

**Canadian Mental Health Association  
Vernon and District Branch**

**Financial Statements  
For the Year Ended March 31, 2019**

**Canadian Mental Health Association  
Vernon and District Branch**

**Financial Statements  
For the Year Ended March 31, 2019**

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## Independent Auditor's Report

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To the directors of Canadian Mental Health Association - Vernon and District Branch

### Opinion

We have audited the financial statements of Canadian Mental Health Association - Vernon and District Branch (the Association), which comprise the statement of financial position as at March 31, 2019, 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, 2019, and its financial performance and 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 Societies Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied, on a basis consistent with that of the preceding year.

*BDO Canada LLP*

Chartered Professional Accountants

Vernon, British Columbia  
June 25, 2019


**Canadian Mental Health Association  
Vernon and District Branch  
Statement of Financial Position**

March 31	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 975,046	\$ 824,048
Investments (Note 2)	80,304	122,325
Accounts receivable	31,427	65,654
Prepaid expenses	8,580	4,569
	1,095,357	1,016,596
Restricted cash (Note 3)	114,211	853,656
Investments (Note 2)	684,499	-
Property, plant and equipment (Note 4)	12,543,997	12,050,006
	\$14,438,064	\$ 13,920,258

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 5)	\$ 408,274	\$ 381,573
Deposits received	52,314	50,467
Deferred revenues	184,032	232,302
Short term debt (Note 6)	77,693	89,863
Current portion of long term debt (Note 7)	452,733	439,959
	1,175,046	1,194,164
Long term debt (Note 7)	6,568,847	7,021,622
Deferred capital contributions (Note 8)	2,616,378	1,803,590
	10,360,271	10,019,376
<b>Net Assets</b>		
Restricted	1,758,773	1,515,747
Unrestricted	2,319,020	2,385,135
	4,077,793	3,900,882
	\$14,438,064	\$ 13,920,258

On behalf of the Board:

 Director

 Director

The accompanying notes are an integral part of these financial statements.

**Canadian Mental Health Association  
Vernon and District Branch  
Statement of Changes in Net Assets**

For the year ended March 31	RESTRICTED			2019 Total	2018 Total
	Invested in Capital Assets	Replacement Reserve	Operations		
	(Schedule 1)				
Balance, beginning of the year	\$ 1,316,673	\$ 472,797	\$ (273,723)	\$ 1,515,747	\$ 1,293,611
Excess of revenues over expenses	(261,343)	-	504,369	243,026	82,871
Contributions received	(836,340)	-	836,340	-	-
Forgivable loan realized	-	-	-	-	139,265
Long term debt principal repayments	440,000	-	(440,000)	-	-
Purchase of capital assets	831,366	-	(831,366)	-	-
Replacement reserve provision	-	114,912	(114,912)	-	-
Interest on replacement reserve	-	3,020	(3,020)	-	-
Replacement reserve expenditures	-	(125,984)	125,984	-	-
Interfund transfers	-	19,393	(19,393)	-	-
<b>Balance, end of the year</b>	<b>\$ 1,490,356</b>	<b>\$ 484,138</b>	<b>\$ (215,721)</b>	<b>\$ 1,758,773</b>	<b>\$ 1,515,747</b>

The accompanying notes are an integral part of these financial statements.

**Canadian Mental Health Association  
Vernon and District Branch  
Statement of Operations**

For the year ended March 31	UNRESTRICTED			2019 Total	2018 Total
	Invested in Capital Assets	Internally Restricted	Operations		
		(Note 9)			
Balance, beginning of the year,	\$ 1,378,299	\$ 309,553	\$ 697,283	\$ 2,385,135	\$ 2,323,123
Excess (deficiency) of revenues over expenses	(55,563)	-	(10,552)	(66,115)	62,012
Contributions received	(73,537)	-	73,537	-	-
Internal restrictions	-	14,522	(14,522)	-	-
Long term debt principal repayments	12,170	-	(12,170)	-	-
Purchase of capital assets	76,580	-	(76,580)	-	-
Replacement reserve expenditures	-	(23,332)	23,332	-	-
Interfund transfers	-	23,332	(23,332)	-	-
<b>Balance, end of the year</b>	<b>\$ 1,337,949</b>	<b>\$ 324,075</b>	<b>\$ 656,996</b>	<b>\$ 2,319,020</b>	<b>\$ 2,385,135</b>

The accompanying notes are an integral part of these financial statements.



