

**CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH**  
**Financial Statements**  
**Year Ended March 31, 2022**

**Index to Financial Statements**

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## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING


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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



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## **INDEPENDENT AUDITOR'S REPORT**

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**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, 2022, and the statements of changes in net assets, revenues and expenditures and cash flows 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, 2022, and the results of its operations and cash flows 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, 2022, current assets and net assets as at March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2021 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.

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

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.

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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  
September 26, 2022

  
PMT CHARTERED PROFESSIONAL  
ACCOUNTANTS LLP

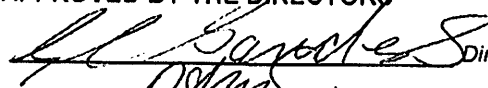
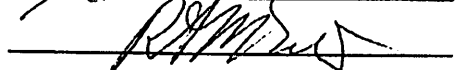
CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

Statement of Financial Position

March 31, 2022

	2022	2021
<b>ASSETS</b>		
Current		
Cash	\$ 890,568	\$ 499,165
Accounts receivable (Note 6)	88,548	226,584
Prepaid expenses	17,681	20,934
	<u>996,797</u>	746,683
Tangible capital assets (Note 7)	39,761	36,220
Restricted cash (Note 8)	20,000	20,000
	<u>\$ 1,056,558</u>	<u>\$ 802,903</u>
<b>LIABILITIES</b>		
Current		
Accounts payable and accrued liabilities (Note 9)	\$ 284,039	\$ 205,414
Damage deposits repayable	6,488	5,388
Deferred income (Note 10)	170,856	368,739
	<u>461,383</u>	579,541
Deferred capital contributions (Note 11)	15,794	2,603
	<u>477,177</u>	582,144
Lease commitments and contingencies (Note 12)		
<b>NET ASSETS</b>		
Unrestricted Net Assets	535,414	167,141
Invested in Capital Assets	23,967	33,618
Restricted Fund	20,000	20,000
	<u>579,381</u>	220,759
	<u>\$ 1,056,558</u>	<u>\$ 802,903</u>

APPROVED BY THE DIRECTORS

 Director  
 Director

The accompanying notes and schedules are an integral part of this statement

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

**Statement of Changes in Net Assets**

**Year Ended March 31, 2022**

	Unrestricted Net Assets	Invested in Capital Assets	Restricted Fund	<b>2022</b>	2021
<b>Net assets - beginning of year</b>	\$ 167,141	\$ 33,618	\$ 20,000	<b>\$ 220,759</b>	\$ 151,113
<b>Excess of revenue over expenditures</b>	362,456	(10,871)	-	<b>351,585</b>	69,646
<b>Transfers (Note 13)</b>	(1,220)	1,220	-	-	-
<b>Subsidy repaid (refundable) (Note 14)</b>	7,037	-	-	<b>7,037</b>	-
<b>Net assets - end of year</b>	<b>\$ 535,414</b>	<b>\$ 23,967</b>	<b>\$ 20,000</b>	<b>\$ 579,381</b>	<b>\$ 220,759</b>

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

**Statement of Revenues and Expenditures**

**Year Ended March 31, 2022**

	2022	2021
<b>Revenue</b>		
Jubilee Place (Schedule 1)	\$ 1,305,751	\$ 275,481
Interior Health Authority	948,991	948,360
Grants	365,639	514,385
Province of British Columbia	334,047	272,291
Fees	106,826	123,763
Homeless Outreach (Schedule 2)	89,093	84,138
BC Housing Management Commission	67,320	-
Contract BC	22,878	22,878
Donations	11,095	7,749
Office rent recovery	2,000	2,000
Miscellaneous	1,714	62,750
Fundraising	515	-
Government of Canada wage subsidy (Note 15)	-	21,781
Gaming	-	14,252
Ministry of Social Development and Poverty Reduction - Temporary pandemic pay	-	38,194
Administration fee	-	3,621
Amortization of deferred capital contributions	3,109	4,421
	<b>3,258,978</b>	<b>2,396,064</b>
<b>Expenditures</b>		
Activity costs	7,737	10,138
Advertising and promotion	2,372	1,080
Amortization	7,544	7,292
Bad debts	97	-
Bank charges	2,359	2,792
Client expenses	165,082	132,983
Contract services	4,632	41,236
Equipment rentals	4,889	4,941
Finance services	926	1,265
Furniture and equipment	12,313	13,666
Insurance	14,894	16,392
Memberships	13,875	8,825
Office and miscellaneous	28,712	32,298
Professional fees	33,192	33,444
Rental	134,230	120,282
Repairs and maintenance	30,391	19,870
Resource materials	369	2,056
Supplies	15,773	31,320
Telephone and utilities	39,960	46,354
Training	9,718	16,189
Travel	5,497	5,817
Vehicle	518	934
Wages and benefits	1,388,181	1,399,964
Workshops	-	1,203
Jubilee Place (Note 16)	904,319	297,497
Homeless Outreach (Note 16)	73,656	75,946
	<b>2,901,236</b>	<b>2,323,784</b>
<b>Excess of revenue over expenditures from operations</b>	<b>357,742</b>	<b>72,280</b>

