57,273</u>	<u>23,601</u>
EXCESS OF REVENUE OVER EXPENSES	<u>\$ 42,362</u>	<u>\$ 25,011</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH**
HOUSING SCHEDULE
year ended March 31, 2016

	2016	2015
REVENUE		
Grants	<u>\$ 69,628</u>	<u>\$ 64,272</u>
EXPENSES		
Direct service benefits	15,812	15,908
Direct service salaries	58,242	51,504
Office and sundry	18	-
Professional fees	600	600
Program supplies	135	443
Telephone	-	143
	<u>74,807</u>	<u>68,598</u>
DEFICIENCY OF REVENUE OVER EXPENSES	<u>\$ (5,179)</u>	<u>\$ (4,326)</u>

**CANADIAN MENTAL HEALTH ASSOCIATION,
SOUTH OKANAGAN SIMILKAMEEN BRANCH
CONSUMER DEVELOPMENT SCHEDULE
year ended March 31, 2016**

	2016	2015
REVENUE		
Grants	\$ 24,905	\$ 25,452
Miscellaneous	81	1
	<u>24,986</u>	<u>25,453</u>
EXPENSES		
Allowance to clients	12,923	13,264
Direct service benefits	156	145
Direct service salaries	4,056	3,784
Honorariums	2,004	1,455
Office and sundry	3,574	3,300
Professional fees	2,700	2,700
Program supplies	-	683
	<u>25,413</u>	<u>25,331</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ (427)</u>	<u>\$ 122</u>