**Canadian Mental Health Association  
Vernon and District Branch  
Statement of Operations**

For the year ended March 31

	2019	2018
	(Schedule 2)	
<b>Revenue</b>		
Interior Health Authority	\$ 2,180,183	\$ 2,019,090
Rent and user fees	1,068,780	1,040,065
BC Housing	703,833	587,034
Canadian Mental Health Association - BC Division	493,070	384,119
Donations and fundraising	223,552	173,914
Store sales	174,226	184,252
Grants - Other	144,489	59,238
Sundry	100,032	71,975
BC Gaming	99,116	77,500
Workshop sales	97,508	94,878
United Way	5,535	7,535
Amortization of deferred contributions (Note 8)	97,089	72,340
	<b>5,387,413</b>	<b>4,771,940</b>
<b>Expenses</b>		
Advertising and promotion	24,500	20,580
Amortization	413,995	401,434
Insurance	31,002	32,063
Interest and bank charges	8,414	6,261
Interest on long term debt	212,945	204,299
Memberships and licences	17,419	15,892
Office and miscellaneous	63,837	43,187
Professional development	42,858	619
Professional fees	28,567	26,447
Program expenses	237,717	150,342
Property taxes	2,351	7,759
Rent	15,832	16,889
Repairs and maintenance	329,425	352,382
Subcontracts	44,123	17,591
Supplies	94,190	92,153
Telephone	4,240	20,828
Travel	24,300	17,510
Utilities	342,172	323,738
Vehicle	28,309	28,230
Volunteer and honorariums	79,741	76,677
Wages and benefits	3,164,565	2,772,176
	<b>5,210,502</b>	<b>4,627,057</b>
<b>Excess of revenues over expenses</b>	<b>\$ 176,911</b>	<b>\$ 144,883</b>

The accompanying notes are an integral part of these financial statements.

**Canadian Mental Health Association  
Vernon and District Branch  
Statement of Cash Flows**

For the year ended March 31	2019	2018
<b>Cash flows from operating activities</b>		
Cash receipts from federal and provincial funding and grants	\$ 3,835,735	\$ 3,369,986
Cash receipts from rent and user fees	1,070,628	1,038,865
Cash received from other revenue	363,592	346,322
Cash paid to suppliers and employees	(4,560,874)	(3,967,110)
Interest received	8,174	4,783
Interest paid	(212,945)	(204,299)
	<u>504,310</u>	<u>588,547</u>
<b>Cash flows from investing activities</b>		
Purchase of investments	(642,478)	(1,066)
Capital contributions received	909,877	417,467
Purchase of capital assets	(907,985)	(1,680,166)
	<u>(640,586)</u>	<u>(1,263,765)</u>
<b>Cash flows from financing activities</b>		
Repayment of short term debt	(12,170)	(42,026)
Repayment of long term debt	(440,001)	(413,726)
Proceeds from long term debt	-	1,286,440
	<u>(452,171)</u>	<u>830,688</u>
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(588,447)</b>	<b>155,470</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>1,677,704</b>	<b>1,522,234</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 1,089,257</b>	<b>\$ 1,677,704</b>
<b>Represented by:</b>		
Cash and cash equivalents	\$ 975,046	\$ 824,048
Restricted cash (Note 3)	114,211	853,656
	<u>\$ 1,089,257</u>	<u>\$ 1,677,704</u>

The accompanying notes are an integral part of these financial statements.

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## Canadian Mental Health Association Vernon and District Branch Notes to Financial Statements

March 31, 2019

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### 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<p>The Canadian Mental Health Association - Vernon and District Branch (the "Association") is a branch of the Canadian Mental Health Association and was incorporated under the Society Act of British Columbia. The Association's purpose is to provide services that promote, maintain, and enhance the mental health of individuals in Vernon, British Columbia and the surrounding area.</p> <p>The Association is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.</p>
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>
<b>Revenue Recognition</b>	<p>The Association follows the deferral method of accounting for contributions.</p> <p>Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Restricted net investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted net investment income is recognized as revenue when earned.</p> <p>Revenue from tenant rent is recognized when the cash is collected or when collection is reasonably assured.</p> <p>Store sales, workshop revenues, fundraising and other miscellaneous revenue are recognized in the respective programs when there is persuasive evidence of an arrangement, the services or goods have been provided and cash is collected or reasonably collectible.</p>
<b>Use of Estimates</b>	<p>The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available.</p>
<b>Cash and Cash Equivalents</b>	<p>Cash and cash equivalents consist of cash on hand and bank balances.</p>

**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

**1. Significant Accounting Policies (continued)**

**Property, Plant and Equipment**

Purchased property, plant and equipment are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution. Expenditures for repairs and maintenance are expensed as incurred. Betterments that extend the useful life of the tangible capital asset are capitalized.