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

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

**Year Ended March 31, 2022**

	<u>2022</u>	<u>2021</u>
<b>Other income</b>		
Loss on disposal of tangible capital assets	<u>(6,157)</u>	<u>(2,634)</u>
<b>Excess of revenue over expenditures</b>	<u><b>\$ 351,585</b></u>	<u><b>\$ 69,646</b></u>

**CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH****Statement of Cash Flows****Year Ended March 31, 2022**

	2022	2021
<b>Operating activities</b>		
Excess of revenue over expenditures	\$ 351,585	\$ 69,646
Items not affecting cash:		
Amortization of tangible capital assets	7,823	12,140
Loss on disposal of tangible capital assets	6,157	2,634
Amortization of deferred capital contributions	(3,109)	(6,975)
	<u>362,456</u>	<u>77,445</u>
Changes in non-cash working capital:		
Accounts receivable	138,036	21,682
Prepaid expenses	3,253	2,079
Accounts payable and accrued liabilities	78,625	(8,797)
Damage deposits repayable	1,100	(1,275)
Deferred income	(197,883)	160,797
	<u>23,131</u>	<u>174,486</u>
Cash flow from operating activities	<u>385,587</u>	<u>251,931</u>
<b>Investing activities</b>		
Purchase of tangible capital assets	(17,521)	(25,190)
	<u>-</u>	<u>-</u>
Cash flow used by investing activities	<u>(17,521)</u>	<u>(25,190)</u>
<b>Financing activities</b>		
Subsidy repaid (refundable)	7,037	-
Capital contributions received	16,300	-
	<u>23,337</u>	<u>-</u>
Cash flow from financing activities	<u>23,337</u>	<u>-</u>
<b>Increase in cash flow</b>	<b>391,403</b>	226,741
Cash - beginning of year	<u>519,165</u>	<u>292,424</u>
<b>Cash - end of year</b>	<b>\$ 910,568</b>	<b>\$ 519,165</b>
<b>Cash consists of:</b>		
Cash	\$ 890,568	\$ 499,165
Restricted cash	<u>20,000</u>	<u>20,000</u>
	<u>\$ 910,568</u>	<u>\$ 519,165</u>

# CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

## Notes to Financial Statements

Year Ended March 31, 2022

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### 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 82% (2021 - 66%) 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 liabilities measured at amortized cost include accounts payable and accrued liabilities and damage deposits repayable.

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# CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

## Notes to Financial Statements

Year Ended March 31, 2022

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### 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.

The 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, 2022

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### 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, 2022.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from customers and its cash held in banking institutions. In order to reduce its credit risk, 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. In order to reduce its credit risk on its cash, the Association invests its cash and cash equivalents with high-rated financial institutions and monitors the creditworthiness of its counterparties.

During the year, the Association's credit risk changed from the previous year as a result of an increase in financial assets, in particular cash and short term investments.

#### 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 contributions to the pension plan and accounts payable.

During the year, the Association's credit risk changed from the previous year as a result of an increase in accounts payable and accrued liabilities.

#### 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 Association 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.

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

	<u>2022</u>	<u>2021</u>
Trade receivables	\$ 21,466	\$ 188,999
Government receivables	67,082	37,585
	<u>\$ 88,548</u>	<u>\$ 226,584</u>

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

**Notes to Financial Statements**

**Year Ended March 31, 2022**

**7. Tangible capital assets**

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and fixtures	\$ 212,233	\$ 186,783	\$ 25,450	\$ 16,996
Leasehold improvements	140,992	126,681	14,311	19,224
Library	15,011	15,011	-	-
Motor vehicles	23,282	23,282	-	-
	<u>\$ 391,518</u>	<u>\$ 351,757</u>	<u>\$ 39,761</u>	<u>\$ 36,220</u>

The value of contributed tangible capital assets during the year was \$NIL (2021 - \$NIL).

