

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

**FINANCIAL STATEMENTS**

**MARCH 31, 2020**

# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

MARCH 31, 2020

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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, 2020 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.

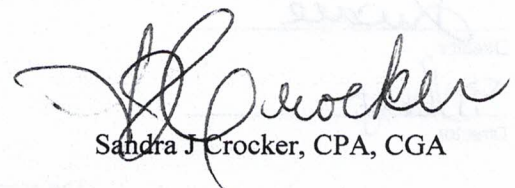
### **Opinion**

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, 2020, and the results in operations and its cash flows for the year ended, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

### **Report on Other Legal and Regulatory Requirements**

As required by the Societies Act of British Columbia, I report that, in my opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Kamloops, BC  
June 19, 2020

  
Sandra J. Crocker, CPA, CGA



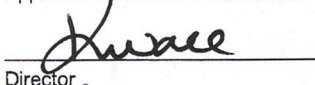
# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

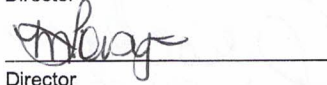
## STATEMENT OF FINANCIAL POSITION

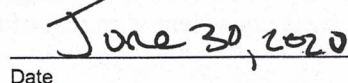
AS AT MARCH 31, 2020

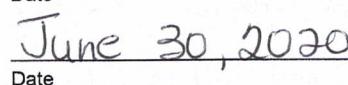
	Society 2020	Housing Fund 2020	Capital Asset Fund 2020	Replacement Reserve Fund 2020	Total 2020	Total 2019
<b>Current Assets</b>						
Cash	\$ 116,163	\$ 88,826	\$ -	\$ -	\$ 204,989	\$ 291,102
Short term investment (note 3)	332,741	28	-	-	332,769	128,990
Prepaid expenses	6,668	7,643	-	-	14,311	3,809
Government taxes receivable	2,168	2,760	-	-	4,928	2,967
Interest receivable	1,028	-	-	-	1,028	2,569
Due from housing fund	4,121	-	-	-	4,121	1,901
Accounts receivable	22,457	609	-	-	23,066	36,301
	485,346	99,866	-	-	585,212	467,639
<b>Restricted cash and deposits (note 4)</b>	-	11,761	-	135,803	147,564	149,430
<b>Capital assets (note 5)</b>	-	-	1,140,418	-	1,140,418	1,202,757
	\$ 485,346	\$ 111,627	\$ 1,140,418	\$ 135,803	\$ 1,873,194	\$ 1,819,826
<b>Current liabilities</b>						
Accounts payable	\$ 18,952	\$ 20,088	\$ -	\$ -	\$ 39,040	\$ 37,132
Wages and employee benefits payable	42,198	555	-	-	42,753	39,369
Repayable assistance (note 12)	-	1,105	-	-	1,105	444
Due to society fund	-	4,121	-	-	4,121	1,901
Security deposits	-	11,761	-	-	11,761	11,666
Deferred revenue (note 6)	189,693	17,277	-	-	206,970	100,324
Due to BC Housing	-	25,710	-	-	25,710	11,575
Current portion of long term debt (note 8)	-	-	88,362	-	88,362	85,660
	250,843	80,617	88,362	-	419,822	288,071
<b>Long term liabilities</b>						
Mortgage payable (note 8)	-	-	1,272,562	-	1,272,562	1,360,924
<b>Fund Balances</b>						
Invested in capital	-	-	(220,506)	-	(220,506)	(243,827)
Externally restricted (note 9)	-	31,010	-	135,803	166,813	192,306
Internally restricted (note 10)	121,523	-	-	-	121,523	106,637
Unrestricted	112,980	-	-	-	112,980	115,715
	234,503	31,010	(220,506)	135,803	180,810	170,831
	\$ 485,346	\$ 111,627	\$ 1,140,418	\$ 135,803	\$ 1,873,194	\$ 1,819,826

