

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

**Financial Statements**

**Year Ended March 31, 2020**

**Index to Financial Statements**

---

	Page
MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING	1
INDEPENDENT AUDITOR'S REPORT	2 - 4
FINANCIAL STATEMENTS	
Statement of Financial Position	5
Statement of Changes in Net Assets	6
Statement of Revenues and Expenditures	7 - 8
Statement of Cash Flow	9
Notes to Financial Statements	10 - 18
Jubilee Place ( <i>Schedule 1</i> )	19
Homeless Outreach ( <i>Schedule 2</i> )	20

---

## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

---

The financial statements of the Canadian Mental Health Association - Cariboo Chilcotin Branch have been prepared in accordance with the Canadian generally accepted accounting principles. When alternative accounting methods exist, management has chosen those it deems most appropriate in the circumstances. These statements include certain amounts based on management's estimates and judgments. Management has determined such amounts based on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

The integrity and reliability of the Canadian Mental Health Association - Cariboo Chilcotin Branch's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance that the financial information is reliable and accurate.

The Board of Directors is responsible for ensuring that management fulfills its responsibility for financial reporting and is ultimately responsible for reviewing and approving the financial statements. The Board meets periodically with management and the Associations' auditors to review significant accounting, reporting and internal control matters. The Board reviews the financial statements and discusses with the auditors, prior to its approval of the financial statements. The Board also considers and approves the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the Board of Directors by PMT Chartered Professional Accountants LLP, in accordance with Canadian generally accepted auditing standards.

  
Executive Director

  
Chair person - Board of Directors



---

## INDEPENDENT AUDITOR'S REPORT

---

To the Members of Canadian Mental Health Association - Cariboo Chilcotin Branch

### Report on the Financial Statements

#### Qualified Opinion

We have audited the financial statements of Canadian Mental Health Association - Cariboo Chilcotin Branch (the Association), which comprise the statement of financial position as at March 31, 2020, and the statements of changes in net assets, revenues and expenditures and cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2020, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Association. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2020, current assets and net assets as at March 31, 2020. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

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 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 qualified audit 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 ASNPO, 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.

(continues)

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.

Independent Auditor's Report to the Members of Canadian Mental Health Association - Cariboo Chilcotin Branch *(continued)*

**Report on Other Legal and Regulatory Requirements**

As required by the Societies Act of British Columbia, we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Williams Lake, BC  
November 23, 2020

  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

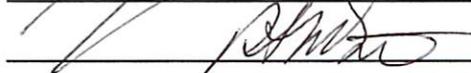
**CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH**

**Statement of Financial Position**

**March 31, 2020**

	2020	2019
<b>ASSETS</b>		
Current		
Cash	\$ 272,424	\$ 473,100
Accounts receivable (Note 6)	219,711	78,442
Prepaid expenses	23,013	23,177
Due from related parties	21,096	858
	<u>536,244</u>	<u>575,577</u>
Tangible capital assets (Note 7)	25,804	55,918
Restricted cash (Note 8)	20,000	20,000
	<u>\$ 582,048</u>	<u>\$ 651,495</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 214,212	\$ 204,651
Damage deposits repayable	6,663	5,600
Deferred income (Note 10)	207,942	214,761
Due to related parties	21,096	858
	<u>449,913</u>	<u>425,870</u>
Deferred capital contributions (Note 11)	9,578	38,531
	<u>459,491</u>	<u>464,401</u>
Lease commitments and contingencies (Note 12)		
<b>NET ASSETS</b>		
Unrestricted net assets	86,330	149,706
Invested in capital assets	16,227	17,388
Restricted Fund	20,000	20,000
	<u>122,557</u>	<u>187,094</u>
	<u>\$ 582,048</u>	<u>\$ 651,495</u>

