

Financial Statements of

**CANADIAN MENTAL HEALTH
ASSOCIATION, KAMLOOPS
BRANCH**

Year ended March 31, 2014



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INDEPENDENT AUDITORS' REPORT

To the Directors of Canadian Mental Health Association, Kamloops Branch

We have audited the accompanying financial statements of the Canadian Mental Health Association, Kamloops Branch, which comprise the statement of financial position as at March 31, 2014, the statement of operations and changes in net assets and cash flows for the year then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Canadian Mental Health Association, Kamloops Branch as at March 31, 2014, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.



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Report on Other Legal and Regulatory Requirements

As required by the Society 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.

Supplementary information

The supplementary information included in Schedule 1 (General Fund) and Schedule 2 (Emerald Centre) is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such supplementary information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Matter

The financial statements of the Canadian Mental Health Association, Kamloops Branch as at and for the year ended March 31, 2013 were audited by another auditor who expressed a qualified opinion, relating to the completeness of revenue from fundraising activity and donations, on those financial statements on June 19, 2013.

KPMG LLP

Chartered Accountants

June 18, 2014

Kamloops, Canada

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Statement of Financial Position

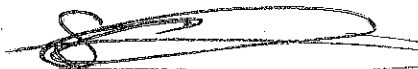
March 31, 2014, with comparative information for 2013

	General Fund	Capital Fund	Emerald Centre Fund	Replacement Reserve Fund	2014 Total	2013 Total
Assets						
Current assets:						
Cash	\$ 189,652	\$ -	\$ -	\$ -	\$ 189,652	\$ 410,905
Restricted cash (note 2)	21,549	-	-	146,974	168,523	141,125
Accounts receivable (note 3)	61,060	-	-	-	61,060	116,016
Prepaid expenses	876	-	-	-	876	10,176
Interfund accounts	96,383	156,803	(245,793)	(7,393)	-	-
	369,520	156,803	(245,793)	139,581	420,111	678,222
Capital assets (note 4)	-	3,031,309	-	-	3,031,309	3,050,699
	\$ 369,520	\$ 3,188,112	\$ (245,793)	\$ 139,581	\$ 3,451,420	\$ 3,728,921
Liabilities and Net Assets						
Current liabilities:						
Accounts payable and accrued liabilities (note 5)	\$ 43,313	\$ -	\$ -	\$ -	\$ 43,313	\$ 171,580
Employee benefits and other liabilities (note 6)	241,303	-	-	-	241,303	253,813
Deferred revenue (note 7)	174,784	-	-	-	174,784	177,559
Demand loan (note 8)	-	189,430	-	-	189,430	2,905,261
Current portion of long-term debt (note 9)	-	43,851	-	-	43,851	5,471
	459,400	233,281	-	-	692,681	3,513,684
Deferred capital contributions	-	58,537	-	-	58,537	8,944
Long-term debt (note 9)	-	2,657,217	-	-	2,657,217	8,277
	459,400	2,949,035	-	-	3,408,435	3,530,905
Net assets:						
Invested in capital assets	-	239,077	-	-	239,077	279,549
Externally restricted (note 10)	-	-	-	32,225	32,225	31,861
Internally restricted (note 10)	-	-	-	107,356	107,356	80,325
Unrestricted	(89,880)	-	(245,793)	-	(335,673)	(193,719)
	(89,880)	239,077	(245,793)	139,581	42,985	198,016
	\$ 369,520	\$ 3,188,112	\$ (245,793)	\$ 139,581	\$ 3,451,420	\$ 3,728,921

See accompanying notes to financial statements.

Approved by the Directors

 Director

 Director

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Statements of Operations and Changes in Net Assets

