

**CANADIAN MENTAL HEALTH
ASSOCIATION-SOUTH CARIBOO BRANCH**

FINANCIAL STATEMENTS

MARCH 31, 2018

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

MARCH 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of:
Canadian Mental Health Association-South Cariboo Branch

I have audited the accompanying financial statements of Canadian Mental Health Association-South Cariboo Branch, which comprise the statement of financial position as at March 31, 2018 and the statements of operations and changes in fund balances 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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.

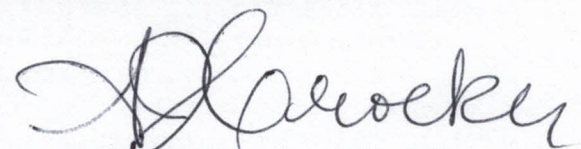
An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In my opinion, these financial statements present fairly, in all material respects, the financial position of Canadian Mental Health Association-South Cariboo Branch as at March 31, 2018, and the results in operations and its cash flows for the year ended, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

Kamloops, BC
June 15, 2018


Sandra J Crocker, CPA, CGA

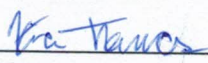
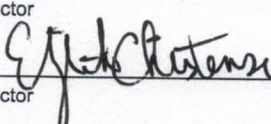
CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

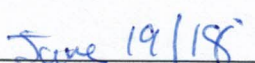
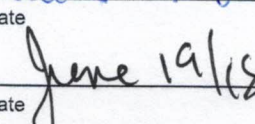
STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2018

	Society 2018	Housing Fund 2018	Capital Asset Fund 2018	Replacement Reserve Fund 2018	Total 2018	Total 2017
Current Assets						
Cash	\$ 93,697	\$ 91,363	\$ -	\$ -	\$ 185,060	\$ 149,780
Short term investment	394	26	-	-	420	408
Prepaid expenses	839	2,718	-	-	3,557	3,360
Government taxes receivable	913	1,029	-	-	1,942	2,165
Interest receivable	987	-	-	976	1,963	700
Due from housing fund	13,584	-	-	-	13,584	1,979
Accounts receivable	14,595	1,352	-	-	15,947	14,075
	125,009	96,488	-	976	222,473	172,467
Restricted cash and deposits (note 3)	14,981	11,726	-	149,257	175,964	155,995
Long Term Investments (note 4)	126,341	-	-	-	126,341	124,776
Capital assets (note 5)	-	-	1,263,348	-	1,263,348	1,328,186
	\$ 266,331	\$ 108,214	\$ 1,263,348	\$ 150,233	\$ 1,788,126	\$ 1,781,424
Current liabilities						
Accounts payable	\$ 7,348	\$ 18,511	\$ -	\$ -	\$ 25,859	\$ 28,593
Wages and employee benefits payable	28,754	230	-	-	28,984	25,741
Due to society fund	-	13,584	-	-	13,584	1,979
Security deposits	-	11,726	-	-	11,726	11,326
Deferred revenue (note 6)	49,408	12,284	-	-	61,692	23,027
Due to BC Housing	-	684	-	-	684	16,762
Current portion of long term debt (note 7)	-	-	83,041	-	83,041	80,501
	85,510	57,019	83,041	-	225,570	187,929
Long term liabilities						
Mortgage payable (note 7)	-	-	1,446,584	-	1,446,584	1,529,625
Fund Balances						
Invested in capital	-	-	(266,277)	-	(266,277)	(281,940)
Externally restricted (note 8)	14,981	51,195	-	150,233	216,409	179,301
Internally restricted (note 9)	106,637	-	-	-	106,637	106,637
Unrestricted	59,203	-	-	-	59,203	59,872
	180,821	51,195	(266,277)	150,233	115,972	63,870
	\$ 266,331	\$ 108,214	\$ 1,263,348	\$ 150,233	\$ 1,788,126	\$ 1,781,424

Approved on Behalf of the Board:


Director

Director


Date

Date

The accompanying notes are an integral part of this statement.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