Amortization based on the estimated useful life of the asset is calculated as follows:

	<b>Method</b>	<b>Rate</b>
Buildings	Straight-line	40 years
Vehicles	Straight-line	5 years
Computer equipment	Straight-line	3 years
Furniture and equipment	Straight-line	10 years
Leasehold improvements	Straight-line	5-10 years

**Financial Instruments**

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement, provided it is not greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously, and the amount of the reversal is recognized in net income.

**Contributed Materials**

Due to the difficulty in determining the fair value of materials contributed to the organization they are not recognized in the financial statements.

**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

**1. Significant Accounting Policies (continued)**

**Contributed Services**      Volunteers contribute many hours per year to assist the Association in carrying out its activities. Due to the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

**2. Investments**

The carrying amount of investments are comprised of the following:

	2019	2018
At amortized cost:		
Canadian corporate bonds and term notes, bearing interest between 1.620% and 2.923% and maturing between April 2020 and November 2022	\$ 507,939	\$ -
Foreign corporate bonds, bearing interest between 2.222% to 2.840% and maturing between March 2021 and July 2023	176,560	-
At fair value:		
Cash and savings accounts	80,304	122,325
	<b>\$ 764,803</b>	<b>\$ 122,325</b>
<b>Investments are allocated as follows:</b>		
Current	\$ 80,304	\$ 122,325
Long term	684,499	-
	<b>\$ 764,803</b>	<b>\$ 122,325</b>

**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

**3. Restricted Cash and Investments**

Restricted cash and investments consists of cash and in investments in money market funds and corporate bonds which are restricted in their use and can only be used for specified purposes.

	2019	2018
Cash	\$ 114,211	\$ 853,656
Investments	<u>764,803</u>	<u>122,325</u>
	<u>\$ 879,014</u>	<u>\$ 975,981</u>

Restricted cash is allocated for the following purposes:

	2019	2018
Internally restricted funds (Note 9)	\$ 324,075	\$ 309,554
Replacement reserve funds (Schedule 1)	544,191	495,286
Gaming	-	119,931
Damage deposits	<u>10,748</u>	<u>51,210</u>
	<u>\$ 879,014</u>	<u>\$ 975,981</u>

**4. Property, Plant and Equipment**

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Land	\$ 2,782,085	\$ -	\$ 2,782,085	\$ -
Buildings	15,594,706	5,974,019	14,763,301	5,594,545
Vehicles	237,841	167,594	164,304	164,304
Computer equipment	71,740	63,076	68,697	60,620
Furniture and equipment	412,724	351,563	412,724	327,760
Leasehold improvements	<u>61,370</u>	<u>60,217</u>	<u>61,370</u>	<u>55,246</u>
	<u>19,160,466</u>	<u>6,616,469</u>	<u>18,252,481</u>	<u>6,202,475</u>
		<u>\$ 12,543,997</u>		<u>\$ 12,050,006</u>

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**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

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**5. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are government remittances payable of \$11,982 (2018 - \$12,262).

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**6. Short Term Debt**

	<u>2019</u>	<u>2018</u>
Royal Bank term loan, repayable in monthly instalments of \$1,265 including interest calculated at a rate of 3.58%, maturing November 2021.	<u>\$ 77,693</u>	<u>\$ 89,863</u>

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**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

**7. Long Term Debt**

	2019	2018
MCAP Financial Corporation mortgage, with monthly principal and interest payments of \$25,434, with interest calculated at rates ranging between 2.20% and 4.12%, maturing between June 2021 and October 2027, secured by specific property.	\$ 3,916,316	\$ 4,121,828
Canada Mortgage and Housing Corporation mortgage, with monthly principal and interest payments of \$27,052, with interest calculated at a rate of 3.43%, maturing February 2021, secured by specific property.	2,774,924	3,000,828
Peoples Trust Company mortgage, with monthly principal and interest payments of \$1,674, with interest calculated at a rate of 3.46%, maturing March 2024, secured by specific property.	330,340	338,925
	7,021,580	7,461,581
Current portion	(452,733)	(439,959)
Long-term portion of debt	\$ 6,568,847	\$ 7,021,622

Principal repayments on long term debt over the next five years and thereafter are as follows:

2020	\$	452,733
2021		2,765,907
2022		315,414
2023		227,764
2024		515,844
Thereafter		2,743,918
	\$	7,021,580



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**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

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**8. Deferred Capital Contributions**

**Albert Place**

Contributions were received relating to capital improvements to the Albert Place building. These contributions have been deferred and are being amortized with the building additions over 40 years.