Year ended March 31, 2014, with comparative information for 2013

	General Fund	Capital Fund	Emerald Centre Fund	Replacement Reserve Fund	2014 Total	2013 Total
Revenues:						
B.C. Housing Management	\$ -	\$ -	\$ 1,410,566	\$ -	\$ 1,410,566	\$ 1,444,210
Interior Health Authority	284,992	-	-	-	284,992	277,068
CMHA BC Division	204,998	-	-	-	204,998	194,388
Rent	169,509	-	6,979	-	176,488	120,727
United Way	93,052	-	25,000	-	118,052	83,332
Gaming	86,250	-	-	-	86,250	85,000
Other	53,632	-	-	-	53,632	69,781
Amortization of DCC	-	12,845	-	-	12,845	373
Interest	-	-	-	1,313	1,313	1,119
Homeless Partnering Service	-	-	-	-	-	77,233
	892,433	12,845	1,442,545	1,313	2,349,136	2,353,231
Expenses:						
Accounting and legal	65,273	-	18,123	-	83,396	61,132
Administration	3,600	-	-	-	3,600	3,600
Advertising and promotion	1,964	-	581	-	2,545	5,168
Amortization	-	109,288	-	-	109,288	79,474
Bank charges and interest	152	-	-	-	152	85
Client allowances	25,717	-	-	-	25,717	25,117
Insurance	10,698	-	6,824	-	17,521	12,585
Interest on long-term debt	7,880	-	34,295	-	42,174	666
Office and janitorial	47,644	-	7,475	-	55,119	41,280
Program expenditures	73,921	-	148,391	-	222,311	257,924
Repairs and maintenance	36,277	-	30,774	-	67,052	36,629
Rent	4,871	-	3,554	-	8,425	19,171
Staff and board development	3,036	-	50	-	3,086	1,961
Travel	11,149	-	4,971	-	16,120	17,940
Utilities	53,749	-	41,105	-	94,854	87,571
Wages and benefits	599,264	-	1,153,541	-	1,752,805	1,811,541
	945,195	109,288	1,449,683	-	2,504,166	2,461,844
Excess (deficiency) of revenues over expenses	\$ (52,762)	\$ (96,443)	\$ (7,139)	\$ 1,313	\$ (155,031)	\$ (108,613)
Net assets, beginning of year	44,935	279,549	(238,654)	112,186	198,016	306,629
Interfund transfers:						
Principal repayments	(28,511)	28,511	-	-	-	-
Purchases of capital assets	(27,460)	27,460	-	-	-	-
Transfers to reserves	(26,082)	-	-	26,082	-	-
Net assets, end of year	\$ (89,880)	\$ 239,077	\$ (245,793)	\$ 139,581	\$ 42,985	\$ 198,016

See accompanying notes to financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Statement of Cash Flows

Year ended March 31, 2014, with comparative information for 2013

	2014	2013
Cash provided by (used in):		
Operating activities:		
Deficiency of revenues over expenses	\$ (155,031)	\$ (108,613)
Items not involving cash:		
Amortization of capital assets	109,288	79,474
Amortization of deferred capital contributions	(12,845)	(373)
Accounts receivable	54,956	89,699
Prepaid expenses	9,300	(204)
Accounts payable, employee benefits payable and accrued liabilities	(140,777)	173,979
Deferred revenue	(2,775)	155,641
	<u>(137,884)</u>	<u>389,603</u>
Financing activities:		
Repayments of long-term debt and demand loan	(28,511)	(5,333)
Proceeds on issuance of long-term debt and demand loan	-	805,230
	<u>(28,511)</u>	<u>799,897</u>
Investing activities:		
Purchase of capital assets	(89,898)	(915,710)
Deferred capital contributions	62,438	-
	<u>(27,460)</u>	<u>(915,710)</u>
Increase (decrease) in cash	(193,855)	273,790
Cash, beginning of year	552,030	278,240
Cash, end of year	<u>\$ 358,175</u>	<u>\$ 552,030</u>
Cash consists of:		
Cash	\$ 189,652	\$ 410,905
Restricted cash	168,523	141,125
	<u>\$ 358,175</u>	<u>\$ 552,030</u>

See accompanying notes to financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements

Year ended March 31, 2014

Nature of operations:

Canadian Mental Health Association, Kamloops Branch (the "Association") is a not-for-profit registered society incorporated without share capital under the Society Act of British Columbia. The Association is a registered charity under the Income Tax Act and accordingly is exempt from income taxes, provided certain requirements of the Income Tax Act are met. Its purpose is to deliver a broad range of programs promoting mental health for all, and support the resilience and recovery of people experiencing mental illness.