**APPROVED BY THE DIRECTORS**

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

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

**Statement of Changes in Net Assets**

**Year Ended March 31, 2020**

	Unrestricted Net Assets	Invested in Capital Assets	Restricted Fund	2020	2019
<b>Net assets - beginning of year</b>	\$ 149,706	\$ 17,388	\$ 20,000	\$ 187,094	\$ 144,698
<b>Deficiency of revenue over expenditures</b>	(60,323)	(4,214)	-	(64,537)	42,396
<b>Transfers (Note 14)</b>	(3,053)	3,053	-	-	-
<b>Net assets - end of year</b>	\$ 86,330	\$ 16,227	\$ 20,000	\$ 122,557	\$ 187,094

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

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2020**

	2020	2019
<b>Revenue</b>		
Interior Health Authority	\$ 924,975	\$ 894,817
Grants	356,812	205,433
Jubilee Place ( <i>Schedule 1</i> )	270,209	316,431
Province of British Columbia	218,600	221,505
Fees	129,419	116,554
Homeless Outreach ( <i>Schedule 2</i> )	81,031	89,599
Gaming	45,234	49,000
Miscellaneous	25,976	25,699
Contracts - Other	22,878	123,123
Donations	7,958	16,503
Amortization of deferred capital contributions	7,579	9,694
Administration fee	6,152	6,150
Fundraising	4,415	3,457
Rental revenue	3,597	6,800
Office rent recovery	2,000	2,000
	<u>2,106,835</u>	<u>2,086,765</u>
<b>Expenditures</b>		
Activity costs	12,307	9,332
Advertising and promotion	579	510
Amortization	9,727	9,788
Bad debts	1,930	425
Bank charges	3,869	2,881
Client expenses	61,568	21,429
Contract services	34,206	20,668
Equipment rentals	4,941	4,933
Finance services	16,165	65,238
Furniture and equipment	7,629	7,788
Insurance	14,593	11,014
Memberships	6,866	4,434
Office and miscellaneous	90,022	74,947
Professional fees	13,503	18,800
Rental	84,992	103,072
Repairs and maintenance	15,264	15,872
Resource materials	250	234
Telephone and utilities	37,166	41,313
Training	14,684	14,569
Travel	7,702	6,416
Vehicle	11,105	9,524
Wages and benefits	1,340,646	1,206,212
Workshops	-	1,800
Jubilee Place ( <i>Schedule 1</i> )	300,348	309,994
Homeless Outreach ( <i>Schedule 2</i> )	81,310	80,376
	<u>2,171,372</u>	<u>2,041,569</u>
<b>Excess (deficiency) of revenue over expenditures from operations</b>	<b>(64,537)</b>	<b>45,196</b>

(continues)

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

**Statement of Revenues and Expenditures (continued)**

**Year Ended March 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>Other income (expenses)</b>		
Loss on write-down of investment	-	(2,800)
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (64,537)</u>	<u>\$ 42,396</u>

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

**Statement of Cash Flow**

**Year Ended March 31, 2020**

	2020	2019
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures	\$ (64,537)	\$ 42,396
Items not affecting cash:		
Amortization of tangible capital assets	33,168	42,152
Loss on write-down of investments	-	2,800
Amortization of deferred capital contributions	(28,954)	(36,458)
	<u>(60,323)</u>	<u>50,890</u>
Changes in non-cash working capital:		
Accounts receivable	(141,269)	(15,374)
Accounts payable and accrued liabilities	9,562	1,481
Deferred income	(6,819)	129,046
Prepaid expenses	164	(3,593)
Damage deposits repayable	1,063	(563)
	<u>(137,299)</u>	<u>110,997</u>
Cash flow from (used by) operating activities	<u>(197,622)</u>	<u>161,887</u>
<b>Investing activity</b>		
Purchase of tangible capital assets	<u>(3,054)</u>	<u>(10,217)</u>
<b>Increase (decrease) in cash flow</b>	<b>(200,676)</b>	<b>151,670</b>
<b>Cash - beginning of year</b>	<u><b>493,100</b></u>	<u><b>341,430</b></u>
<b>Cash - end of year</b>	<u><b>\$ 292,424</b></u>	<u><b>\$ 493,100</b></u>
<b>Cash consists of:</b>		
Cash	\$ 272,424	\$ 473,100
Restricted cash	20,000	20,000
	<u><b>\$ 292,424</b></u>	<u><b>\$ 493,100</b></u>

**1. Basis of presentation**

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

**2. Purpose of organization**

Canadian Mental Health Association - Cariboo Chilcotin Branch provides programs and services that foster individual growth and promote wellness, leading to the development of strong families and healthy communities.