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, 2020

	Society	Housing Fund	Capital Asset Fund	Replacement Reserve Fund	Total	Total
	2020	2020	2020	2020	2020	2019
<b>Revenues</b>						
Contract Income	\$ 276,465	\$ -	\$ -	\$ -	\$ 276,465	\$ 240,046
Grants	210,253	-	-	-	210,253	159,904
Donations and fundraising	22,232	-	-	-	22,232	8,357
Tenant Rent Contributions	-	151,177	-	-	151,177	137,624
BC Housing Rent Subsidies	174,983	114,282	-	-	289,265	238,297
Interest Income	3,514	-	-	2,740	6,254	5,087
Management and bookkeeping fees (note 11)	2,462	-	-	-	2,462	43,956
Sundry	2,438	454	-	-	2,892	1,196
	<u>692,347</u>	<u>265,913</u>	<u>-</u>	<u>2,740</u>	<u>961,000</u>	<u>834,467</u>
<b>Expenses</b>						
Advertising	613	-	-	-	613	1,242
Automotive	7,724	-	-	-	7,724	4,803
Bad Debts (recovery)	-	1,544	-	-	1,544	(44)
Board expenses	756	-	-	-	756	936
Client Costs	42,774	-	-	-	42,774	30,404
Clinical supervision	2,357	-	-	-	2,357	-
Fundraising expenses	1,116	-	-	-	1,116	3,008
Insurance	1,171	25,873	-	-	27,044	12,680
Program delivery wages and benefits	415,364	-	-	-	415,364	305,785
Program supplies	14,196	-	-	-	14,196	9,907
Property tax	-	6,280	-	-	6,280	6,300
Rent	16,754	-	-	-	16,754	9,717
Stipends	2,410	-	-	-	2,410	2,780
Telephone	9,312	-	-	-	9,312	5,668
Training	183	-	-	-	183	225
Travel	10,996	-	-	-	10,996	9,324
Utilities						
heating and hot water	-	2,839	-	-	2,839	1,765
electricity	-	1,672	-	-	1,672	1,709
water and sewer	-	15,557	-	-	15,557	14,814
garbage removal	-	1,929	-	-	1,929	1,930
Maintenance						
salaries, wages and benefits	-	16,980	-	-	16,980	15,621
building maintenance	6,584	17,781	-	28,337	52,702	57,790
grounds	-	3,863	-	-	3,863	1,574
service contracts	3,298	10,603	-	-	13,901	10,949
Administration						
salaries, wages and benefits	81,603	-	-	-	81,603	77,579
office overhead net (recovery)	(13,796)	23,552	-	3	9,759	9,903
accounting fees	61,924	-	-	-	61,924	56,062
Audit and legal fees	5,449	7,995	-	-	13,444	10,319
Mortgage interest	-	43,550	-	-	43,550	46,195
Amortization of capital assets	-	-	65,654	-	65,654	65,194
Miscellaneous	1,000	-	-	-	1,000	689
Memberships, dues and fees	5,220	-	-	-	5,220	4,780
	<u>677,008</u>	<u>180,019</u>	<u>65,654</u>	<u>28,340</u>	<u>951,021</u>	<u>779,608</u>
<b>Excess (deficiency) of revenue</b>	<b>15,339</b>	<b>85,894</b>	<b>(65,654)</b>	<b>(25,600)</b>	<b>9,979</b>	<b>54,859</b>
<b>Subsidy Adjustments</b>	<b>-</b>	<b>(835)</b>	<b>-</b>	<b>835</b>	<b>-</b>	<b>-</b>
<b>Fund Balance, beginning of year</b>	<b>222,479</b>	<b>53,265</b>	<b>(243,827)</b>	<b>138,914</b>	<b>170,831</b>	<b>115,972</b>
<b>Interfund transfers</b>						
Capital asset purchases	(3,315)	-	3,315	-	-	-
Mortgage principal repayments	-	(85,660)	85,660	-	-	-
Replacements reserve provision	-	(21,654)	-	21,654	-	-
<b>Fund balances, ending</b>	<b>\$ 234,503</b>	<b>\$ 31,010</b>	<b>\$ (220,506)</b>	<b>\$ 135,803</b>	<b>\$ 180,810</b>	<b>\$ 170,831</b>

The accompanying notes are an integral part of this statement.