STATEMENT OF OPERATIONS AND CHANGES IN FUND BALANCES FOR THE YEAR ENDED MARCH 31, 2018

	Society	Housing Fund	Capital Asset	Replacement	Total	Total
	2018	2018	Fund	Reserve Fund	2018	2017
Revenues						
Contract Income -Interior Health	\$ 189,749	\$ -	\$ -	\$ -	\$ 189,749	\$ 186,720
Grants	12,233	-	-	-	12,233	13,350
Donations and fundraising	15,364	-	-	-	15,364	12,904
Tenant Rent Contributions	-	121,649	-	-	121,649	125,204
BC Housing Rent Subsidies	102,043	144,647	-	-	246,690	260,190
Interest Income	1,863	2	-	1,901	3,766	2,278
Management and bookkeeping fees (note 11)	38,345	-	-	-	38,345	27,813
Sundry	2,205	1,020	-	-	3,225	6,540
	<u>361,802</u>	<u>267,318</u>	<u>-</u>	<u>1,901</u>	<u>631,021</u>	<u>634,999</u>
Expenses						
Advertising	470	-	-	-	470	1,415
Automotive	4,705	-	-	-	4,705	6,990
Bad Debts	350	602	-	-	952	44
Board expenses	527	-	-	-	527	626
Client Costs	31,483	-	-	-	31,483	29,735
Fundraising expenses	3,429	-	-	-	3,429	3,563
Insurance	855	10,871	-	-	11,726	11,677
Library and Resource Materials	-	-	-	-	-	-
Program delivery wages and benefits	170,451	-	-	-	170,451	154,832
Program supplies	7,970	-	-	-	7,970	11,686
Property tax	-	9,246	-	-	9,246	10,664
Rent	4,583	-	-	-	4,583	11,387
Stipends	1,740	-	-	-	1,740	1,655
Telephone	4,306	-	-	-	4,306	4,210
Training	1,964	-	-	-	1,964	40
Travel	3,031	-	-	-	3,031	5,092
Utilities						
heating and hot water	-	1,173	-	-	1,173	2,135
electricity	-	1,127	-	-	1,127	1,545
water and sewer	-	14,108	-	-	14,108	13,436
garbage removal	-	2,038	-	-	2,038	1,926
Maintenance						
salaries, wages and benefits	623	14,519	-	-	15,142	14,823
building maintenance	320	4,045	-	19,412	23,777	24,082
grounds	-	3,352	-	-	3,352	1,272
service contracts	-	3,284	-	-	3,284	3,965
Administration						
salaries, wages and benefits	64,832	8,937	-	-	73,769	76,703
office overhead	3,700	3,525	-	-	7,225	7,377
accounting fees	33,728	13,622	-	-	47,350	37,924
Audit and legal fees	5,000	8,000	-	-	13,000	10,489
Mortgage interest	-	48,728	-	-	48,728	51,087
Amortization of capital assets	-	-	65,112	-	65,112	66,706
Miscellaneous	-	-	-	2	2	1,042
Memberships, dues and fees	3,149	-	-	-	3,149	6,584
	<u>347,216</u>	<u>147,177</u>	<u>65,112</u>	<u>19,414</u>	<u>578,919</u>	<u>574,712</u>
Excess (deficiency) of revenue	14,586	120,141	(65,112)	(17,513)	52,102	60,287
Subsidy Adjustments (note 10)	-	-	-	-	-	(14,685)
Fund Balance, beginning of year	166,509	34,632	(281,940)	144,669	63,870	18,268
Interfund transfers						
Disallowed RR spending - prior years	-	(1,423)	-	1,423	-	-
Capital asset purchases	(274)	-	274	-	-	-
Mortgage principal repayments	-	(80,501)	80,501	-	-	-
Replacements reserve provision	-	(21,654)	-	21,654	-	-
Fund balances, ending	\$ 180,821	\$ 51,195	\$ (266,277)	\$ 150,233	\$ 115,972	\$ 63,870

