

**CANADIAN MENTAL HEALTH ASSOCIATION
PRINCE GEORGE BRANCH**

FINANCIAL STATEMENTS

March 31, 2013 and March 31, 2012

RHB SCHMITZ de GRACE
Chartered Accountants

RHB SCHMITZ de GRACE

Chartered Accountants

Partners

- Lynn Ross CA
- Norm Hildebrandt BBA, CA
- Allison Beswick BComm, CA

• Denotes professional corporation

1116 Sixth Avenue
Prince George, BC, V2L 3M6
Tel. (250) 564-2515
Fax (250) 562-8722
E-mail: office@rhbaccountants.ca

INDEPENDENT AUDITORS' REPORT

To the Members of the
Canadian Mental Health Association, Prince George Branch

We have audited the accompanying financial statements of the Canadian Mental Health Association, which comprise the statements of financial position as at March 31, 2013, March 31, 2012, and April 1, 2011 and the statements of operations and changes in fund balances and cash flow for the years ended March 31, 2013 and March 31, 2012, 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 qualified audit opinion.

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INDEPENDENT AUDITORS' REPORT, continued

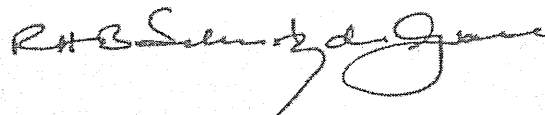
Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives a portion of its revenue from the general public in the form of fundraising and donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amount recorded in the records of the Association and we were not able to determine whether any adjustments might be necessary to revenue, excess revenue, assets and net assets.

Qualified Opinion

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Canadian Mental Health Association as at March 31, 2013, March 31, 2012, and April 1, 2011 and its financial performance and its cash flow for the years ended March 31, 2013 and March 31, 2012 in accordance with Canadian accounting standards for not-for-profit organizations. As required by the British Columbia Society Act we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Prince George, BC
September 26, 2013



Chartered Accountants

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

STATEMENTS OF OPERATIONS AND CHANGES IN FUND BALANCES

For the years ended March 31, 2013 and March 31, 2012

	Operations (Schedule)	Capital Asset Fund	Moss House Reserve Fund (Note 3)	Infrastructure Reserve Fund (Note 3)	Total 2013	Total 2012
REVENUES						
Northern Health Authority (Note 11)						
General program funds	\$ 733,902	\$ -	\$ -	\$ -	\$ 733,902	\$ 773,902
CFIF administered funds	-	-	-	-	-	32,547
Canadian Mental Health Association BC Division	95,545	-	-	-	95,545	149,628
Rent subsidies						-
Tenant rent contributions	106,422	-	-	-	106,422	106,314
BC Housing - operating	74,784	-	-	-	74,784	69,485
BC Gaming Commission	22,500	-	-	-	22,500	32,000
Forensic Psychiatric Services Commission (Note 11)						
Program funds	41,400	-	-	-	41,400	39,868
SILP administered funds	22,692	-	-	-	22,692	21,355
Vancouver Foundation	105,705	-	-	-	105,705	106,607
Federal and Provincial grants	22,729	-	-	-	22,729	6,383
Municipal grants	17,400	-	-	-	17,400	15,000
Community Family Initiatives	12,608	-	-	-	12,608	10,767
Other income and donations	100,163	-	-	-	100,163	82,456
PG and District United Way	13,750	-	-	-	13,750	4,487
Interest	2,470	-	34	-	2,504	842
Gain (loss) on disposition of equipment	-	-	-	-	-	(1,543)
	<u>1,372,070</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>1,372,104</u>	<u>1,450,098</u>
EXPENSES						
Wages and benefits	915,559	-	-	-	915,559	911,686
Rent and related costs						
Projects	157,004	-	-	-	157,004	151,143
SILP administered funds	21,702	-	-	-	21,702	21,075
Office	39,546	-	-	-	39,546	40,067
Program activities	69,487	-	-	-	69,487	57,768
Travel and automotive	53,650	-	-	-	53,650	61,824
Office and sundry	43,972	-	-	-	43,972	46,048
Maintenance and supplies	21,042	-	-	-	21,042	12,721
Staff development	12,158	-	-	-	12,158	4,617
Professional services	20,294	-	-	-	20,294	12,534
Subcontracting	59,826	-	-	-	59,826	66,357
CFIF administered funds	-	-	-	-	-	38,402
Amortization (Note 2)	-	11,654	-	-	11,654	15,735
	<u>1,414,240</u>	<u>11,654</u>	<u>-</u>	<u>-</u>	<u>1,425,894</u>	<u>1,439,977</u>
EXCESS REVENUES (EXPENSES)	(42,170)	(11,654)	34	-	(53,790)	10,121
FUND BALANCES AT BEGINNING OF THE YEAR	137,906	141,417	23,342	77,773	380,438	375,484
CANADIAN MENTAL HEALTH ASSOCIATION BC DIVISION RECOVERY	-	-	-	-	-	(9,034)
ADDITION OF CONNECTIONS CLUBHOUSE (Note 15)	-	-	-	-	-	3,867
INTER-FUND TRANSFERS						
Capital assets acquired	(11,366)	51,366	-	(40,000)	-	-
Replacement reserve provision	(917)	-	917	-	-	-
FUND BALANCES AT END OF THE YEAR	\$ 83,453	\$ 181,129	\$ 24,293	\$ 37,773	\$ 326,648	\$ 380,438