The Association is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act. The Association is exempt from income tax provided certain requirements of the Income Tax Act are met.

**3. Economic dependence**

The Association receives approximately 80% (2019 - 80%) of its revenue from the Province of British Columbia as operating funding. Should the Province of British Columbia substantially change its dealings with the Association, management is of the opinion that continued viable operations would be doubtful.

**4. Significant accounting policies**

Fund accounting

Canadian Mental Health Association - Cariboo Chilcotin Branch follows the deferral method of accounting for contributions.

The Operating Fund reports the revenues and expenses related to program delivery and administrative activities.

The Capital Asset Fund reports the assets, liabilities, revenues and expenses related to Canadian Mental Health Association - Cariboo Chilcotin Branch's tangible capital assets.

The Restricted Fund reports the reserve to partially cover the future costs for accumulated sick time payable and sick leave that exceed the operating budget.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial assets measured at amortized cost include accounts payable and accrued liabilities.

*(continues)*

4. Significant accounting policies (continued)

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand less outstanding cheques and deposits with a maturity of less than three months at the time of purchase. When outstanding cheques are in excess of cash on hand, the excess is reported in bank indebtedness.

Tangible capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Furniture and fixtures	15% and 55%
Leasehold improvements	10% and 15%
Library	10%
Motor vehicles	20%

The Association regularly reviews its tangible capital assets to eliminate obsolete items.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

Amortization expense is recorded in the Capital Asset Fund

Revenue recognition

The Association follows the deferral method of accounting for contributions. Revenue consists of contributions received from various government agencies as well as other sources.

Revenue is recognized when receivable if the amount can be reasonably estimated and collection is reasonably assured, except in the case of externally restricted contributions, when the funder has specified that funds be used for a specific use and not all funds have been expended for that purpose. Revenue unearned in the current period are recorded as deferred contributions.

Contributions restricted for the purchase of tangible capital assets are deferred and amortized to revenue on the same basis as the related assets are depreciated.

Contributed services

The Association and its members benefit from contributed goods and services in the form of volunteer time for various committees and assisting in carrying out its various programs. Contributed services are not recognized in these financial statements.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

# CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

## Notes to Financial Statements

Year Ended March 31, 2020

### 5. Financial instruments

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2020.

#### Credit risk

Credit risk arises from cash and cash equivalents and accounts receivable and the potential that a counter party will fail to perform its obligations. In order to reduce its credit risk, the Association invests its cash and cash equivalents with high-rated financial institutions and monitors the creditworthiness of its counterparts. The Association reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of customers which minimizes concentration of credit risk.

There is no change in the risk exposure from the previous period.

#### Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources, contributions to the pension plan, and accounts payable.

There is no change in the risk exposure from the previous period.

#### Currency risk

Currency risk is the risk to the company's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association is exposed to foreign currency exchange risk on cash, accounts receivable, and accounts payable held in U.S. dollars. The company does not use derivative instruments to reduce its exposure to foreign currency risk.

There is no change in the risk exposure from the previous period.

#### Additional risk

Unless otherwise noted, it is management's opinion that the Association is not exposed to significant other price risks arising from these financial instruments.