1. Significant accounting policies:

The financial statements are prepared in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the CPA Canada Handbook. The Association's significant accounting policies are as follows:

(a) Fund accounting:

The Association reports its activities on a fund accounting basis. A fund is determined for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions or limitations. Each fund has its own statement of operations and net assets which presents the results of operations for the fund. The statement of financial position of the Association includes the assets, liabilities and net assets of all funds presented in the financial statements.

The general fund reports the Association's program delivery, administrative and fundraising activities of the Kamloops, Youth and Merritt clubhouses, Consumer Facilitation and Bounce Back programs and housing programs in the respective funds. While these activities are restricted by the terms of the contracts entered into with funding agencies, the net assets retained after completing these activities are under no restriction in how they may be used by the Association.

The Emerald centre fund reports the assets, liabilities, revenues and expenses related to an emergency shelter program and a housing assistance program in accordance with an agreement with British Columbia Housing Management Commission.

The capital fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

1. Significant accounting policies (continued):

(a) Fund accounting (continued):

The replacement reserve fund reports the assets, liabilities, revenues and expenses as prescribed by the British Columbia Housing Management Commission as well as internal appropriations made by the Board of Directors of the Canadian Mental Health Association, Kamloops Branch.

All inter-fund balances have been eliminated on the statement of operations, but in order to present the results of operations for each specific fund, transactions amongst funds have not necessarily been eliminated on the individual supplementary schedules as presented in Schedules 1 and 2.

(b) Revenue recognition:

The Association recognizes revenue in accordance with the restricted fund method of accounting for contributions.

Externally restricted contributions related to general operations are recognized as revenue of the unrestricted accounts in the year in which the related expenditures are incurred. All other restricted contributions are recognized as revenue of the appropriate accounts, restricted or capital.

Unrestricted contributions are recognized as revenue of the unrestricted accounts in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Cash donations are recorded as income when received. Donations received in-kind are recognized as revenue when received and when their fair market value can be reasonably estimated.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue at a rate corresponding with the amortization rate for the related capital assets.

Interest income is recorded as earned.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

1. Significant accounting policies (continued):

(c) Capital assets:

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Assets acquired under capital leases are amortized over the estimated life of the assets or over the lease term, as appropriate. Repairs and maintenance costs are charged to expense. Betterments which extend the estimated life of an asset are capitalized. When a capital asset no longer contributes to the Association's ability to provide services, its carrying amount is written down to its residual value.

Capital assets are amortized using the following methods and annual rates:

Asset	Basis	Rate
Buildings	Declining balance	4%
Equipment	Declining balance	20%
Furniture and fixtures	Declining balance	20%
Computers	Declining balance	45%

(d) Inter-fund transfers:

Transfers between the net asset accounts are accounted for as an appropriation from accumulated net asset balances.

(e) Use of estimates:

The preparation of the financial statements in accordance with Not-for-Profit Standards requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the year. Actual results could differ from those estimates. Significant areas subject to such estimates and assumptions include the estimated useful lives and recoverable amounts of capital assets. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Contributed services:

A substantial number of volunteers contribute a significant amount of their time each year to the Association. Due to the difficult nature in determining a fair value for these services, they are not recognized in the financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

1. Significant accounting policies (continued):

(g) Employee future benefits:

- i) The Association provides certain employee benefits which will require funding in future periods. These benefits include sick leave and banked overtime provided to employees. The costs of sick leave and banked overtime arising from past service and expected to be paid out in a future period have been accrued as a liability and have been determined using management's best estimate of salary and utilization rates. Non-vesting sick leave benefit entitlements in excess of these amounts are accrued using management's best estimate at the rate at which they will be utilized.
- ii) The costs of multi-employer defined contribution pension plan benefits, such as the Provincial Municipal Pension Plan (the "Plan"), are the employer's contributions due to the plan in the period.

(h) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Association has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expensed as incurred. All other financial instruments are adjusted by transaction costs incurred on acquisition and financing costs, which are amortized using the straight-line method.

Financial assets are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Association determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Association expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future year, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

2. Restricted cash:

	2014	2013
Community Gaming grant	\$ 21,549	\$ 21,544
Emerald Centre replacement reserve	33,510	33,147
Clubhouse replacement reserve	44,918	44,431
Golden Vista and Meadow Creek replacement reserves	68,546	42,003
	<u>\$ 168,523</u>	<u>\$ 141,125</u>

Revenue earned from the Community Gaming grant is used to purchase goods and services required to provide the various programs offered by the Association. Gaming funds are expended for eligible costs incurred during the period and the remaining unused portion is recorded as deferred revenue (note 7).