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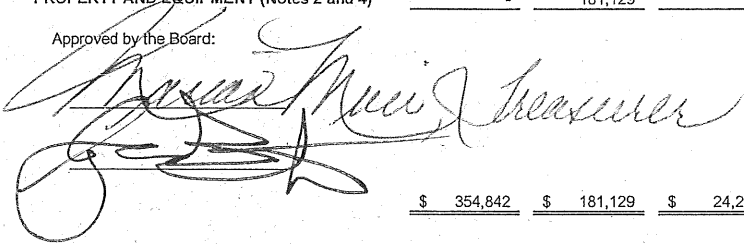
CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

STATEMENTS OF FINANCIAL POSITION

March 31, 2013, March 31, 2012, April 1, 2011

ASSETS

	Operations	Capital Asset Fund	Moss House Reserve Fund (Note 3)	Infrastructure Reserve Fund (Note 3)	Total March 31, 2013	Total March 31, 2012	Total April 1, 2011
CURRENT ASSETS							
Cash	\$ 257,084	\$ -	\$ 917	\$ 37,773	\$ 295,774	\$ 304,094	\$ 532,766
Short term investments	-	-	23,376	-	23,376	23,342	21,332
Accounts receivable	66,089	-	-	-	66,089	64,816	18,246
Prepaid expenses	31,669	-	-	-	31,669	27,159	30,372
	354,842	-	24,293	37,773	416,908	419,411	602,716
PROPERTY AND EQUIPMENT (Notes 2 and 4)	-	181,129	-	-	181,129	141,417	144,002
Approved by the Board:							
							
	<u>\$ 354,842</u>	<u>\$ 181,129</u>	<u>\$ 24,293</u>	<u>\$ 37,773</u>	<u>\$ 598,037</u>	<u>\$ 560,828</u>	<u>\$ 746,718</u>

LIABILITIES AND FUND BALANCES

	<u>Operations</u>	<u>Capital Asset Fund</u>	<u>Moss House Reserve Fund (Note 3)</u>	<u>Infrastructure Reserve Fund (Note 3)</u>	<u>Total March 31, 2013</u>	<u>Total March 31, 2012</u>	<u>Total April 1, 2011</u>
CURRENT LIABILITIES							
Accounts payable and accrued liabilities	\$ 63,576	\$ -	\$ -	\$ -	\$ 63,576	\$ 29,117	\$ 87,921
Payroll liabilities (Note 5)	92,222	-	-	-	92,222	52,106	67,498
Security deposits	5,368	-	-	-	5,368	5,360	4,580
Unearned revenue (Note 6)	110,223	-	-	-	110,223	93,807	211,235
	<u>271,389</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,389</u>	<u>180,390</u>	<u>371,234</u>
FUND BALANCES							
Internally restricted (Note 3)	83,453	-	24,293	37,773	145,519	239,021	127,079
Unrestricted	-	181,129	-	-	181,129	141,417	248,405
	<u>83,453</u>	<u>181,129</u>	<u>24,293</u>	<u>37,773</u>	<u>326,648</u>	<u>380,438</u>	<u>375,484</u>
CONTINGENCY (Note 16)	<u>\$ 354,842</u>	<u>\$ 181,129</u>	<u>\$ 24,293</u>	<u>\$ 37,773</u>	<u>\$ 598,037</u>	<u>\$ 560,828</u>	<u>\$ 746,718</u>

