

Canadian Mental Health Association - South Cariboo Branch
Financial Statements
March 31, 2021

Canadian Mental Health Association - South Cariboo Branch

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For the year ended March 31, 2021

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

Report on the Audit of the Financial Statements

Opinion

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Matter

The financial statements of the Society for the year ended March 31, 2020 were audited by S J Crocker Inc. of Kamloops, British Columbia, Canada. S J Crocker Inc. expressed an unmodified opinion on those statements on June 19, 2020.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principals as prescribed by the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis with that of the preceding year.

Prince George, British Columbia

June 29, 2021

MNP LLP

Chartered Professional Accountants

Canadian Mental Health Association - South Cariboo Branch Statement of Financial Position

As at March 31, 2021

	<i>Society Fund</i>	<i>Housing Fund</i>	<i>Capital Asset Fund</i>	<i>Replacement Reserve Fund (Note 11)</i>	2021	<i>2020</i>
Assets						
Current						
Cash	369,804	114,916	-	-	484,720	204,989
Accounts receivable	44,397	31,490	-	-	75,887	23,066
Short-term investments (Note 3)	336,113	29	-	-	336,142	332,769
Accrued interest	649	-	-	-	649	1,028
Prepaid expenses	12,868	-	-	-	12,868	14,311
Government remittances receivable	-	1,356	-	-	1,356	2,760
Due from Housing Fund (Note 4)	11,268	-	-	-	11,268	4,121
Due from Replacement Reserve Fund (Note 4)	-	3,045	-	-	3,045	-
	775,099	150,836	-	-	925,935	583,044
Capital assets (Note 5)	-	-	1,077,278	-	1,077,278	1,140,418
Restricted cash and deposits (Note 6)	-	11,804	-	155,961	167,765	147,564
	775,099	162,640	1,077,278	155,961	2,170,978	1,871,026

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Canadian Mental Health Association - South Cariboo Branch Statement of Financial Position

As at March 31, 2021

	Society Fund	Housing Fund	Capital Asset Fund	Replacement Reserve Fund (Note 11)	2021	2020
Liabilities						
Current						
Accounts payable	21,104	49,884	-	-	70,988	39,040
Wages and employee benefits payable	46,480	580	-	-	47,060	29,609
Repayable assistance (Note 7)	-	2,581	-	-	2,581	1,105
Due to Housing fund (Note 4)	-	11,268	-	3,045	14,313	4,121
Government remittances payable	13,987	-	-	-	13,987	10,976
Security deposits	-	11,804	-	-	11,804	11,761
Deferred revenue (Note 8)	406,826	11,729	-	-	418,555	206,970
Due to BC Housing	-	25,710	-	-	25,710	25,710
Current portion of long-term debt (Note 9)	-	-	91,153	-	91,153	88,362
	488,397	113,556	91,153	3,045	696,151	417,654
Long-term debt (Note 9)	-	-	1,181,409	-	1,181,409	1,272,562
	488,397	113,556	1,272,562	3,045	1,877,560	1,690,216
Contingent liability (Note 10)						
Net Assets						
Invested in capital	-	-	(195,284)	-	(195,284)	(220,506)
Externally restricted (Note 11)	-	49,084	-	152,916	202,000	166,813
Internally restricted (Note 11)	117,409	-	-	-	117,409	121,523
Unrestricted	169,293	-	-	-	169,293	112,980
	286,702	49,084	(195,284)	152,916	293,418	180,810
	775,099	162,640	1,077,278	155,961	2,170,978	1,871,026

Approved on behalf of the Board of Directors

E-SIGNED by Rick Meyer

Director

E-SIGNED by Marna Forsyth

Director

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association - South Cariboo Branch Statement of Operations