The Association makes transfers to the Emerald Centre, Clubhouse, Golden Vista and Meadow Creek replacement reserves at the discretion of the Board of Directors (note 10).

3. Accounts receivable:

	2014	2013
CMHA BC Division	\$ 51,250	\$ 48,722
Goods and Services Tax recoverable	9,810	67,294
	<u>\$ 61,060</u>	<u>\$ 116,016</u>

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

4. Capital assets:

			2014	2013
	Cost	Accumulated amortization	Net book value	Net book value
Land	\$ 833,381	\$ -	\$ 833,381	\$ 833,381
Buildings	2,448,552	334,362	2,114,190	2,188,050
Equipment	103,204	28,125	75,079	18,184
Furniture and fixtures	102,780	94,583	8,197	10,246
Computers	19,651	19,189	462	838
	\$ 3,507,568	\$ 476,259	\$ 3,031,309	\$ 3,050,699

Certain land and buildings have been pledged as security on the demand loan (note 8) and long-term debt (note 9) in accordance with the respective agreements.

In addition, a first charge over land and building located at 768 Battle Street has been provided to B.C. Housing Management.

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$nil (2013 - \$19,072), which includes amounts payable for payroll related taxes.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

6. Employee benefits and other liabilities:

(a) Accumulated sick leave:

The Association provides benefits for sick leave to all its unionized employees. All employees accumulate sick leave entitlement on a monthly basis and can only use this entitlement for paid time off under certain circumstances. Under the terms of the current agreement, employees earn sick leave benefits at a rate of 6.9% of base pay for service, which accumulate and carry forward year-to-year, up to a maximum of 1,170 hours per employee.

The total liability for these retirement benefits recorded on the statement of financial position in respect of the obligation under this plan amounts to \$73,309 (2013 - \$75,405).

The total sick leave entitlement accumulated to date that is available to employees amounts to \$250,548 (2013 - \$201,756).

(b) Pension plans:

The Association and its employees contribute to the Municipal Pension Plan, a jointly trusted pension plan. The Board of Trustees, representing plan members and employers, is responsible for overseeing the management of the Plan, including investment of the assets and administration of benefits. The Plan is a multi-employer contributory pension plan; basic pension benefits provided are defined. The plan has about 179,000 (2013 - 204,000) active members and approximately 71,000 (2013 - 63,000) retired members.

Every three years an actuarial valuation is performed to assess the financial position of the plan and the adequacy of plan funding. The most recent valuation as at December 31, 2012 indicated an unfunded liability of \$1.370 billion for basic pension benefits. The next valuation will be as at December 2015 with results available in the fall of 2016. The actuary does not attribute portions of the unfunded liability to individual employers. The Association paid \$15,584 (2013 - \$15,352) for employer contributions to the Plan during the year.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

7. Deferred revenue:

Funding received in advance of program deliverables being completed are deferred and recognized in the period in which the related activities occur. Advances deferred at year end relate to the following funding:

	2014	2013
B.C. Housing Management	\$ 128,284	\$ 112,820
Community Gaming Grant	21,500	21,250
United Way	25,000	-
Homeless Partnering Service	-	43,489
	\$ 174,784	\$ 177,559

8. Demand loan:

	2014	2013
Interior Savings Credit Union, demand loan, repayable in monthly instalments of \$1,500 including interest at the bank's prime commercial lending rate plus 1.0% per annum (March 31, 2014 - 4.0%), secured by a commercial security agreement covering all present and after-acquired property and a registered first commercial credit master mortgage in an unlimited amount and assignment of rents over land and building located at 831 Serle Road	\$ 189,430	\$ 200,000
B.C. Housing Management, construction loan with no specified terms of repayment, refinanced to a mortgage payable with People's Trust Company during the year (note 9)	-	2,705,261
	\$ 189,430	\$ 2,905,261