In December 2018, BC Housing provided a mortgage forgivable over a ten year period beginning in the first year of the mortgage. Monies were advanced in the March 31, 2019 fiscal year totaling \$19,348. At March 31, 2019, \$18,864 of the total \$19,348 in funding received is to be forgiven in future years.

**Yin Ho**

Contributions were received relating to capital improvements to the Yin Ho building. These contributions have been deferred and are being amortized with the building additions over 40 years.

In January 2019, BC Housing provided a mortgage forgivable over a ten year period beginning in the first year of the mortgage. Monies were advanced in the March 31, 2019 fiscal year totaling \$205,848. At March 31, 2019, \$202,417 of the total \$205,848 in funding received is to be forgiven in future years.

Deferred capital contributions represent the unamortized portion of contributed capital assets and restricted contributions used to purchase capital assets. The changes in the deferred capital contributions balance for the period are as follows:

	2019	2018
Beginning balance	\$ 1,803,590	\$ 1,462,030
Add: restricted contributions related to contributed equipment	909,877	413,900
Less: Amounts amortized to revenue	(97,089)	(72,340)
Ending balance	\$ 2,616,378	\$ 1,803,590

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**9. Internally Restricted Funds**

The Association has reserved \$324,075 (2018 - \$309,553) for purposes of funding future purchases or replacement of equipment, furniture and other expenditures deemed necessary by management.

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**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

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**10. Financial Instruments**

**Credit risk**

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Association is exposed to credit risk resulting from the possibility that a customer or counterparty to a financial instrument defaults on their financial obligations; if there is a concentration of transactions carried out with the same counterparty; or of financial obligations which have similar economic characteristics such that they could be similarly affected by changes in economic conditions. The Association's financial instruments that are exposed to concentrations of credit risk relate primarily to its accounts and contributions receivable. The majority of the Association's receivables are from government sources and the Association works to ensure it meets all eligibility criteria in order to qualify to receive the funding.

**Liquidity risk**

Liquidity risk is the risk that the Association will encounter difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Association will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. The Association is exposed to this risk mainly in respect of its accounts payable, short term debt and long term debt.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed interest instruments subject the Association to a fair value risk while the floating rate instruments subject it to a cash flow risk.

The Association mitigates interest rate risk on investments by diversifying the durations of the fixed-income investments that are held at a given time.

There have not been any changes in the risk from the prior year.

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**Canadian Mental Health Association  
Vernon and District Branch  
Notes to Financial Statements**

**March 31, 2019**

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**11. Employee Pension Plan**

The Association and its employees contribute to the Municipal Pension Plan (the "Plan"), a jointly trustee pension plan. The board of trustees, representing plan members and employers, is responsible for administering the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer defined benefit pension plan. Basic pension benefits provided are based on a formula. As at December 31, 2018, the Plan has about 197,000 active members and approximately 95,000 retired members. Active members include approximately 39,000 contributors from local government.

The most recent actuarial valuation as at December 31, 2015, indicated a \$2,224 million funding surplus for basic pension benefits. The next valuation will be December 31, 2018, with results available in 2019.

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.

The Association paid \$186,476 (2018 - \$151,563) for employer contributions to the Plan in fiscal 2018.

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**12. Economic Dependence**

The Association receives 54% (2018 - 55%) of its funding from the Province of British Columbia through the Interior Health Authority and BC Housing. The ability of the Association to continue operations is dependent upon continued funding from these sources.

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**13. Salaries, Honoraria and Benefits**

During the year, the Association paid three employees (2018 - two) in excess of \$75,000. Total salaries, honoraria and benefits paid was \$261,267 (2018 - \$167,470). The Association does not provide remuneration to its Board of Directors.