### 6. Accounts receivable

	2020	2019
	\$ -	\$ 1
Trade receivables	183,251	13,668
Government receivables	36,460	64,627
Interest receivable	-	471
	219,711	78,767
Allowance for doubtful accounts	-	(325)
	\$ 219,711	\$ 78,442

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

**Notes to Financial Statements**

**Year Ended March 31, 2020**

**7. Tangible capital assets**

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Furniture and fixtures	\$ 258,239	\$ 243,410	\$ 14,829	\$ 18,075
Leasehold improvements	131,061	122,454	8,607	31,419
Library	15,011	15,011	-	-
Motor vehicles	33,621	31,253	2,368	6,424
	<u>\$ 437,932</u>	<u>\$ 412,128</u>	<u>\$ 25,804</u>	<u>\$ 55,918</u>

The value of contributed tangible capital assets during the year was \$NIL (2019 - \$NIL).

The write-down of tangible capital assets during the year was \$7,266 (2019 - \$NIL).

**8. Restricted cash**

Restricted cash consists of internally restricted amounts to fund the Restricted Fund balance set up to partially cover the accrued liability for accumulated sick time payable and sick leave.

**9. Accounts payable and accrued liabilities**

	2020	2019
Trade payables	\$ 166,340	\$ 184,826
Government remittances	47,872	19,825
	<u>\$ 214,212</u>	<u>\$ 204,651</u>

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

**Notes to Financial Statements**

**Year Ended March 31, 2020**

**10. Deferred income**

	<u>2020</u>	<u>2019</u>
BC Housing Management Commission - Monthly subsidy - Homeless outreach	\$ 7,367	\$ 7,088
BC Housing Management Commission - Monthly subsidy - Jubilee House	1,003	1,243
BC Housing Management Commission - Monthly subsidy - Jubilee Place	8,407	8,083
Canadian Mental Health Association - BC Division	34,847	-
Canadian Mental Health Association - Kelowna	-	3,000
Canadian Red Cross - Community Bridge to Housing First	2,836	36,867
Canadian Red Cross - EPA	24,432	-
Canadian Red Cross - Wildfire Recovery	1,481	42,346
Ministry of Children and Family Development	9,723	6,000
Ministry of Municipal Affairs and Housing - Community Gaming Grants Branch	19,733	51,167
Ministry of Public Safety and Solicitor General - Community Safety and Crime Preventions Branch - Civil Forfeiture Crime Prevention	5,661	25,000
Miscellaneous donations	1,102	100
Residential fees	8,633	4,936
United Way - Housing First	8,000	-
United Way - Wildfire Relief	28,173	28,931
Vancouver Foundation - Housing First	46,544	-
	<u>\$ 207,942</u>	<u>\$ 214,761</u>

**11. Deferred capital contributions**

Deferred contributions represent contributions received to purchase tangible capital assets and are deferred and amortized to revenue on the same basis as the related assets are amortized. The changes for the year in the deferred contributions are as follows:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 38,531	\$ 74,989
Amount amortized to revenue	(28,953)	(36,458)
Balance, end of year	<u>\$ 9,578</u>	<u>\$ 38,531</u>

**12. Lease commitments and contingencies**

- a) The Association has a lease for certain office equipment for a sixty month term commencing November 1, 2016. Monthly payments of \$37 plus applicable taxes apply.
- b) The Association has a lease for certain office equipment for a sixty-six month term commencing August 1, 2018. Monthly payments of \$376 plus applicable taxes apply.
- c) The Association has a lease for Jubilee House for a three year term commencing January 16, 2020. Monthly lease payments of \$5,498 plus applicable taxes apply.
- d) The Association has a 36 month tenancy agreement commencing on October 1, 2018 for office space with the Cariboo Chilcotin Child Development Centre Association, a member of the Central Interior Community Services Co-Op. Monthly lease payments of \$3,858 plus applicable taxes apply.
- e) The Association has a lease for a photocopier for a sixty month term commencing October 1, 2017. Monthly payments \$169 plus applicable taxes apply.
- f) Management of the Association is not aware of any claims or potential claims that if not successfully defended would have a material effect on the financial statements. If a claim was paid as a result of the outcome of litigation it would be treated as an expenditure.
- g) Management has not set up an accrued liability for accumulated sick pay or special leave pay for its employees as the current employment policy does not require sick pay or special leave pay to be paid out if an employee leaves. As of March 31, 2020, the sick pay and special leave pay totaled \$153,250 (2019 - \$148,976) and \$33,807 (2019 - \$36,428) respectively.