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

9. Long-term debt:

	2014	2013
People's Trust Company, mortgage, repayable in monthly instalments of \$11,671 including interest at the bank's prime commercial lending rate plus 0.84% per annum (March 31, 2014 - 3.84%), due November 2023, secured by a general security agreement, a collateral mortgage constituting a first fixed charge on land and building located at 271 Victoria Street	\$ 2,692,871	\$ -
Interior Savings Credit Union, mortgage, repayable in monthly instalments of \$500 including interest at the bank's prime commercial lending rate plus 1.0% per annum (March 31, 2014 - 4.0%), due March 2016, secured by a commercial security agreement covering all present and after-acquired property and a deposit of duplicate title for land and building located at 257 Seymour Street	8,197	13,748
	2,701,068	-
Current portion of long-term debt	43,851	5,471
	\$ 2,657,217	\$ 8,277

Scheduled principal repayments due within each of the next five years and thereafter is as follows:

2015	\$ 43,851
2016	42,160
2017	41,142
2018	42,737
2019	44,393
Thereafter	2,486,785
	\$ 2,701,068

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

10. Replacement reserve fund:

	Golden Vista	Meadow Creek	Clubhouse	Emerald Centre	2014	2013
Net assets, beginning of year \$	25,011 \$	11,592 \$	43,722 \$	31,861 \$	112,186 \$	89,985
Excess of revenue over expenses	462	-	487	364	1,313	1,119
Transfers	14,490	11,592	-	-	26,082	21,082
Net assets, end of year	\$ 39,963 \$	23,184 \$	44,209 \$	32,225 \$	139,581 \$	112,186

The transfers to the reserves for the Clubhouse, Golden Vista and Meadow Creek are at the discretion of the Board of directors and no approval is required for the use of these funds.

Under the terms of the BC Housing Management Commission agreement, the Association is required to make an annual transfer to the Emerald Centre replacement reserve by way of cash deposit to a separate bank account. The required transfer for the year ended March 31, 2014 totaled \$nil (2013 - \$nil). Major unbudgeted repairs may be paid from this account with the approval of the BC Housing Management Commission.

11. Operating capital management:

The Association defines operating capital to be net assets. The Association receives its principal source of operating capital through various contracts with the Province of British Columbia and other not-for-profit agencies. The Association's objective when managing operating capital is to fund its operations, capital asset additions, and to expand its outreach into the mental health issues in the southern interior of British Columbia. The Association manages the operating capital structure in conjunction with the Province of British Columbia and makes adjustments based on available contractual funding and economic conditions. Currently, the Association's strategy is to monitor expenditures to preserve operating capital and to pursue new contracts and revenue producing opportunities. Funding received for designated purposes must be used for the purpose outlined in the grant, contract or license. The Association has complied with the external restrictions on the funding provided.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH

Notes to Financial Statements (continued)

Year ended March 31, 2014

12. Economic dependence:

The Association receives a majority of its revenue from government sources, notably from B.C. Housing Management which comprises approximately 60% of the annual revenues. Revenues are earned pursuant to an Emergency Shelter Program Agreement. Subsequent to year-end, the agreement was renewed with a nine month term expiring on March 31, 2015. Any disruption of these funding arrangements could have a significant impact on the Association's operations.

13. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Association deals with creditworthy counterparties to mitigate the risk of financial loss from defaults. All of the accounts receivable are from provincial and federal government entities. There has been no change in the risk exposure from 2013.

(b) Liquidity risk:

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association manages its liquidity risk by monitoring its operating requirements. The Association prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the risk exposure from 2013.

(c) Cash flow risk:

Long-term debt and demand loan are subject to interest rate cash flow risk as the required payment to service the debt will fluctuate as a result of the variable lending rate. The Association did not employ interest rate hedging activities during the period, allowing these items to generally float at market rates of interest. There has been no change in the risk exposure from 2013.

14. Comparative amounts:

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the 2014 financial statements.