For the year ended March 31, 2021

	Society Fund	Housing Fund	Capital Asset Fund	Replacement Reserve Fund	2021	2020
Revenue						
BC Housing rent subsidies	309,475	133,487	-	-	442,962	289,265
Contract income	300,524	-	-	-	300,524	276,465
Grant income	271,721	28,658	-	-	300,379	212,166
Tenant rent contributions	-	157,441	-	-	157,441	151,177
Sundry	1,520	4,665	-	-	6,185	979
Interest income	2,993	-	-	2,579	5,572	6,254
Donations and fundraising	3,286	-	-	-	3,286	22,232
Management fees (Note 14)	-	-	-	-	-	2,462
	889,519	324,251	-	2,579	1,216,349	961,000
Expenses						
Program delivery wages and benefits	528,129	-	-	-	528,129	445,882
Administrative	108,674	26,974	-	1	135,649	122,763
Client costs	114,289	-	-	-	114,289	42,774
Repairs and maintenance	5,178	54,141	-	7,119	66,438	87,448
Interest on long-term debt	-	40,841	-	-	40,841	43,550
Insurance	922	33,407	-	-	34,329	27,044
Utilities	-	22,622	-	-	22,622	21,999
COVID 19 Response	14,356	3,500	-	-	17,856	-
Rent	12,234	-	-	-	12,234	16,754
Professional fees	3,301	8,000	-	-	11,301	13,444
Telephone	10,149	-	-	-	10,149	9,312
Automotive	10,039	-	-	-	10,039	7,724
Program supplies	7,937	-	-	-	7,937	14,196
Property tax	-	6,676	-	-	6,676	6,280
Clinical supervision	5,689	-	-	-	5,689	2,358
Memberships, dues and fees	4,688	-	-	-	4,688	5,220
Travel	3,928	-	-	-	3,928	10,996
Training	2,242	-	-	-	2,242	183
Stipends	870	-	-	-	870	2,410
Board expenses	850	-	-	-	850	756
Advertising	151	-	-	-	151	613
Fundraising expenses	-	-	-	-	-	1,116
Bad debts	-	-	-	-	-	1,545
Miscellaneous	-	-	-	-	-	1,000
Amortization	-	-	66,834	-	66,834	65,654
Total expenses	833,626	196,161	66,834	7,120	1,103,741	951,021
Excess (deficiency) of revenue over expenses	55,893	128,090	(66,834)	(4,541)	112,608	9,979

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association - South Cariboo Branch
Statement of Changes in Net Assets

For the year ended March 31, 2021

	<i>Society Fund</i>	<i>Housing Fund</i>	<i>Capital Asset Fund</i>	<i>Replacement Reserve Fund</i>	2021	2020
Net assets beginning of year,	234,503	31,010	(220,506)	135,803	180,810	170,831
Excess (deficiency) of revenue over expenses	55,893	128,090	(66,834)	(4,541)	112,608	9,979
	290,396	159,100	(287,340)	131,262	293,418	180,810
Interfund transfers						
Capital asset purchases	(3,694)	-	3,694	-	-	-
Long -term debt principal payments	-	(88,362)	88,362	-	-	-
Replacement reserve provision	-	(21,654)	-	21,654	-	-
Net assets, end of year	286,702	49,084	(195,284)	152,916	293,418	180,810

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association - South Cariboo Branch
Statement of Cash Flows
For the year ended March 31, 2021

	Society Fund	Housing Fund	Capital Asset Fund	Replacement Reserve Fund	2021	2020
Operating Activities						
Sources of Cash						
Contract income and grants	711,942	-	-	-	711,942	600,836
Donations and fundraising	3,286	-	-	-	3,286	22,232
Tenant rent contributions	-	155,218	-	-	155,218	151,392
BC Housing Rent Subsidies	364,970	127,939	-	-	492,909	309,989
Management fees	-	-	-	-	-	2,462
Interest income	3,372	-	-	2,579	5,951	7,796
Sundry	1,675	8,301	-	-	9,976	2,892
Uses of Cash						
Payments for operating expenses						
Wages and benefits	(635,141)	(14,811)	-	-	(649,952)	(572,487)
Material and services	(182,250)	(103,528)	-	(7,120)	(292,899)	(276,660)
Mortgage interest	-	(41,070)	-	-	(41,070)	(43,550)
Financing Activities						
Mortgage principal repaid	-	-	(88,362)	-	(88,362)	(85,660)
Investing Activities						
Capital assets acquired	-	-	(3,694)	-	(3,694)	(3,315)
Interfund transfers						
Subsidy Adjustments					-	-
Replacement reserve provision/adjustment	-	(21,654)	-	21,654	-	-
Mortgage principal	-	(88,362)	88,362	-	-	-
Transfers to/from replacement reserve	-	(3,045)	-	3,045	-	-
Transfers to/from housing fund	(7,146)	7,146	-	-	-	-
Transfers to/from capital asset fund	(3,694)	-	3,694	-	-	-
Net increase in cash and cash equivalents	257,013	26,134	-	20,158	303,305	115,927
Cash and short-term investments, beginning of year	448,904	100,615	-	135,803	685,322	569,395
Cash and short-term investments, end of year	705,917	126,749	-	155,961	988,627	685,322
Consists of:						
Cash	369,804	114,916	-	-	484,720	204,989
Short-term investments	336,113	29	-	-	336,142	332,769
Restricted cash and term deposits	-	11,804	-	155,961	167,765	147,564
	705,917	126,749	-	155,961	988,627	685,322