**13. Subsidy repaid (refundable)**

BC Housing Management Commission conducts an annual review of the financial statements and may adjust for any operating surplus or deficit. Prior year's funding adjustments are recognized in the fiscal year they are determined. The annual review of the 2019 financial statements has been completed and the adjustment of prior year's grant revenue was \$NIL (2019 - \$NIL).

**14. Transfers**

During the year, the Association's management approved \$3,053 (2019 - \$10,218) to be transferred from Unrestricted net assets to Invested in tangible capital assets for the purchase of tangible capital assets.

# CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

## Notes to Financial Statements

Year Ended March 31, 2020

---

### 15. Funds held in trust

The Association holds funds in their bank account in trust for some clients. There is a formal trust agreement in place outlining that these funds are not to be used and do not earn interest. These funds have been deposited into the Association's bank account however, they belong to the client and as such, are not part of the operations of the Association. The Association is responsible for the proper administration of these funds.

	<u>2020</u>	<u>2019</u>
Client trust funds (asset)	\$ 25,485	\$ 25,865
Client trust funds (liability)	<u>(25,485)</u>	<u>(25,865)</u>
	<u>\$ -</u>	<u>\$ -</u>

### 16. Associated party transactions

During the year, the Association entered into the following transactions with associated parties:

- a) The Association paid \$29,461 (2019 - \$71,678) for financial services and \$228 (2019 - \$NIL) in rent to the now dissolved Central Interior Community Services Co-Op, an affiliated society. The Association recovered \$NIL (2019 - \$79) for supplies, services and telephone expenses; and \$NIL (2019 - \$1,250) in meeting room rental from the Co-Op.
- b) The Association recovered \$NIL (2019 - \$32) for expenses from the Boys and Girls Club of Williams Lake and District, a member of the former Central Interior Community Services Co-Op.
- c) The Association paid \$250 (2019 - \$296) for supplies, services and telephone expenses and \$46,294 (2019 - \$44,494) for rent to Cariboo Chilcotin Child Development Centre Association, a member of the former Central Interior Community Services Co-Op. The Association recovered \$NIL (2019 - \$2,005) for supplies, services and telephone expenses.
- d) The Association paid \$80 (2019 - \$NIL) for supplies, services and telephone expenses from Contact Women's Group Society, a member of the former Central Interior Community Services Co-Op.
- e) The Association paid \$1,013 (2019 - \$401) for supplies, services and telephone expenses to the Williams Lake Association for Community Living, a member of the former Central Interior Community Services Co-Op. The Association recovered \$NIL (2019 - \$628) for supplies, services and telephone expenses, \$4,250 (2019 - \$4,250) for meeting room rental and \$16,473 (2019 - \$11,008) in wage transfers.
- f) As of March 31, 2020, included in accounts receivable is \$3,547 (2019 - \$4,303) due from associated parties. These amounts are subject to normal trade and occurred during the normal course of operations.
- g) As of March 31, 2020, included in accounts payable is \$168 (2019 - \$NIL) due to associated parties. These amounts are subject to normal trade and occurred during the normal course of operations.

# CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

## Notes to Financial Statements

Year Ended March 31, 2020

---

### 17. Remuneration of directors, employees and contractors

As required by the Society Act of British Columbia, remuneration above \$75,000 paid to directors, employees and contractors must be disclosed.

The Association does not remunerate its directors.

During the year, the Association paid remuneration, including benefits in excess of \$75,000, to one employee totaling \$103,591 (2019 - two employees totaling \$190,262).