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CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

STATEMENTS OF CASH FLOW

For the years ended March 31, 2013 and March 31, 2012

	Operations	Capital Asset Fund	Moss House Reserve Fund	Infrastructure Reserve Fund	Total 2013	Total 2012
OPERATING ACTIVITIES						
Excess revenues (expenses) for the year	\$ (42,170)	\$ (11,654)	\$ 34	\$ -	\$ (53,790)	\$ 10,121
Canadian Mental Health Association						
BC Division Recovery	-	-	-	-	-	(9,034)
Addition of Norwood Enterprises	-	-	-	-	-	3,867
Items not affecting cash:						
Loss on disposition of assets	-	-	-	-	-	1,543
Amortization	-	11,654	-	-	11,654	15,735
	<u>(42,170)</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>(42,136)</u>	<u>22,232</u>
Changes in non-cash working capital items:						
Accounts receivable	(1,273)	-	-	-	(1,273)	(46,570)
Prepaid expenses	(4,510)	-	-	-	(4,510)	3,213
Accounts payable and accrued liabilities	34,459	-	-	-	34,459	(58,804)
Payroll liabilities	40,116	-	-	-	40,116	(15,392)
Security deposits	8	-	-	-	8	780
Deferred revenue	16,416	-	-	-	16,416	(117,428)
	<u>85,216</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>85,216</u>	<u>(234,201)</u>
	<u>43,046</u>	<u>-</u>	<u>34</u>	<u>-</u>	<u>43,080</u>	<u>(211,969)</u>
INVESTING ACTIVITIES						
Acquisition of equipment	-	(51,366)	-	-	(51,366)	(14,693)
INTER-FUND TRANSFERS						
Acquisition of property and equipment	(11,366)	51,366	-	(40,000)	-	-
Replacement reserve provision	(917)	-	917	-	-	-
	<u>(12,283)</u>	<u>51,366</u>	<u>917</u>	<u>(40,000)</u>	<u>-</u>	<u>-</u>
INCREASE IN CASH AND EQUIVALENTS DURING THE YEAR	30,763	-	951	(40,000)	(8,286)	(226,662)
CASH AND EQUIVALENTS AT BEGINNING OF THE YEAR	226,321	-	23,342	77,773	327,436	554,098
CASH AND EQUIVALENTS AT END OF THE YEAR	\$ 257,084	\$ -	\$ 24,293	\$ 37,773	\$ 319,150	\$ 327,436
Cash and equivalents consists of:						
Cash	\$ 257,084	\$ -	\$ 917	\$ 37,773	\$ 295,774	\$ 304,094
Short term investments	-	-	23,376	-	23,376	23,342
	<u>\$ 257,084</u>	<u>\$ -</u>	<u>\$ 24,293</u>	<u>\$ 37,773</u>	<u>\$ 319,150</u>	<u>\$ 327,436</u>

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See notes to the financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

1. OPERATIONS

The Canadian Mental Health Association, Prince George Branch (the "Association") is a registered charity incorporated under the laws of the Society Act of the Province of British Columbia. The Association provides supported housing and outreach community services, as well as education and awareness on mental health and mental illnesses in Prince George and District.

2. SIGNIFICANT ACCOUNTING POLICIES

Adoption of Accounting Standards for Not-For-Profit Organizations

Effective April 1, 2012, the Board adopted the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting, electing to adopt the new accounting framework: Canadian accounting standards for not-for-profit organizations (ASNFP). These are the Association's first financial statements prepared in accordance with ASNFP and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and limited retrospective exceptions. The accounting policies set out in this note have been applied in preparing the financial statements for March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening ASNFP statement of financial position as of April 1, 2011 (the Association's date of transition).