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2021

1. Incorporation and nature of the organization

Canadian Mental Health Association - South Cariboo Branch (the "Society") was incorporated without share capital; incorporated under the authority of the Society Act of British Columbia and is a registered charity and thus is exempt from income taxes under 149(1)(l) of the Income Tax Act ("the Act").

The Society's 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 Society 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").

Impact on operations of COVID-19 (coronavirus)

In early 2020, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Society's operations were impacted by COVID-19, in that they had to limit program delivery due to social distancing restrictions. At this time, it is unknown the full extent of the impact the COVID-19 outbreak may have on the Society as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada and include the following significant accounting policies:

Fund accounting

The Society follows the deferral method of accounting for contributions and reports using fund accounting, and maintains four funds:

The Society Fund reports the Society's funding from various agencies, fundraising and membership activities.

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

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

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

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 the Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies (Continued from previous page)

Financial instruments

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 3840 *Related Party Transactions* (refer to Note 14).

At initial recognition, the Society may irrevocably elect to subsequently measure any financial instrument at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Society's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Financial asset impairment

The Society assesses impairment of all of its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group; there are numerous assets affected by the same factors; no asset is individually significant. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year. If so, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets; and the amount expected to be realized by exercising any rights to collateral held against those assets. Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in the excess of excess in the year the reversal occurs.

Cash

Cash consists of balances with banks. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Capital assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

Land-Lease	60 years
Building	40 years
Computer equipment	3 years
Equipment	10 years
Furniture and fixtures	10 years
Fencing	10 years

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2021

2. Significant accounting policies (Continued from previous page)

Revenue recognition

The Society uses the deferral method of accounting for contributions and reports on a fund accounting basis. Restricted contributions are recognized as revenue of the appropriate fund in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue in the Society Fund when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Restricted investment income is recognized in the appropriate deferred contribution balance or in net assets depending on the nature of the restrictions. Unrestricted investment income is recognized as revenue in the Society Fund when earned.

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.

Contributed services

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

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets.

By their nature, these judgments are subject to measurement uncertainty, and the effect on the financial statements of changes in such estimates and assumptions in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the years in which 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. Interfund transactions

During the year, \$7,147 was advanced from the Society Fund to the Housing Fund to provide funding for the Housing Fund's operational needs. The advances are non-interest bearing, with no set terms of repayment with a total outstanding amount of \$11,268 (2020 - \$4,121).

During the year, \$3,045 was advanced from the Housing Fund to the Replacement Reserve Fund to provide funding for the Replacement Reserve Fund's operational needs. The advance is non-interest bearing, with no set terms of repayment with a total outstanding amount of \$3,045 (2020 - nil).

Canadian Mental Health Association - South Cariboo Branch Notes to the Financial Statements

For the year ended March 31, 2021

5. Capital assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Land-Lease	186,850	72,662	114,188	117,302
Building	2,288,359	1,334,765	953,594	1,010,802
Computer equipment	9,573	5,345	4,228	4,017
Equipment	21,454	18,457	2,997	4,237
Furniture and fixtures	3,212	1,916	1,296	1,617
Fencing	14,677	13,702	975	2,443
	2,524,125	1,446,847	1,077,278	1,140,418

6. Restricted cash and term deposits

Cash designated for specific purposes is segregated as follows:

	2021	2020
Security deposits and accrued interest owing to tenants	11,804	11,761
Replacement reserve	155,961	135,803
Total	167,765	147,564

7. Repayable assistance

The cumulative non-Rent-Geared-to-Income (non-RGI) assistance of \$2,581 as at March 31, 2021 (2020 - \$1,105) is contingently repayable to BC Housing 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.

