

Canadian Mental Health Association - South Cariboo Branch
Financial Statements
March 31, 2022

Canadian Mental Health Association - South Cariboo Branch

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For the year ended March 31, 2022

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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 "Association"), which comprise the statement of financial position as at March 31, 2022, 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 Association as at March 31, 2022, 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 Association 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.

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 Association'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 Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association'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 Association'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 Association'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 Association 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 principles 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 28, 2022

MNP LLP

Chartered Professional Accountants

Canadian Mental Health Association - South Cariboo Branch

Statement of Financial Position

For the year ended March 31, 2022

	Society Fund	Housing Fund	Tangible Capital Asset Fund	Replacement Reserve Fund (Note 13)	2022	2021
Assets						
Current						
Cash	443,224	50,507	-	-	493,731	484,720
Accounts receivable (Note 3)	19,037	20,534	-	-	39,571	77,892
Short-term investments (Note 4)	338,214	30	-	-	338,244	336,142
Prepaid expenses	10,745	-	-	-	10,745	12,868
Advances due from interfund accounts (Note 5) (Schedule 1)	-	26,798	-	-	26,798	14,313
	811,220	97,869	-	-	909,089	925,935
Tangible capital assets (Note 6)	-	-	1,018,614	-	1,018,614	1,077,278
Restricted cash and deposits (Note 7)	-	12,287	-	137,492	149,779	167,765
	811,220	110,156	1,018,614	137,492	2,077,482	2,170,978
Liabilities						
Current						
Accounts payable (Note 8)	77,908	37,895	-	-	115,803	132,035
Advances due to interfund accounts (Note 5) (Schedule 1)	11,903	-	-	14,895	26,798	14,313
Repayable assistance (Note 9)	-	3,577	-	-	3,577	2,581
Security Deposits	-	12,287	-	-	12,287	11,804
Due to BC Housing	-	26,721	-	-	26,721	25,710
Current portion of long-term debt (Note 10)	-	-	94,025	-	94,025	91,153
	89,811	80,480	94,025	14,895	279,211	277,596
Deferred revenue (Note 11) (Schedule 2)	455,702	9,670	-	-	465,372	418,555
Long-term debt (Note 10)	-	-	1,087,393	-	1,087,393	1,181,409
	545,513	90,150	1,181,418	14,895	1,831,976	1,877,560
Contingent liability (Note 12)						
Net Assets						
Invested in tangible capital assets	-	-	(162,804)	-	(162,804)	(195,284)
Externally restricted (Note 13)	-	20,006	-	122,597	142,603	202,000
Internally restricted (Note 13)	117,417	-	-	-	117,417	117,409
Unrestricted	148,290	-	-	-	148,290	169,293
	265,707	20,006	(162,804)	122,597	245,506	293,418
	811,220	110,156	1,018,614	137,492	2,077,482	2,170,978