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2020

	Society 2020	Housing Fund 2020	Capital Asset Fund 2020	Replacement Reserve Fund 2020	Total 2020	Total 2019
<b>Operating Activities</b>						
<b>Sources of cash</b>						
Contract Income and grants	\$ 600,836	\$ -	\$ -	\$ -	600,836	\$ 418,255
Donations and fundraising	22,232	-	-	-	22,232	8,357
Tenant Rent Contributions	-	151,392	-	-	151,392	138,153
BC Housing Rent Subsidies	174,983	135,006	-	-	309,989	248,633
Management fees	2,462	-	-	-	2,462	43,956
Interest Income	3,778	1	-	4,017	7,796	4,480
Sundry	2,438	454	-	-	2,892	1,196
<b>Uses of Cash</b>						
Payments for operating expenses						
Wages and benefits	(555,688)	(16,799)	-	-	(572,487)	(425,972)
Material and services	(113,084)	(135,236)	-	(28,340)	(276,660)	(206,628)
Mortgage interest	-	(43,550)	-	-	(43,550)	(46,195)
<b>Financing Activities</b>						
Mortgage principal repaid	-	-	(85,660)	-	(85,660)	(83,040)
<b>Investing Activities</b>						
Capital assets acquired	-	-	(3,315)	-	(3,315)	(4,604)
<b>Interfund transfers</b>						
Subsidy Adjustments	-	(835)	-	835	-	-
Replacement reserve provision/adj	-	(21,654)	-	21,654	-	-
Mortgage principal	-	(85,660)	85,660	-	-	-
Transfers to/from replacement reserve	-	-	-	-	-	-
Transfers to/from housing fund	(2,220)	2,220	-	-	-	-
Transfers to/from capital asset fund	(3,315)	-	3,315	-	-	-
<b>Net increase in cash and term Deposits</b>	132,422	(14,661)	-	(1,834)	115,927	96,591
<b>Cash and term deposits, beginning of year</b>	316,482	115,276	-	137,637	569,395	472,804
<b>Cash and term deposits, end of year</b>	<b>\$ 448,904</b>	<b>\$ 100,615</b>	<b>\$ -</b>	<b>\$ 135,803</b>	<b>\$ 685,322</b>	<b>\$ 569,395</b>
<b>Consists of:</b>						
Cash	\$ 116,163	\$ 88,826	\$ -	\$ -	204,989	\$ 291,102
Short term investment	332,741	28	-	-	332,769	128,990
Restricted cash and term deposits	-	11,761	-	135,803	147,564	149,303
	<b>\$ 448,904</b>	<b>\$ 100,615</b>	<b>\$ -</b>	<b>\$ 135,803</b>	<b>\$ 685,322</b>	<b>\$ 569,395</b>

The accompanying notes are an integral part of this statement.



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 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, Emergency Transportation Program, Community Navigator, Safe Housing, Stop the Violence Counselling Services, Suicide Prevention Training and Soup de Tour. The Association did provide management services to the 100 Mile House and District Women's Centre Society however their operations ended in April, 2020. 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").

The association is exempt from income taxes under Section 149(1)(I) of the Income Tax.

### 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

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.



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### (b) Revenue Recognition

##### Contributions

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 they are received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

##### 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.

##### 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.



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### (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
Equipment	- 10 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.

#### (f) Financial instruments

Financial assets and financial liabilities are initially recognized at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets subsequently measured at amortized cost include cash, short term investments, prepaid expenses, and accounts receivable. Financial liabilities measured at amortized cost include accounts and wages payable, accrued liabilities, and deferred revenue.

# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 2. SIGNIFICANT ACCOUNTING POLICIES CONT'D

#### (g) 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. SHORT TERM INVESTMENTS

Investments are comprised of guaranteed investment certificates and are classified in short term investments as they mature in the next 12 months.

### 4. RESTRICTED CASH AND TERM DEPOSITS

Cash designated for specific purposes is segregated as follows:

	2020	2019
Security deposits and accrued interest owing to tenants	\$ 11,761	\$ 11,666
Replacement Reserve	135,803	137,637
Gaming Proceeds	-	127
	<u>\$ 147,564</u>	<u>\$ 149,430</u>



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 5. CAPITAL ASSETS

	Cost	Accumulated Amortization	Net 2020	Net 2019
Land-Lease	\$ 186,850	\$ 69,548	\$ 117,302	\$ 120,417
Building	2,288,359	1,277,557	1,010,802	1,068,012
Furniture and fixtures	3,871	1,595	2,276	1,595
Equipment	19,929	16,351	3,578	5,559
Fencing	14,676	12,233	2,443	3,910
Computer equipment	6,745	2,728	4,017	3,264
	<b>\$ 2,520,430</b>	<b>\$ 1,315,920</b>	<b>\$ 1,140,418</b>	<b>\$ 1,202,757</b>

### 6. DEFERRED REVENUE

#### Society fund

The deferred revenue reported in the Society Fund represents contract income and grants 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.