The Association issued financial statements for the year ended March 31, 2012 using Canadian generally accepted accounting principles prescribed by CICA Handbook – Accounting Part V. The adoption of ASNFP had no impact on the previously reported assets, liabilities and equity of the Association, and accordingly, no adjustments have been recorded in the comparative statements of financial position, statements of operations, changes in net assets, and the statement of cash flow. Certain of the Association's disclosures included in these financial statements reflect the new disclosure requirement of ASNFP.

Fund Accounting

The Operations Fund reports operating grants, revenue and expenses related to the Association's general operations and housing activities.

The Capital Asset Fund reports the ownership and equity related to the Association's property and equipment.

The Moss House Reserve Fund reports the assets, liabilities, revenue and expenses related to property and equipment replacement activities at Moss House.

The Infrastructure Reserve Fund reports the assets, liabilities, revenue and expenses relating to planned leasehold improvements and future infrastructure purchases for the Association and/or occupancy costs.

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CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Revenue Recognition

The Association follows the restricted fund method of accounting for contributions.

Contributions from BC Housing

Contributions received from BC Housing for the replacement reserve fund have been reported as inter-fund transfers from the Operating Fund to the Replacement Reserve Fund.

Contributions received from BC Housing for the acquisition of capital assets have been recognized as revenue in the Capital Asset Fund.

Other Contributions

All other contributions are recognized as revenue of the appropriate fund in the year to which the contribution relates.

Investment Income

Interest income earned on replacement reserve funds is recognized as revenue in the period the investment income is earned.

Catering Revenue

Catering revenue is recognized in the period it is invoiced.

Amortization and Property and Equipment

Property and Equipment are recorded at cost and amortized at the following rates and bases:

Furniture and equipment	5 years straight line
Automotive equipment	5 years straight line
Leasehold improvements	5 years straight line
Building	35 years straight line

Unearned Revenue

The unearned revenue reported in the Operating Fund represents deferred operating funds received in the current year that are related to the subsequent period.

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Use of Estimates

The preparation of financial statements in accordance with ASNFPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the year. Actual results could differ from managements best estimates as additional information becomes available in the future. Significant estimates include the useful life of property and equipment.

Financial Instruments

Measurement of financial instruments

The entity initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at cost.

Financial assets measured at cost include cash, short term investments and accounts receivable.

Financial liabilities measured at cost include accounts payable and accrued liabilities, payroll liabilities, and unearned revenue.

Impairment

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.

Transaction costs

The entity recognizes its transaction costs in net income in the period incurred. However, the carrying amount of the financial instruments that will not be subsequently measured at fair value is reflected in the transaction costs that are directly attributable to their origination, issuance or assumption.

Allocations of Expenses

Expenses that contribute directly to the output of more than one function are attributed on a reasonable and consistent basis to each function to which they apply. The basis of allocation used is determined by budgets prepared by management and approved by the funding authorities.

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

2. SIGNIFICANT ACCOUNTING POLICIES, continued

Donations and Contributed Services

Donated materials and services are recorded in the financial statements at fair market value when fair market value can be reasonably estimated and when the Association would otherwise have purchased these items.

In 2013/2012, approximately 75 volunteers contributed approximately 8,000 hours to assist the Association in carrying out its service activities. The fair value of these contributed services cannot be determined accurately and are not reflected in these financial statements.

Rent for the Mary Harper (Clubhouse Connections) premise is donated by Ministry of Land and Natural Resource Operations. The current market value for annual rent is estimated at \$16,800.

Cash and Equivalents

The Association considers all highly liquid investments with a maturity of twelve months or less at acquisition to be cash equivalents.