The write-down of tangible capital assets during the year was \$62,449 (2021 - \$20,891).

**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**

	2022	2021
Trade payables	\$ 259,326	\$ 176,568
Government remittances	24,713	28,846
	<u>\$ 284,039</u>	<u>\$ 205,414</u>

**10. Deferred income**

	2022	2021
BC Housing Management Commission - COVID-19 Shelter extension	\$ 91,945	\$ 19,491
BC Housing Management Commission - Homeless Outreach	-	92,405
BC Housing Management Commission - Homeless Outreach COVID-19	-	85,901
BC Housing Management Commission - Homeless Prevention - COVID-19	6,435	9,000
BC Housing Management Commission - Monthly subsidy - Homeless outreach	7,400	7,400
BC Housing Management Commission - Monthly subsidy - Housing First - COVID-19	-	900
BC Housing Management Commission - Monthly subsidy - Jubilee House	528	528
BC Housing Management Commission - Monthly subsidy - Jubilee Place	10,077	8,407
Canadian Mental Health Association - BC Division	-	11,687
Community Action Initiative - COVID-19	-	49,386
Ending Violence Association of BC	40,960	-
Interior Health Authority	-	17,760

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**CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH****Notes to Financial Statements****Year Ended March 31, 2022****10. Deferred income (continued)**

	<u>2022</u>	<u>2021</u>
Ministry of Municipal Affairs and Housing - Community Gaming Grants Branch	5,481	5,481
Ministry of Public Safety and Solicitor General - Community Safety and Crime Preventions Branch - Become the Change	-	13,535
Ministry of Public Safety and Solicitor General - Community Safety and Crime Preventions Branch - Civil Forfeiture Crime Prevention	-	23,659
Ministry of Public Safety and Solicitor General - Community Safety and Crime Preventions Branch - It Matters	-	4,881
Ministry of Public Safety and Solicitor General - Violence Against Women Program Enhancement	-	11,727
Residential fees	8,030	6,591
	<u>\$ 170,856</u>	<u>\$ 368,739</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>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 2,603	\$ 9,578
Deferred capital contributions additions	16,300	-
Amount amortized to revenue	(3,109)	(6,975)
Balance, end of year	<u>\$ 15,794</u>	<u>\$ 2,603</u>

**12. Lease commitments and contingencies**

1. The Association has a lease for a photocopier for a sixty month term commencing October 1, 2017. Monthly payments of \$169 plus applicable taxes apply.
2. 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.
3. 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.
4. The Association has a 24 month tenancy agreement commencing on November 1, 2020 for office space. Monthly lease payments of \$1,965 plus applicable taxes apply. There is an option to renew for a further 24 months.
5. Total operating lease commitments as detailed above, 2022 - \$96,091, 2023 - \$74,257, 2024 - \$4,136.

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# CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

## Notes to Financial Statements

Year Ended March 31, 2022

### 12. Lease commitments and contingencies (continued)

6. 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.
7. 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, 2022, the sick pay and special leave pay totaled \$128,497 (2021 - \$144,129) and \$21,512 (2021 - \$24,059) respectively.

### 13. Transfers

During the year, the Association's management approved \$17,520 (2021 - \$25,190) to be transferred from Unrestricted net assets to Invested in tangible capital assets for the purchase of tangible capital assets less a deferred capital amount of \$16,300 (2021 - \$NIL).

### 14. 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 2021 financial statements has been completed and the adjustment of prior year's grant revenue was \$7,037 (2021 - \$NIL).

### 15. Government assistance

The Association received subsidies for salaries and wages from the Temporary Wage Subsidy in the amount of \$NIL (2021 - \$21,781). This amount has been recorded as income and are reported in the Statement of Revenues and Expenditures as income.

### 16. Internal fees elimination

The Association has internal administration and finance fees charged to programs. These fees are eliminated in the statement of revenues and expenditures. This note shows the change to the expenditures due to the elimination of these fees.