Approved on behalf of the Board of Directors

e-Signed by Marty Norgren
2022-08-01 11:06:48:48 MDT

Chairman

e-Signed by Marna Forsyth
2022-07-22 14:25:01:01 MDT

Treasurer

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, 2022

	<i>Society Fund</i>	<i>Housing Fund</i>	<i>Tangible Capital Asset Fund</i>	<i>Replacement Reserve Fund</i>	<i>2022</i>	<i>2021</i>
Revenue						
BC Housing rent subsidies	343,183	115,652	-	-	458,835	442,962
Contract income	338,302	-	-	-	338,302	300,524
Tenant rent contributions	-	155,576	-	-	155,576	157,441
Grant income	147,548	15,188	-	-	162,736	300,379
Gaming grant	48,590	-	-	-	48,590	-
Interest income	1,993	2	-	1,762	3,757	5,572
Donations and fundraising	3,244	-	-	-	3,244	3,286
Sundry	290	1,090	-	-	1,380	6,185
	883,150	287,508	-	1,762	1,172,420	1,216,349
Expenses						
Program delivery wages and benefits	527,603	-	-	-	527,603	528,129
Administrative	122,448	30,775	-	52	153,275	135,649
Client costs	150,478	-	-	-	150,478	114,289
Repairs and maintenance	7,290	73,174	-	53,683	134,146	66,438
Interest on long-term debt	-	38,047	-	-	38,047	40,841
Insurance	8,249	23,937	-	-	32,186	34,329
Utilities	-	22,911	-	-	22,911	22,622
Program supplies	16,380	-	-	-	16,380	7,937
Rent	13,467	-	-	-	13,467	12,234
Professional fees	4,037	8,098	-	-	12,135	11,301
Telephone	10,105	-	-	-	10,105	10,149
Memberships, dues and fees	9,380	-	-	-	9,380	4,688
Property tax	-	6,460	-	-	6,460	6,676
Miscellaneous	5,800	-	-	-	5,800	-
Clinical supervision	4,664	-	-	-	4,664	5,689
Training	4,205	-	-	-	4,205	2,242
Automotive	4,186	-	-	-	4,186	10,039
Travel	3,103	-	-	-	3,103	3,928
COVID 19 Response	2,491	-	-	-	2,491	17,856
Stipends	1,800	-	-	-	1,800	870
Special projects	738	-	-	-	738	-
Bad debts	-	380	-	-	380	-
Advertising	367	-	-	-	367	151
Board expenses	-	-	-	-	-	850
Amortization	-	-	66,025	-	66,025	66,834
Total expenses	896,791	203,782	66,025	53,735	1,220,332	1,103,741
Excess (deficiency) of revenue over expenses	(13,641)	83,726	(66,025)	(51,973)	(47,912)	112,608

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, 2022

	<i>Society Fund</i>	<i>Housing Fund</i>	<i>Tangible Capital Asset Fund</i>	<i>Replacement Reserve Fund</i>	2022	2021
Net assets beginning of year,	286,702	49,084	(195,284)	152,916	293,418	180,810
Excess (deficiency) of revenue over expenses	(13,641)	83,726	(66,025)	(51,973)	(47,912)	112,608
	273,061	132,810	(261,309)	100,943	245,506	293,418
Interfund transfers						
Tangible capital asset purchases	(7,355)	-	7,355	-	-	-
Long -term debt principal payments	-	(91,150)	91,150	-	-	-
Replacement reserve provision	-	(21,654)	-	21,654	-	-
Net assets, end of year	265,706	20,006	(162,804)	122,597	245,506	293,418

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, 2022

			Tangible Capital Asset Fund	Replacement Reserve Fund	2022	2021
	Society Fund	Housing Fund				
Operating Activities						
Sources of Cash						
BC Housing Rent Subsidies	383,067	99,417	-	-	482,484	492,909
Contract and grant income	569,333	-	-	-	569,333	711,942
Tenant rent contributions	-	155,576	-	-	155,576	155,218
Sundry	951	46,847	-	-	47,798	9,976
Interest income	2,101	-	-	1,763	3,864	5,951
Donations and fundraising	3,244	-	-	-	3,244	3,286
Management fees	-	-	-	-	-	-
Uses of Cash						
Payments for operating expenses						
Wages and benefits	(665,974)	(15,788)	-	-	(681,762)	(649,952)
Material and services	(233,017)	(163,870)	-	(53,736)	(450,623)	(292,899)
Long-term debt interest	-	(38,282)	-	-	(38,282)	(41,070)
	59,705	83,900	-	(51,973)	91,631	395,361
Financing Activities						
Long-term debt principal repaid	-	-	(91,150)	-	(91,150)	(88,362)
Investing Activities						
Tangible capital assets acquired	-	-	(7,355)	-	(7,355)	(3,694)
Interfund transfers						
Replacement reserve provision	-	(21,654)	-	21,654	-	-
Long-term debt principal	-	(91,150)	91,150	-	-	-
Advances to/from Society Fund		(23,171)			(23,171)	
Advances to/from Housing Fund	23,171		-	11,850	35,021	-
Advances to/from Replacement Reserve Fund	-	(11,850)	-		(11,850)	-
Transfers to/from Tangible Capital Asset fund	(7,355)	-	7,355	-	-	-
	15,816	(147,825)	98,505	33,504	-	-
Net increase in cash and cash equivalents	75,521	(63,925)	-	(18,469)	(6,873)	303,305
Cash and cash equivalents, beginning of year	705,917	126,749	-	155,961	988,627	685,322
Cash and cash equivalents, end of year	781,438	62,824	-	137,492	981,753	988,627
Consists of:						
Cash	443,224	50,507	-	-	493,731	484,720
Short-term investments	338,214	30	-	-	338,244	336,142
Restricted cash and term deposits	-	12,287	-	137,492	149,779	167,765
	781,438	62,824	-	137,492	981,754	988,627

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, 2022

1. Incorporation and nature of the organization

Canadian Mental Health Association - South Cariboo Branch (the "Association") 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 Association'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 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").