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

3. INTERNALLY RESTRICTED FUNDS

The Association has internally restricted the following fund amounts:

	<u>March 31, 2013</u>	<u>March 31, 2012</u>	<u>April 1, 2011</u>
Operations			
Bounce Back	\$ 2,988	\$ -	\$ -
Forensic Programs	<u>9,529</u>	<u>-</u>	<u>-</u>
Housing Programs			
Resource Housing	-	18,611	-
Moss House	-	1,731	-
Project 1 - 6	<u>5,368</u>	<u>12,385</u>	<u>-</u>
	<u>5,368</u>	<u>32,727</u>	<u>-</u>
Expanding Employment			
Two Rivers Catering	<u>-</u>	<u>289</u>	<u>-</u>
Branch Programs			
Branch	51,913	4,894	-
Gift of Hope	2,524	3,024	-
Women Wellness	1,150	3,758	-
Police Project	<u>-</u>	<u>1,510</u>	<u>-</u>
	<u>55,587</u>	<u>13,186</u>	<u>-</u>
General*	<u>9,981</u>	<u>91,704</u>	<u>67,974</u>
Total Operations	83,453	137,906	67,974
Moss House Reserve Fund	24,293	23,342	21,332
Infrastructure Reserve Fund	<u>37,773</u>	<u>77,773</u>	<u>37,773</u>
	<u>\$ 145,519</u>	<u>\$ 239,021</u>	<u>\$ 127,079</u>

*The General fund is to fund future expenditures and supplement on-going programs. The Association has committed to developing a 3-6 month operational reserve.

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CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

4. PROPERTY AND EQUIPMENT

	March 31, 2013		March 31, 2012	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 208,934	\$ 144,577	\$ 64,357	\$ 18,360
Automotive equipment	36,924	36,924	-	-
Leasehold improvements	63,262	55,892	7,370	9,272
Building	167,461	79,059	88,402	92,785
Land	21,000	-	21,000	21,000
	<u>\$ 497,581</u>	<u>\$ 316,452</u>	<u>\$ 181,129</u>	<u>\$ 141,417</u>

	March 31, 2012		April 1, 2011	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Furniture and equipment	\$ 157,569	\$ 139,209	\$ 18,360	\$ 25,833
Automotive equipment	36,924	36,924	-	-
Leasehold improvements	63,262	53,990	9,272	-
Building	167,461	74,676	92,785	97,169
Land	21,000	-	21,000	21,000
	<u>\$ 446,216</u>	<u>\$ 304,799</u>	<u>\$ 141,417</u>	<u>\$ 144,002</u>

5. PAYROLL LIABILITIES

	March 31, 2013	March 31, 2012	April 1, 2011
Payroll liabilities	\$ 81,811	\$ 50,778	\$ 66,181
Government remittances	<u>10,411</u>	<u>1,328</u>	<u>1,317</u>
	<u>\$ 92,222</u>	<u>\$ 52,106</u>	<u>\$ 67,498</u>

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

6. UNEARNED REVENUE

	<u>March 31, 2013</u>	<u>March 31, 2012</u>	<u>April 1, 2011</u>
Gaming grants	\$ 75,000	\$ 22,500	\$ 32,000
Vancouver Foundation	25,000	17,244	-
BC Housing	6,423	5,679	5,529
Consumer Family Initiatives	3,500	2,812	-
Two Rivers Catering	300	1,673	-
Alternative Paths	-	22,729	-
City of Prince George	-	17,000	-
Bounce Back Program	-	3,000	-
Restricted donation	-	1,100	-
Membership fees	-	70	-
Northern Health Authority	-	-	173,706
	<u>\$ 110,223</u>	<u>\$ 93,807</u>	<u>\$ 211,235</u>

7. BC HOUSING ADJUSTMENT

BC Housing may conduct a review of the financial statements and may adjust the operating surplus or deficit. Adjustments are recognized in the fiscal year they are determined by BC Housing. There were no current year adjustments determined by BC Housing for the years ended March 31, 2013 and March 31, 2012.

8. BC GAMING COMMISSION

BC Gaming Commission expenses were as follows:

	<u>2013</u>	<u>2012</u>
Wages and benefits	\$ 21,332	\$ 21,029
Program activities	4,558	1,101
Bank charges	60	60
Rent and related costs	-	9,404
Resource material	-	512
	<u>\$ 25,950</u>	<u>\$ 32,106</u>

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

9. FINANCIAL INSTRUMENTS

Risks and concentrations

The entity is exposed to various risks through its financial instruments, without being exposed to concentrations of risks. The following analysis provides a measure of the entity's risk exposure as at March 31, 2013, March 31, 2012 and April 1, 2011.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The entity is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, payroll liabilities, and unearned revenue.

Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The entity's main credit risks relate to its short-term investment and accounts receivables. The Corporation provides credit to its clients in the normal course of its operations.

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. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The entity is mainly exposed to interest rate risk which management deems to be low.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The entity is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the entity to a fair value risk, since fair value fluctuates inversely to changes in market interest rates. Floating rate instruments subject the entity to related cash flow risk.

10. RENTAL ASSISTANCE

Rental assistance is provided jointly by Canada Mortgage and Housing Corporation on behalf of the Government of Canada, and the British Columbia Housing Management Commission on behalf of the Province of British Columbia.

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the years ended March 31, 2013 and March 31, 2012

11. NORTHERN HEALTH AUTHORITY (NHA) / FORENSIC PSYCHIATRIC SERVICES COMMISSION (FPSC)

The Association has contracts with each of the above funding agencies in which monies are disbursed by the Association at the discretion of community based committees separate from the Association. These contracts are reported as revenues and expenses in the accompanying financial statements.

12. CAPITAL MANAGEMENT

The Association receives its principal source of capital through government funding and grants. The Association defines capital to be net assets which include amounts held in the unrestricted fund and invested in property and equipment fund. The Association is not subject to any other external capital requirements or restrictions.

13. ECONOMIC DEPENDENCE

The Association is economically dependent on the Northern Health Authority, and ultimately on the British Columbia Ministry of Health, for its economic viability in maintaining the current level of operations, consistent with its mission.

14. BRANCH PROGRAMS

Branch programs consist of the following programs: Mental Health First Aid, Gift of Hope, Women and Wellness, Second Chance Thrift Store, Public Education, Police Project, Community Families Initiatives Funding, Living Life to the Fullest, Opportunities Grant and other miscellaneous programs.

15. ADDITION OF CONNECTIONS CLUBHOUSE

For the year ended March 31, 2012 the financial information of Connections Clubhouse was consolidated with the Association. Connections Clubhouse operates as a separate program under the Association.

16. CONTINGENCY

Although net operating assets and reserve balances have not been designated as externally restricted, certain of these funds may be repayable to the funding authorities under specific circumstances.