	2020	2019
Safe House Transferred from Women's Centre	\$ 52,403	\$ -
Safe House Travel Grant	2,500	-
Homeless Outreach	6,079	5,598
Rent Supplement	1,666	1,666
Legal Services Society	520	-
BC Housing-Housing Fund	11,729	11,729
Extreme Weather Response	4,973	3,898
Prepaid Rent - Cariboo Trail Terrace	5,548	-
United Way Receptionist Grant	-	7,184
Gaming Grant	63,589	-
Stop The Violence	11,654	-
Red Cross - SIL/Activity	23,001	-
Safe House - BC Housing	23,308	-
Red Cross Fire Grant	-	70,249
	<b>\$ 206,970</b>	<b>\$ 100,324</b>



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 7. REMUNERATION OF DIRECTORS, EMPLOYEES AND CONTRACTORS

On November 28, 2016, the Society Act (BC) was repealed and replaced with the Societies Act (BC) ("New Act"). The New Act required that all Societies transition to the New Act before November 28, 2018. The Society has completed the transitioning process. The New Act requires that the Society disclose the total remuneration paid to the Directors, for either being a director or for acting in another capacity, as well as the total number of employees or contractors with annual remuneration equal to or greater than \$75,000 and the aggregate remuneration of those employees/contractors. During the year ended March 31, 2020, there was no directors that received remuneration in capacity as directors (2019 - none) and there was one (2019 - one) employee whose remuneration is in excess of \$75,000.

### 8. MORTGAGE PAYABLE

	2020	2019
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.	\$ 1,360,924	\$ 1,446,584
<u>Principle amounts included in current liabilities</u>	<u>88,362</u>	<u>85,660</u>
	<u>\$ 1,272,562</u>	<u>\$ 1,360,924</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:

2021	\$ 88,362
2022	91,150
2023	94,025
2024	96,990
Subsequent to 2025	<u>990,397</u>
	<u>\$ 1,360,924</u>



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 9. EXTERNALLY RESTRICTED NET ASSETS

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

	2020	2019
Restricted for replacing capital items	\$ 135,803	\$ 138,914
Contributions, restricted for housing operations, as approved by BC Housing	31,010	53,265
Gaming grant restricted - soup de tour	-	127
	166,813	\$ 192,306

### 10. 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. In August 2019, an additional restriction of \$14,886 from funds donated from the 100 Mile House and District Women's Society which was dissolved in August, 2019. These funds are to be transferred to a local charity which fits within the association's mandate.

### 11. RELATED PARTY TRANSACTIONS

The Association and the 100 Mile House and District Women's Society were under common control since they have the same board of directors. The 100 Mile House and District Women's Society dissolved August 15, 2019.

Fees paid by the 100 Mile House and District Women's Society are management fees of \$2,461 (2019 - \$31,130) and bookkeeping services of \$0 (2019 - \$12,826).

### 12. REPAYABLE ASSISTANCE

The cumulative non-Rent-Geared-to-Income (non-RGI) assistance of \$1,105 as at March 31, 2020 is contingently repayable to BCHMC in the event that the total non-RGI tenant rent contribution in any year exceeds the economic rent of the suites occupied by non-RGI tenants. The society is required to commence repayment of the cumulative non-RGI assistance on the first day of the fiscal year following the fiscal year in which the preceding event occurs.

There is a prior year opening balance in repayable assistance dating back many years for \$69,988 which has not been reflected in the statement of financial position as it has not been determined to be accurate or collectible at this time.



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 13.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.

### 14.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.

### 15.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.



# CANADIAN MENTAL HEALTH ASSOCIATION-SOUTH CARIBOO BRANCH

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2020

### 16. 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, 2018. The unfunded liability was \$2,498 million which is not attributed to the individual employers. The next valuation will be as at December 31, 2021 with results available in 2020. As at the date of this statement, the results have not been published.

### 17. 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 \$44,865 (2019 - \$36,495). This amount has not been reflected in the financial statements as an event must occur first in order to be paid out.

### 18. COMPARATIVE FIGURES

The 2019 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, 2020

### 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, 2020 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 :

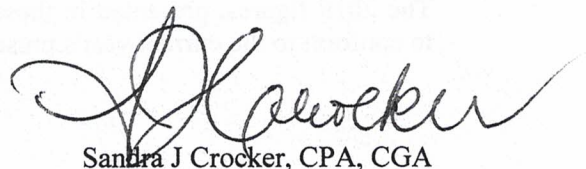
- (i) Section 5.3 - Tenant Rent Contributions being charged to Rent-Geared-to-Income Tenants,
- (ii) Section 5.12 and 5.13 - Funding and maintenance of the Replacement Reserve, and the interest income related thereto, and
- (iii) Section 5.10 - Spending and accounting for the Accumulated Operating Surplus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

Kamloops, BC  
June 19, 2020



Sandra J Crocker, CPA, CGA