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

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

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

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

The Replacement Reserve Fund reports the Association'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.

Financial instruments

The Association recognizes financial instruments when the Association becomes party to the contractual provisions of the financial instrument.

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Association may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Association has made such an election during the year. Fair value is determined by reference to recent arm's length transactions.

The Association 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 Association'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 excess (deficiency) of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Association initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 5).

At initial recognition, the Association may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Association has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Association 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. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess (deficiency) of revenue over expenses.

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2022

2. Significant accounting policies (Continued from previous page)

Financial asset impairment

The Association assesses impairment of all its financial assets measured at cost or amortized cost. The Association groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty or 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 Association determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Association 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 at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Association reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess (deficiency) of revenue over expenses.

The Association 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 excess (deficiency) of revenue over expenses 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.

Marketable securities

Marketable securities with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. They consist of cash and Guaranteed Investment Certificates.

Tangible Capital Assets

Purchased tangible capital assets are recorded at cost. Contributed tangible 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, 2022

2. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Association 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. Accounts receivable

	2022	2021
Accounts receivable	37,478	75,887
Government remittances receivable	1,552	1,356
Accrued interest receivable	541	649
	39,571	77,892

4. Short term investments

	2022	2021
Interest savings account (interest rate 1%)	201,449	201,247
Guaranteed Investment Certificate (interest rate 1.5%, matures November 26, 2022)	136,304	134,423
Equity shares	491	472
	338,244	336,142

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2022

5. Interfund transactions

During the year, amounts were interfund loans were advanced, as outlined in Schedule 1, between the Society Fund, Housing Fund and the Replacement Reserve Fund. The advances were made to meet the operational needs of the Fund receiving the advancement. The advances are non-interest bearing, unsecured, with no set terms of repayment.

6. Tangible Capital Assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Land-Lease	186,850	75,776	111,074	114,188
Building	2,288,359	1,391,974	896,385	953,594
Computer equipment	13,597	8,288	5,309	4,228
Equipment	24,745	19,873	4,872	2,997
Furniture and fixtures	3,212	2,238	974	1,296
Fencing	14,677	14,677	-	975
	2,531,440	1,512,826	1,018,614	1,077,278

7. Restricted cash and deposits

Cash designated for specific purposes is segregated as follows:

	2022	2021
Security deposits and accrued interest owing to tenants	12,287	11,804
Replacement reserve	137,492	155,961
	149,779	167,765

8. Accounts payable

	2022	2021
Accounts payable	54,768	70,988
Wages and employee benefits payable	45,286	47,060
Government remittances payable	15,749	13,987
	115,803	132,035

9. Repayable assistance

The cumulative non-Rent-Geared-to-Income (non-RGI) assistance of \$3,577 as at March 31, 2021 (2021 - \$2,581) 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.

Canadian Mental Health Association - South Cariboo Branch
Notes to the Financial Statements
For the year ended March 31, 2022

10. Long-term debt

	2022	2021
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 \$896,385 (2021 - \$953,594), located at 910 Cariboo Trail, 100 Mile House, BC.	1,181,418	1,272,562
Less: Current portion	94,025	91,153
	1,087,393	1,181,409

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

	<i>Principal</i>
2023	94,025
2024	96,990
2025	990,403
	1,181,418

Interest on long-term debt amounted to \$38,047 (2021 – \$40,841).

11. 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.

See Schedule 2 for details on the types of deferred revenue. Changes in the deferred contribution balance are as follow:

	<i>Society Fund</i>	<i>Housing Fund</i>	<i>Tangible Capital Asset Fund</i>	<i>Replacement Reserve Fund</i>	2022	2021
Balance, beginning of year	406,826	11,729	-	-	418,555	206,970
Amount received during the year	394,677	9,670	-	-	404,347	350,529
Less: Amount recognized as revenue during the year	(345,801)	(11,729)	-	-	(357,530)	(138,944)
Balance, end of year	455,702	9,670	-	-	465,372	418,555

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2022

12. 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 \$72,476 (2021 - \$65,664). This amount has not been reflected in the financial statements as an event must occur first in order to be paid out.