### 18. Gaming

The Association applies annually to the Community Gaming Grants Branch of the Ministry of Community, Sport and Cultural Development for a Community Gaming grant. In order to receive gaming funds the Association is required to have a separate bank account for gaming funds, and expenditures are restricted by terms set by the Licensing and Grants Division.

The audited financial statements are presented on a consolidated basis. This results in presentation of the gaming bank account and gaming accounts receivable as part of the consolidated cash and receivable balance. If the amounts had been shown on a fund basis, the Gaming Fund presentation would be as follows:

	<u>2020</u>	<u>2019</u>
<b>Fund presentation of gaming net assets</b>		
Cash	\$ 40,829	\$ 52,025
Deferred revenue	(19,733)	(51,167)
Gaming due to operating	(21,096)	(858)
	<hr/>	<hr/>
Net assets	\$ -	\$ -
	<hr/>	<hr/>

### 19. Capital disclosure

The Association considers its capital to be the balance maintained in its Unrestricted Net Assets. The primary objective of the Association is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Association with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Association is not subject to any externally imposed requirements of its capital.

**Notes to Financial Statements**

**Year Ended March 31, 2020**

---

**20. Defined contribution pension plan**

The Association 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, 2018, the plan has about 205,000 active members and approximately 101,000 retired members. Active members include approximately 40,000 contributors from local governments.

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

The Association paid \$29,156 (2019 - \$25,131) for employer contributions while employees contributed \$19,700 (2019 - \$20,884) to the plan in fiscal 2020.

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.

In addition, there is an RRSP matching defined contribution pension plan for its employees. The plan is managed by an outside party. The expense incurred during the year totaled \$17,449 (2019 - \$9,421) and is included in wages and benefits.

**21. Subsequent events**

In March 2020, the World Health Organization declared a global pandemic due to the novel coronavirus (COVID-19). The situation is constantly evolving, and the measures put in place are having multiple impacts on local, provincial, national and global economies.

As at November 03, 2020, the Association is aware of changes in its operations as a result of the COVID-19 crisis, including changes to its office hours and the service delivery.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary; however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Association's operations as at the date of these financial statements.

**22. Comparative figures**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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

**Jubilee Place**

**(Schedule 1)**

**Year Ended March 31, 2020**

	2020	2019
<b>Revenue</b>		
Residence fee	\$ 150,050	\$ 146,985
BC Housing Management Commission	88,913	134,442
Amortization of deferred capital contributions	21,375	26,764
Miscellaneous income	9,595	8,013
Donations	275	225
Interest income	1	2
	<u>270,209</u>	<u>316,431</u>
<b>Expenditures</b>		
Activity costs	158	142
Amortization	23,441	32,364
Bad debts	512	275
Contracted services	-	20
Equipment rentals	2,221	2,135
Finance services	4,400	4,400
Furniture and equipment	1,190	242
Insurance	2,674	1,066
Office and miscellaneous	2,703	2,156
Professional fees	6,000	6,000
Repairs and maintenance	18,603	13,841
Special events	326	-
Supplies	53	-
Telephone and utilities	64,198	65,199
Training	1,877	1,911
Vehicle	50	-
Wages and benefits	171,942	180,243
	<u>300,348</u>	<u>309,994</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (30,139)</u>	<u>\$ 6,437</u>

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

**Homeless Outreach**

*(Schedule 2)*

**Year Ended March 31, 2020**

	2020	2019
<b>Revenue</b>		
BC Housing Management Commission	\$ 77,968	\$ 89,359
Donations	3,063	240
	<u>81,031</u>	<u>89,599</u>
<b>Expenditures</b>		
Accommodation	2,000	2,000
Administration	6,152	6,150
Client expenses	14,846	13,200
Finance services	2,040	2,040
Insurance	721	242
Office and miscellaneous	3,782	2,011
Professional fees	500	500
Rental	-	360
Telephone and utilities	1,704	1,758
Training	1,028	683
Wages and benefits	48,537	51,432
	<u>81,310</u>	<u>80,376</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<u>\$ (279)</u>	<u>\$ 9,223</u>