	Jubilee House (Schedule 1)	Homeless Outreach (Schedule 2)	2022	2021
Expenditures, per Schedules	\$ 986,907	\$ 82,346	\$ 1,069,253	\$ 386,036
<u>Internal charges eliminated</u>				
Administration fees	78,188	6,150	84,338	6,152
Finance fees	4,400	2,540	6,940	6,440
	82,588	8,690	91,278	12,592
Expenditures, net of elimination	\$ 904,319	\$ 73,656	\$ 977,975	\$ 373,444



# CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH

## Notes to Financial Statements

Year Ended March 31, 2022

### 17. 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.

	2022	2021
Client trust funds (asset)	\$ 25,205	\$ 25,205
Client trust funds (liability)	(25,205)	(25,205)
	<u>\$ -</u>	<u>\$ -</u>

### 18. Short term debt

The Society has a \$100,000 revolving line of credit of which \$NIL was used as at March 31, 2022. Bank advances on the credit line are payable on demand and bears interest at prime plus 1.75%. The credit line is secured by a non-redeemable guaranteed investment certificate.

### 19. 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 two employees totaling \$194,103 (2021 - one employee totaling \$119,217).

### 20. 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:

	2022	2021
<b>Fund presentation of gaming net assets</b>		
Cash	\$ 26,493	\$ 26,578
Deferred revenue	(5,482)	(5,482)
Gaming due to operating	(21,011)	(21,096)
	<u>\$ -</u>	<u>\$ -</u>

**21. 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.

**22. 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, 2020, the plan has about 220,000 active members and approximately 112,000 retired members. Active members include approximately 42,000 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 \$23,859 (2021 - \$24,945) for employer contributions while employees contributed \$21,443 (2021 - \$21,918) to the plan in fiscal 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.

In addition, there is a RRSP matching defined contribution pension plan for its employees. The plan is managed by an outside party. The expense incurred during the year totaled \$26,467 (2021 - \$27,952) and is included in wages and benefits.

**23. COVID 19 impacts**

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.

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.

*(continues)*

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

**Notes to Financial Statements**

**Year Ended March 31, 2022**

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**23. COVID 19 impacts (*continued*)**

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

**24. 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, 2022**

	<b>2022</b>	2021
<b>Revenue</b>		
BC Housing Management Commission	\$ 1,121,978	\$ 100,884
Residence fee	151,680	152,268
Grants - other	20,000	-
Miscellaneous income	11,910	10,751
Donations	183	968
Ministry of Social Development and Poverty Reduction - Temporary Pandemic Pay	-	8,056
Amortization of deferred capital contributions	-	2,554
	<b>1,305,751</b>	<b>275,481</b>
<b>Expenditures</b>		
Activity costs	203	-
Administration fee	78,188	-
Amortization	279	4,847
Bad debts	800	30
Client rent	277,439	-
Client supplies	73,451	1,019
Contracted services	-	416
Equipment rentals	2,713	2,221
Finance services	4,400	4,400
Furniture and equipment	-	2,237
Insurance	4,389	3,232
Memberships	245	-
Office and miscellaneous	5,528	3,935
Professional fees	12,000	6,000
Repairs and maintenance	25,370	20,754
Security services	2,045	-
Supplies	11,491	5,406
Telephone and utilities	66,020	70,706
Training	746	204
Transportation	31	-
Vehicle	-	546
Wages and benefits	421,569	175,945
	<b>986,907</b>	<b>301,898</b>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 318,844</b>	<b>\$ (26,417)</b>

**CANADIAN MENTAL HEALTH ASSOCIATION - CARIBOO CHILCOTIN BRANCH****Homeless Outreach****(Schedule 2)****Year Ended March 31, 2022**

	<b>2022</b>	2021
<b>Revenue</b>		
BC Housing Management Commission	\$ 88,767	\$ 78,666
Donations	326	390
Ministry of Social Development and Poverty Reduction - Temporary pandemic pay	-	5,082
	<u>89,093</u>	<u>84,138</u>
<b>Expenditures</b>		
Accommodation	2,000	2,000
Administration	6,150	6,152
Client expenses	14,010	15,076
Finance services	2,540	2,040
Insurance	1,000	548
Office and miscellaneous	46	668
Professional fees	500	500
Telephone and utilities	364	1,670
Wages and benefits	55,736	55,484
	<u>82,346</u>	<u>84,138</u>
<b>Excess (deficiency) of revenue over expenditures</b>	<b>\$ 6,747</b>	<b>\$ -</b>