13. Restrictions on net assets

Externally restricted net assets

BC Housing has imposed the following restrictions on net assets in accordance with their funding agreements with the Association:

	2022	2021
Restricted for replacing capital items	122,597	152,916
Contributions, restricted for housing operations, as approved by BC Housing	20,006	49,084
Total externally imposed restrictions	142,603	202,000

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 Association's board of directors internally restricted \$10,780 (2021 - \$10,772) 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.

14. 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, 2020, the plan has about 220,000 active members and approximately 112,000 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 \$27,475 for employer contributions to the plan in fiscal March 31, 2022 (2021 - \$26,123).

The next valuation will be as at December 31, 2022, with results available in 2023.

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.

Canadian Mental Health Association - South Cariboo Branch

Notes to the Financial Statements

For the year ended March 31, 2022

15. Financial instruments

The Association, as part of its operations, carries a number of financial instruments. It is management's opinion that the Association 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, 2022, two customers (2021 - three) accounted for 86% (2021 - 96%) of the accounts receivable. The Association believes that there is no unusual exposure associated with the collection of these receivables. The Association performs regular credit assessments of its customers and provides allowances for potentially uncollectible accounts receivable.

16. Director, employee and contractor compensation

During the year, no employees or contractors were paid salaries greater than \$75,000 (2021 - \$75,000). No remuneration was paid to any members of the Board of Directors.

17. 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 does not observe certain established guidelines. The Association's housing operations and assets would revert back to BC Housing should this agreement end. As at the date of these financial statements the Association 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.

18. Comparative figures

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

Canadian Mental Health Association - South Cariboo Branch
Schedule 1 - Interfund Advances
For the year ended March 31, 2022

	Society Fund	Housing Fund	Replacement Reserve Fund	2022	2021
Advance due from					
Society Fund	-	11,903	-	11,903	-
Housing Fund	-	-	-	-	11,268
Replacement Reserve	-	14,895	-	14,895	3,045
	-	26,798	-	26,798	14,313
Advance due to					
Society Fund	-	-	-	-	(11,268)
Housing Fund	(11,903)	-	(14,895)	(26,798)	(3,045)
	(11,903)	-	(14,895)	(26,798)	(14,313)

The accompanying notes are an integral part of these financial statements

Canadian Mental Health Association - South Cariboo Branch
Schedule 2 - Deferred Revenue
For the year ended March 31, 2022

	Closing Balance March 31, 2021	Additions	Releases	Closing Balance March 31, 2022
Society Fund				
Province of BC				
Gaming Grant Fiscal 2022/2023	56,500	56,500	(56,500)	56,500
Gaming Grant Fiscal 2021/2022	13,732	21,642	(13,732)	21,642
	70,232	78,142	(70,232)	78,142
BC Housing				
EWB, HO Safehouse	32,554	27,578	(32,768)	27,364
HPP and SafeHouse	58,969	104,042	(58,969)	104,042
100 Mile Womens Centre	54,903	-	-	54,903
	146,425	131,620	(91,736)	186,309
Interior Health				
PPE Supplies	2,149	-	(2,149)	-
Virtual Technology Grant	8,250	2,365	(8,250)	2,365
Work Incentive Program	3,010	5,392	(3,010)	5,392
	13,408	7,757	(13,408)	7,757
Red Cross				
COVID Grant	4,667	-	(4,667)	-
Navigator Grant	17,679	-	(17,679)	-
Healing the Divide	-	8,700	-	8,700
	22,346	8,700	(22,346)	8,700
Other				
District of 100 Mile	70,000	34,527	(70,000)	34,527
United Way - Forest Fires	-	30,000	-	30,000
CMHA BC Division	17,392	29,009	(17,392)	29,009
Ministry of Public Safety	15,199	-	(8,864)	6,336
Women's Shelter Canada	51,823	46,015	(51,823)	46,015
Womens Shelter Covid Grant new	-	26,474	-	26,474
Technology Grant	-	2,434	-	2,434
	154,414	168,458	(148,079)	174,794
	406,826	394,677	(345,801)	455,702
Housing Fund				
BC Housing - Cariboo Trail Terrace	11,729	9,670	(11,729)	9,670
Total	418,555	404,347	(357,530)	465,372

The accompanying notes are an integral part of these financial statements