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED MARCH 31, 2018

	Society 2018	Housing Fund 2018	Capital Asset Fund 2018	Replacement Reserve Fund 2018	Total 2018	Total 2017
Operating Activities						
Sources of cash						
Contract Income and grants	\$ 239,555	\$ -	\$ -	\$ -	\$ 239,555	\$ 196,257
Donations and fundraising	15,364	-	-	-	15,364	12,904
Tenant Rent Contributions	-	121,779	-	-	121,779	125,204
BC Housing Rent Subsidies	102,043	127,659	-	-	229,702	259,663
Management fees	38,345	-	-	-	38,345	27,813
Interest Income	1,576	2	-	925	2,503	1,580
Sundry	2,205	1,020	-	-	3,225	6,540
Uses of Cash						
Payments for operating expenses						
Wages and benefits	(265,728)	(37,741)	-	-	(303,469)	(280,887)
Material and services	(96,586)	(59,666)	-	(19,414)	(175,666)	(166,189)
Mortgage interest	-	(48,728)	-	-	(48,728)	(51,087)
Financing Activities						
Mortgage principal repaid	-	-	(80,501)	-	(80,501)	(78,039)
Investing Activities						
Capital assets acquired	-	-	(274)	-	(274)	-
Interfund transfers						
Replacement reserve provision	-	(21,654)	-	21,654	-	-
Mortgage principal	-	(80,501)	80,501	-	-	-
Transfers to/from replacement reserve	-	(1,423)	-	-	(1,423)	-
Transfers to/from housing fund	(11,605)	11,605	-	1,423	1,423	-
Transfers to/from capital asset fund	(274)	-	274	-	-	-
Net increase in cash and term Deposits	24,895	12,352	-	4,588	41,835	53,759
Cash and term deposits, beginning of year	195,537	90,763	-	144,669	430,969	377,200
Cash and term deposits, end of year	<u>\$ 220,432</u>	<u>\$ 103,115</u>	<u>\$ -</u>	<u>\$ 149,257</u>	<u>\$ 472,804</u>	<u>\$ 430,959</u>
Consists of:						
Cash	\$ 93,697	\$ 91,363	\$ -	\$ -	\$ 185,060	\$ 149,780
Short term investment	394	26	-	-	420	408
Restricted cash and term deposits	126,341	11,726	-	149,257	287,324	280,771
	<u>\$ 220,432</u>	<u>\$ 103,115</u>	<u>\$ -</u>	<u>\$ 149,257</u>	<u>\$ 472,804</u>	<u>\$ 430,959</u>

The accompanying notes are an integral part of this statement.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

1. PURPOSE OF THE SOCIETY

The Canadian Mental Health Association - South Cariboo Branch is incorporated under the laws of the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act. The Association promotes the mental health of individuals living within the South Cariboo region and supports the resilience and recovery of people experiencing mental illness. The programs offered by the Association are Emergency Home Support, Activity and Drop in Program, Semi Independent Living, Work Incentive Program, Homeless Outreach Program, Extreme Weather Shelter, Acquired Brain Injury and Emergency Transportation Program. The Association also provides management services to the 100 Mile House and District Women's Centre Society. Lastly, the Association also provides low cost and market housing to low income individuals and families in 100 Mile House, BC which is subsidized through BC Housing Management Commission ("BC Housing").

2. SIGNIFICANT ACCOUNTING POLICIES

Significant accounting policies observed in the preparation of these financial statements are summarized below. These policies are in accordance with Canadian accounting standards for Not-for Profit Organizations.

(a) Fund Accounting

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

Society Fund accounts for the Society's funding from various agencies, fundraising and membership activities.

The Housing Fund reports restricted operating grants, revenues and expenses related to the society's housing activities.

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

The Replacement Reserve Fund reports the assets, liabilities, revenues and expenses related to replacing property, building and equipment.

(b) Revenue Recognition

Other Contributions

Contributions are recognized in the period received or receivable except when the contribution agreements clearly indicate the funds are for future expenditures. Contributions received for future expenditures are recorded as deferred revenue.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

(b) Revenue Recognition cont'd

Contributions from BC Housing

Contributions received from BC Housing for the replacement reserve fund have been reported as interfund transfers from the Housing 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.

Investment Income

Interest income earned on replacement reserve fund is recognized as revenue in the Replacement Reserve Fund in the period the investment income is earned.

Other interest income earned is recognized in the appropriate fund that it relates.

(c) Amortization of Capital Assets

Capital assets are recorded at cost. Amortization is provided on a straight-line basis over the assets estimated useful lives as follows:

Land - Lease	- 60 years
Building	- 40 years
Furniture and fixtures	- 10 years
Paving	- 20 years
Equipment	- 10 years
Automotive	- 5 years
Fencing	- 10 years
Computer	- 3 years

d) Investments

Investments are recorded at the lower of cost and market value.

(e) Contributed services

Volunteers contribute significant hours annually to assist the Association in carrying out its activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

(f) Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations 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 reporting date and the reported amounts of receipts and disbursements for the reporting period. Actual results could differ from these estimates. Significant financial statement items that require the use of estimates are as follows: fair value of investments, and amount of accrued liabilities. These estimates are reviewed periodically and adjustments are made, as appropriate, in the statement of operations and changes in fund balances in the year they become known.