CANADIAN MENTAL HEALTH ASSOCIATION

PRINCE GEORGE BRANCH

SCHEDULE OF OPERATIONS AND CHANGES IN FUND BALANCES

For the years ended March 31, 2013 and March 31, 2012

	Northern Health	Bounce Back	Forensic Programs	Housing Programs	Expanding Employment
REVENUES					
Northern Health Authority (Note 11)					
General program funds	\$ 733,902	\$ -	\$ -	\$ -	\$ -
CFIF administered funds	-	-	-	-	-
Canadian Mental Health Association BC Division	-	91,102	-	-	-
Rent subsidies					
Tenant rent contributions	-	-	-	106,422	-
BC Housing - operating	-	-	-	74,784	-
BC Gaming Commission	-	-	-	-	-
Forensic Psychiatric Services Commission (Note 11)					
Program funds	-	-	41,400	-	-
SILP administered funds	-	-	22,692	-	-
Vancouver Foundation	-	-	-	-	105,705
Federal and Provincial grants	-	-	22,729	-	-
Municipal grants	-	-	-	17,400	-
Community Family Initiatives	2,400	-	-	-	-
Other income and donations	-	-	-	-	41,422
PG and District United Way	-	-	-	-	-
Interest	-	-	-	-	-
	<u>736,302</u>	<u>91,102</u>	<u>86,821</u>	<u>198,606</u>	<u>147,127</u>
EXPENSES					
Wages and benefits	625,899	72,068	47,014	59,578	68,745
Rent and related costs					
Projects	5,341	-	-	151,529	-
SILP administered	-	-	21,702	-	-
Office	27,094	4,803	2,048	4,499	-
Program activities	7,658	3,350	1,070	876	31,830
Travel and automotive	30,988	1,935	-	1,356	4,370
Office and sundry	26,375	2,083	1,869	6,942	285
Maintenance and supplies	10,376	981	116	5,084	315
Staff development	998	-	75	117	-
Professional services	6,739	3,000	1,261	1,691	-
Subcontracting	-	-	-	-	52,804
CFIF administered funds	-	-	-	-	-
	<u>741,468</u>	<u>88,220</u>	<u>75,155</u>	<u>231,672</u>	<u>158,349</u>
EXCESS REVENUES (EXPENSES)	(5,166)	2,882	11,666	(33,066)	(11,222)
FUND BALANCES AT BEGINNING OF THE YEAR	-	-	-	32,727	289
CANADIAN MENTAL HEALTH ASSOCIATION BC DIVISION RECOVERY	-	-	-	-	-
ADDITION OF CONNECTIONS CLUBHOUSE	-	-	-	-	-
INTER-FUND TRANSFERS					
Transfer to/from branch program surplus	-	106	-	5,707	-
Database infrastructure provision	-	-	-	-	-
Capital assets acquired	-	-	-	-	-
Replacement reserve provision	-	-	-	-	-
FUND BALANCES AT END OF THE YEAR	\$ (5,166)	\$ 2,988	\$ 11,666	\$ 5,368	\$ (10,933)
INTERNALLY RESTRICTED (Note 3)	\$ -	\$ 2,988	\$ 9,529	\$ 5,368	\$ -
UNRESTRICTED	(5,166)	-	2,137	-	(10,933)
	<u>\$ (5,166)</u>	<u>\$ 2,988</u>	<u>\$ 11,666</u>	<u>\$ 5,368</u>	<u>\$ (10,933)</u>

Senior Life Skills	Branch Programs (Note 14)	Connections Clubhouse	General	Total 2013	Total 2012
\$ -	\$ -	\$ -	\$ -	\$ 733,902	\$ 773,902
-	-	-	-	-	32,547
-	4,443	-	-	95,545	149,628
-	-	-	-	106,422	106,314
-	-	-	-	74,784	69,485
-	22,500	-	-	22,500	32,000
-	-	-	-	41,400	39,868
-	-	-	-	22,692	21,355
-	-	-	-	105,705	106,607
-	-	-	-	22,729	6,383
-	-	-	-	17,400	15,000
-	5,911	4,297	-	12,608	10,767
-	41,158	17,583	-	100,163	82,456
8,750	5,000	-	-	13,750	4,487
-	2,470	-	-	2,470	832
8,750	81,482	21,880	-	1,372,070	1,451,631
5,199	37,056	-	-	915,559	911,686
-	-	134	-	157,004	151,143
-	-	-	-	21,702	21,075
500	602	-	-	39,546	40,067
323	10,855	13,525	-	69,487	57,768
-	15,001	-	-	53,650	61,824
196	6,081	141	-	43,972	46,048
19	2,904	1,247	-	21,042	12,721
38	10,930	-	-	12,158	4,617
40	7,563	-	-	20,294	12,534
-	4,250	2,772	-	59,826	66,357
-	-	-	-	-	38,402
6,315	95,242	17,819	-	1,414,240	1,424,242
2,435	(13,760)	4,061	-	(42,170)	27,389
-	13,186	-	91,704	137,906	172,377
-	-	-	-	-	(9,034)
-	-	-	-	-	3,867
-	56,161	-	(61,974)	-	-
-	-	-	-	-	(40,000)
-	-	-	(11,366)	(11,366)	(14,693)
-	-	-	(917)	(917)	(2,000)
\$ 2,435	\$ 55,587	\$ 4,061	\$ 17,447	\$ 83,453	\$ 137,906
\$ -	\$ 55,587	\$ -	\$ 9,981	\$ 83,453	\$ 137,906
2,435	-	4,061	7,466	-	-
\$ 2,435	\$ 55,587	\$ 4,061	\$ 17,447	\$ 83,453	\$ 137,906

RHB SCHMITZ de GRACE
Chartered Accountants