8. Deferred revenue

Society Fund

Deferred contributions in the Society Fund consist of contract income and grants received related to the subsequent period.

Housing Fund

Deferred contributions reported in the Housing Fund consist of unspent contributions externally restricted for specified program expenses. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	Society Fund	Housing Fund	Capital Asset Fund	Replacement Reserve Fund	2021	2020
Balance, beginning of year	189,692	17,278	-	-	206,970	100,324
Amount received during the year	338,800	11,729	-	-	350,529	206,970
Less: Amount recognized as revenue during the year	(121,666)	(17,278)	-	-	(138,944)	(100,324)
Balance, end of year	406,826	11,729	-	-	418,555	206,970

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2021

9. Long-term debt

	2021	2020
People's Trust Company - Mortgage bearing interest at 3.13%, per annum, compounded semi-annually repayable in monthly blended installments of \$10,785 and maturing on December 1, 2024. The mortgage is secured by a registered first charge and assignment of rents and fire insurance proceeds on the property, with a net book value of \$953,594 (2020 - \$1,010,802), located at 910 Cariboo Trail, 100 Mile House, BC.	1,272,562	1,360,924
Less: Current portion	91,153	88,362
	1,181,409	1,272,562

Principal repayments on long-term debt in each of the next four years, assuming long-term debt subject to refinancing is renewed are estimated as follows:

	<i>Principal</i>
2022	91,153
2023	94,025
2024	96,990
2025	990,394
	1,272,562

Interest on long-term debt amounted to \$40,841 (2020 – \$43,550).

10. 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 \$65,664 (2020 - \$44,865). This amount has not been reflected in the financial statements as an event must occur first in order to be paid out.

11. Restrictions on net assets

Externally restricted net assets

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

	2021	2020
Restricted for replacing capital items	152,916	135,803
Contributions, restricted for housing operations, as approved by BC Housing	49,084	31,010
Total externally imposed restrictions	202,000	166,813

Internally restricted net assets

In prior years, the Society's board of directors internally restricted \$51,128 for a future building fund and \$55,509 as a contingency fund. During the year, the Society's board of directors internally restricted \$10,772 (2020 – \$14,886) of unrestricted net assets donated from the 100 Mile House and District Women's Society, in the prior year, to be transferred to a local charity which fits the Society's mandate. These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2021

12. Director, employee and contractor compensation

During the year, no employees or contractors were paid salaries greater than \$75,000 (2020 - none). No remuneration was paid to any members of the Board of Directors.

13. Employee future benefits

Multi-employer plans

The Society and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2019, the plan has about 213,000 active members and approximately 106,000 retired members.

Every three years, an actuarial valuation is performed to assess the financial position of the plan and adequacy of plan funding. The actuary determines an appropriate combined employer and member contribution rate to fund the plan. The actuary's calculated contribution rate is based on the entry-age normal cost method, which produces the long-term rate of member and employer contributions sufficient to provide benefits for average future entrants to the plan. This rate may be adjusted for the amortization of any actuarial funding surplus and will be adjusted for the amortization of any unfunded actuarial liability.

The most recent actuarial valuation for the Municipal Pension Plan as at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

The Society paid \$26,123 for employer contributions to the plan in fiscal March 31, 2021.

The next valuation will be as at December 31, 2021, with results available in 2022.

Employers participating in the plan record their pension expense as the amount of employer contributions made during the fiscal year (defined contribution pension plan accounting). This is because the plan records accrued liabilities and accrued assets for the plan in aggregate, resulting in no consistent and reliable basis for allocating the obligation, assets and cost to individual employers participating in the plan.

14. Related party transactions

The Society 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 in 2020 were management fees of \$2,462.

15. Economic dependence

The Society 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 Society does not observe certain established guidelines. The Society's housing operations and assets would revert back to BC Housing should this agreement end. As at the date of these financial statements the Society believes that it is in compliance with the agreement.

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

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2021

16. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Credit concentration

As at March 31, 2021, three customers (2020 - two) accounted for 96% (2020 - 97%) of the accounts receivable. The Society believes that there is no unusual exposure associated with the collection of these receivables. The Society performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

17. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation. The prior year figures were prepared by another accountant.