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**14. Comparative Figures**

Certain comparative figures have been reclassified to conform with the current year's financial statements presentation.

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**Canadian Mental Health Association  
Vernon and District Branch**

**Schedule 1 - Statement of Changes in Replacement Reserve Fund**

Under the terms of the operating agreements with BC Housing, the Replacement Reserve Funds are to be credited by the budget provision per annum plus interest earned. These funds along with accumulated interest must be held in a separate bank or investment savings accounts and can only hold instruments insured by the Canadian Deposit Insurance Corporation, the Credit Union Deposit Insurance Corporation, guaranteed by a Canadian government or in other investment instruments as agreed upon by BC Housing. The funds are to be used to replace major items that periodically wear out to ensure the building continues to be functional over its useful life.

	53rd Avenue	Albert Place	Belvedere Apartments	Group Home	Melrose Apartments	Yin Ho Gardens	2019	2018
Replacement Reserve, beginning of year	\$ 76,853	\$ 134,806	\$ 99,136	\$ 33,767	\$ 36,411	\$ 91,824	\$ 472,797	\$ 500,882
Replacement Reserve provision	36,288	15,552	14,688	6,048	5,184	37,152	114,912	99,360
Interest on replacement reserve	502	1,184	505	167	156	505	3,020	2,016
Repair and maintenance expenditures	(23,656)	(25,576)	(21,977)	(3,203)	-	(51,571)	(125,984)	(146,961)
Transfers to (from)	-	19,393	-	-	-	-	19,393	17,500
Replacement Reserve, end of year	\$ 89,987	\$ 145,359	\$ 92,352	\$ 36,779	\$ 41,751	\$ 77,910	\$ 484,138	\$ 472,797

**Canadian Mental Health Association  
Vernon and District Branch  
Schedule 2 - Statement of Revenues and Expenses - Programs**

For the year ended March 31	Main Operations	Housing Projects	2019	2018
<b>Revenue</b>				
Interior Health Authority	\$ 2,180,183	\$ -	\$ 2,180,183	\$ 2,019,090
Rent and user fees	306,924	761,856	1,068,780	1,040,065
BC Housing	-	726,012	726,012	628,346
Canadian Mental Health Association - BC Division	493,070	-	493,070	384,119
Donations and fundraising	223,552	-	223,552	173,914
Store sales	174,226	-	174,226	184,252
Grants	144,489	-	144,489	59,238
Sundry	67,287	32,745	100,032	71,975
BC Gaming	99,116	-	99,116	77,500
Workshop sales	97,508	-	97,508	94,878
United Way	5,535	-	5,535	7,535
BC Housing - Prior Year Subsidy Adjustment	-	(22,179)	(22,179)	(41,312)
Amortization of deferred contributions	28,149	68,940	97,089	72,340
	<b>3,820,039</b>	<b>1,567,374</b>	<b>5,387,413</b>	<b>4,771,940</b>
<b>Expenses</b>				
Advertising and promotion	24,500	-	24,500	20,580
Amortization	83,711	330,284	413,995	401,434
Insurance	7,171	23,831	31,002	32,063
Interest and bank charges	4,542	3,872	8,414	6,261
Interest on long term debt	3,012	209,933	212,945	204,299
Memberships and licenses	17,336	83	17,419	15,892
Office	52,313	11,524	63,837	43,187
Professional development	42,858	-	42,858	619
Professional fees	5,680	22,887	28,567	26,447
Program expenses	237,717	-	237,717	150,342
Property taxes	-	2,351	2,351	7,759
Rent	15,832	-	15,832	16,889
Repairs and maintenance	119,642	209,783	329,425	352,382
Subcontracts	42,935	1,188	44,123	17,591
Supplies	94,190	-	94,190	92,153
Telephone	-	4,240	4,240	20,828
Travel	19,653	4,647	24,300	17,510
Utilities	92,782	249,390	342,172	323,738
Vehicle	28,309	-	28,309	28,230
Volunteer and honorariums	79,741	-	79,741	76,677
Salaries, wages and benefits	2,914,230	250,335	3,164,565	2,772,176
	<b>3,886,154</b>	<b>1,324,348</b>	<b>5,210,502</b>	<b>4,627,057</b>
<b>Excess (deficiency) of revenues over expenses</b>	<b>\$ (66,115)</b>	<b>\$ 243,026</b>	<b>\$ 176,911</b>	<b>\$ 144,883</b>