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH
 Schedule 1 - General Fund

Year ended March 31, 2014 with comparative information for 2013

	Kamloops Clubhouse	Merritt Clubhouse	760 Battle Street	Golden Vista	Meadow Creek	Youth Program	Consumer Facilitation	Bounce Back	Cariboo Manor	Gordon Brogolias	2014 Total	2013 Total
Revenue												
Interior Health Authority	\$ 216,140	\$ 34,827	\$ -	\$ -	\$ -	\$ -	\$ 34,025	\$ -	\$ -	\$ -	\$ 284,992	\$ 277,088
CMHA BC Division	-	-	-	-	-	-	-	204,998	-	-	204,998	194,388
Gaming	86,250	-	-	-	-	-	-	-	-	-	86,250	85,000
United Way	63,052	-	-	-	-	30,000	-	-	-	-	93,052	82,772
Rent	-	-	14,650	73,156	56,409	-	-	-	25,295	-	169,509	120,727
Other	46,854	-	-	-	-	65,658	-	-	-	-	112,512	121,777
B.C. Housing Management	-	-	-	-	-	-	-	-	-	-	-	92,000
	412,296	34,827	14,650	73,156	56,409	95,658	34,025	204,998	25,295	0	951,313	973,732
Expense												
Accounting and legal	61,675	-	-	2,049	1,549	-	-	-	-	-	65,273	44,610
Administration	-	-	-	11,000	6,000	-	-	9,000	-	-	26,000	26,000
Advertising and promotion	1,809	-	-	-	105	50	-	-	-	-	1,964	3,953
Bank charges and interest	147	-	-	-	5	-	-	-	-	-	152	75
Client Allowances	-	-	-	-	-	-	25,717	-	-	-	25,717	25,117
Insurance	3,858	124	1,703	-	21	80	-	-	4,259	852	10,698	4,280
Interest on long term debt	450	-	-	-	-	-	-	-	7,430	-	7,880	606
Office and general	13,890	595	-	11,748	8,027	-	-	8,439	4,968	2,227	49,894	35,299
Program expenditures	31,329	2,972	-	30,535	854	4,980	-	474	2,776	-	73,921	71,667
Rent	72	-	-	-	-	-	-	15,500	-	-	15,572	15,996
Repairs and maintenance	4,710	-	2,630	1,124	4,865	-	-	-	20,012	3,137	36,277	15,807
Replacement reserve	-	-	-	14,490	11,592	-	-	-	-	-	26,082	26,082
Staff and board development	2,868	-	-	-	-	168	-	-	-	-	3,036	704
Travel	4,634	1,547	-	744	842	827	-	4,085	-	-	12,679	13,476
Utilities	19,016	96	3,036	4,344	5,459	-	-	-	13,626	8,272	53,749	37,394
Wages and benefits	281,430	28,529	-	23,977	15,089	86,750	8,503	154,986	-	-	699,264	698,854
	426,688	33,865	7,369	100,012	64,208	92,855	34,220	192,484	52,970	14,488	1,008,159	919,980
Surplus (deficit)	\$ (13,392)	\$ 962	\$ 7,281	\$ (26,856)	\$ 2,200	\$ 2,802	\$ (194)	\$ 12,513	\$ (27,675)	\$ (14,488)	\$ (56,846)	\$ 54,852

CANADIAN MENTAL HEALTH ASSOCIATION, KAMLOOPS BRANCH
Schedule 2 - Emerald Centre

Year ended March 31, 2014, with comparative information for 2013

	Emerald Centre	Supportive Beds	2014 Total	2013 Total
Revenue				
B.C. Housing Management	\$ 1,410,566	\$ -	\$ 1,410,566	\$ 1,352,210
Homeless Partnering Service	-	-	-	77,233
United Way	-	25,000	25,000	560
Rent	6,979	-	6,979	-
	1,417,545	25,000	1,442,545	1,430,003
Expense				
Accounting and legal	18,123	-	18,123	16,822
Administration	22,000	-	22,000	22,000
Advertising and promotion	581	-	581	1,215
Amortization	86,971	-	86,971	71,778
Bank charges and interest	-	-	-	10
Insurance	6,824	-	6,824	8,305
Interest on long-term debt	34,295	-	34,295	-
Office and janitorial	17,005	-	17,005	5,981
Program expenditures	148,391	-	148,391	186,257
Rent	3,554	-	3,554	10,771
Repairs and maintenance	30,774	-	30,774	20,822
Staff and board development	50	-	50	1,257
Travel	4,971	-	4,971	4,464
Utilities	31,575	-	31,575	50,177
Wages and benefits	1,128,560	24,980	1,153,541	1,212,887
	1,533,675	24,980	1,558,655	1,612,546
Surplus (deficit)	\$ (116,130)	\$ 20	\$ (116,110)	\$ (182,543)