3. RESTRICTED CASH AND TERM DEPOSITS

Cash designated for specific purposes is segregated as follows:

	2018	2017
Security deposits and accrued interest owing to tenants	\$ 11,726	\$ 11,326
Replacement Reserve	149,257	144,669
Gaming Proceeds	14,981	-
	\$ 175,964	\$ 155,995

4. LONG TERM INVESTMENTS

Investments are comprised of guaranteed investment certificates with a three year term, having an annual rate of 1.25% in Year 1, 1.75% in Year 2, and 2.25% in Year 3. Interest is paid out annually and investment maturity date is October 20, 2019.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2018	Net 2017
Land-Lease	\$ 186,850	\$ 63,319	\$ 123,531	\$ 126,645
Building	2,288,359	1,163,138	1,125,221	1,182,429
Furniture and fixtures	2,697	1,036	1,661	1,931
Paving	35,500	35,500	-	1,183
Equipment	19,929	12,372	7,557	8,875
Fencing	14,676	9,298	5,378	6,845
Computer equipment	1,555	1,555	-	278
	\$ 2,549,566	\$ 1,286,218	\$ 1,263,348	\$ 1,328,186

6. DEFERRED REVENUE

Society fund

The deferred revenue reported in the Society Fund represents contract income received which is related to the subsequent period.

Housing fund

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

	2018	2017
Activity and Drop In Centre	\$ 1,590	\$ -
SIL Lifeskills and Emergency Support	22,985	-
Homeless Outreach	5,633	5,633
Rent Supplement	1,408	1,408
Gaming grant	15,000	-
BC Housing Subsidy-Housing Fund	12,284	13,194
Extreme Weather Response	2,792	2,792
	\$ 61,692	\$ 23,027

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

7. MORTGAGE PAYABLE

	2018	2017
Mortgage-Peoples Trust bearing interest at 3.13% compounded semi-annually, repayable in monthly blended instalments of \$10,785. The mortgage matures on December 1, 2024.		
	\$ 1,529,625	\$ 1,610,126
<u>Principle amounts included in current liabilities</u>	<u>83,041</u>	<u>80,501</u>
	<u>\$ 1,446,584</u>	<u>\$ 1,529,625</u>

The mortgage is secured by a registered first charge and an assignment of rents and fire insurance proceeds on the property located at 910 Cariboo Trail, 100 Mile House, BC.

Principle payments due on the long term debt over the next five years are as follows:

2019	\$ 83,041
2020	85,660
2021	88,362
2022	91,149
2023	94,024
Subsequent to 2023	<u>1,087,389</u>
	<u>\$ 1,529,625</u>

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

8. EXTERNALLY RESTRICTED NET ASSETS

Major categories of externally imposed restrictions on net assets are as follows:

	2018	2017
Restricted for replacing capital items	\$ 150,233	\$ 144,669
Contributions, restricted for housing operations, as approved by BC Housing	51,195	34,632
Gaming grant restricted for soup de tour	14,981	-
	216,409	\$ 179,301

9. INTERNALLY RESTRICTED NET ASSETS

In prior years, the association's board of directors internally restricted \$51,128 for a future building fund and \$55,509 as a contingency fund.

10. SUBSIDY ADJUSTMENTS

BC Housing conducts an annual review of the financial statements and may adjust for any operating surplus or deficit or over (under) payment of subsidy. Prior years funding adjustments are recognized in the fiscal year they are determined. In 2018, \$0 (2017 - \$14,685) subsidy repayments were made.

11. RELATED PARTY TRANSACTIONS

The Association and the 100 Mile and District Women's Society are under common control since they have the same board of directors.

Fees paid by the 100 Mile and District Women's Society are management fees of \$29,120 (2017 - \$27,813) and bookkeeping services of \$9,225 (2017 - \$0).

12. ECONOMIC DEPENDENCE

The Association is the holder of a non-profit society operating agreement granted by BC Housing under the Homes BC Program whereby it has the right to act as an authorized manager of an assisted housing development located in 100 Mile House, BC. The operating agreement can be cancelled by BC Housing if the Association fails to observe established guidelines. The Association's housing operations and assets would revert back to BC Housing should this agreement end.

The Association's main sources of income are derived from various government agencies. Should any of these funders substantially change its dealings with the Association, its ability to continue as a viable operations would be doubtful.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

13. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, short term and long term investments, accounts receivable, account payables, and mortgage payable. Unless otherwise noted, it is management's opinion that the company is not exposed to significant interest, currency, or credit risks arising from these financial instruments.

Fair Value

The Association's cash and cash equivalents, short term investments, accounts receivable, and accounts payable are short term financial instruments whose fair value approximates their carrying value.

The fair value of long term debt is not readily obtainable.

14. REPLACEMENT RESERVE

Under the terms of the agreement with BC Housing, the replacement reserve fund is to be credited in the amount determined by the budget provision per annum plus interest earned. These funds along with the accumulated interest must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation; in investments guaranteed by a Canadian government; or in other investment instruments as agreed upon with BC Housing.

The reserve funds may only be used for capital repairs and replacements in accordance with the operating agreement.

15. MUNICIPAL PLAN

The Association and its employees contribute to the Municipal Pension Plan which is a jointly trusted pension plan. The Municipal Pension Plan is a defined benefit plan, where your pension is based on your age, years of pensionable service and the average of your highest five years of salary.

On April 5, 2001, the Municipal Pension Plan moved to joint trusteeship with a Municipal Pension Board of Trustees consisting of eight people appointed by the Plan Member Partners and eight people appointed by the Plan Employer Partners. The Board's duties include establishing investment policy, recommending changes in benefits and funding policy and directing the application of Pension Plan Rules. The Board appoints an independent actuary to assess the Plan's financial health every three years through an actuarial valuation. The Municipal Pension Plan is the sixth-largest defined benefit pension plan in Canada.

Every three years an actuarial valuation is performed to assess the financial position of the plan and based on certain assumption the adequacy of the plan funding. The most recent evaluation was performed as at December 31, 2015. The unfunded liability was \$2,224 million which is not attributed to the individual employers. The next valuation will be as at December 31, 2018 with results available in 2019.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

16. CONTINGENT LIABILITY

Sick Time and Special Leave

The unionized employees under the HEABC Collective Agreement earn sick and special leave benefits based upon a percentage of wages paid. These benefits are only paid out under certain circumstances. As at the financial statement date, the amount of potential benefits that could be paid out is \$31,406 (2017 - \$36,136). This amount has not been reflected in the financial statements as an event must occur first in order to be paid out.

17. SUBSEQUENT EVENT

On June 4, 2018, a letter of intent was signed which will begin to establish details regarding the structure of, and the rights and obligations associated with the forming of a partnership arrangement with Liberty Contract Management Inc. The partnership would be to pursue the development and construction of new low income housing units located in 100 Mile, BC. It is the intent that the Association will operate, manage, and maintain these units as rental units to service the community.

18. COMPARATIVE FIGURES

The 2017 figures, presented in these financial statements for comparative purposes have been restated to conform to the current year's presentation.

CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2018

AUDITOR'S REPORT ON COMPLIANCE WITH AGREEMENT WITH BC HOUSING

To: BC Housing

I have audited Canadian Mental Health Association-South Cariboo Branch compliance as at March 31, 2018 with the criteria established in Sections 5.3, 5.12, 5.13 and 5.10 of the Society's Operating Agreement with BC Housing dated March 17, 1997, in respect of :

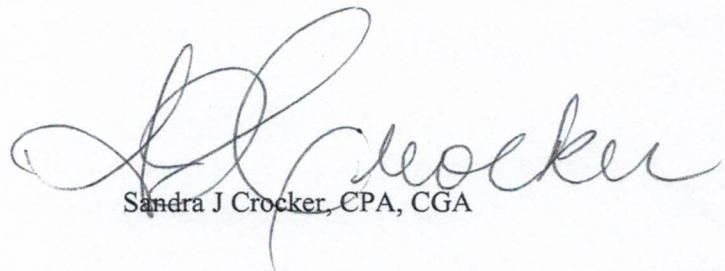
- (i) Section 5.3 - Tenant Rent Contributions being charged to Rent-Geared-to-Income Tenants,
- (ii) Section 5.12 and 5.13 - Funding and maintenance of the Replacement Reserve, and the interest income related thereto, and
- (iii) Section 5.10 - Spending and accounting for the Accumulated Operating Surplus of the Homes BC development.

Compliance with the criteria established by the provisions of the Operating Agreement is the responsibility of the management of Canadian Mental Health Association-South Cariboo Branch. My responsibility is to express an opinion on this compliance based on my audit.

I conducted my audit in accordance with Canadian auditing standards. Those standards require that I plan and perform an audit to obtain reasonable assurance whether Canadian Mental Health Association-South Cariboo Branch complied with the criteria established by the provisions of the Operating Agreement referred to above. Such an audit includes examining, on a test basis, evidence supporting compliance, evaluating the overall compliance with the agreement, and where applicable, assessing the accounting principles used and significant estimates made by management.

In my opinion, Canadian Mental Health Association-South Cariboo Branch is in compliance, in all material respects, with the criteria set out in Sections 5.3, 5.12, 5.13, and 5.10 of the Society's Operating Agreement with BC Housing dated March 17, 1997.

108 Mile Ranch, BC
June 15, 2018



Sandra J Crocker, CPA, CGA