

EAST KOOTENAY ADDICTION SERVICES SOCIETY

Financial Statements

Year Ended March 31, 2022

**EAST KOOTENAY ADDICTION SERVICES SOCIETY Index**  
**to Financial Statements**  
**Year Ended March 31, 2022**

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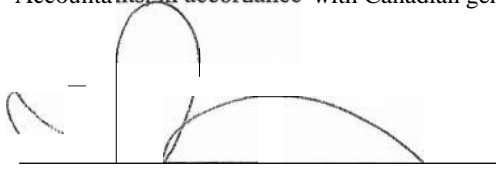
## MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL REPORTING

The financial statements of East Kootenay Addiction Services Society have been prepared in accordance with Canadian accounting standards for not-for-profit organizations. 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 on a reasonable basis in order to ensure that the financial statements are presented fairly in all material respects.

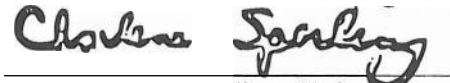
The integrity and reliability of East Kootenay Addiction Services Society's reporting systems are achieved through the use of formal policies and procedures, the careful selection of employees and an appropriate division of responsibilities. These systems are designed to provide reasonable assurance 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 members' auditors to review significant accounting, reporting and internal control matters. Following its review of the financial statements and discussions with the auditors, the Board of Directors approves the financial statements. The Board also considers, for approval by the members, the engagement or re-appointment of the external auditors.

The financial statements have been audited on behalf of the shareholders by Adams Wooley, Chartered Professional Accountants, in accordance with Canadian generally accepted auditing standards.



Mr. tfeanicholson, Executive Director



Mrs. Charlene Sperling, Chair

Cranbrook, BC  
June 14, 2022

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of East Kootenay Addiction Services Society

*Report on the Financial Statements*

*Opinion*

We have audited the financial statements of East Kootenay Addiction Services Society (the society), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in fund balances and cash flow 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 society as at March 31, 2022, and the results of its operations and cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

*Basis for 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 society 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 opinion.

*Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the financial statements in accordance with ASNPO, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the society'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 society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the society'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.

(continues)

Independent Auditor's Report to the Members of East Kootenay Addiction Services Society (*continued*)

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 society'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 society'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 society 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 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.

Cranbrook, BC  
June 14, 2022

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Adams Wooley  
Chartered Professional Accountants

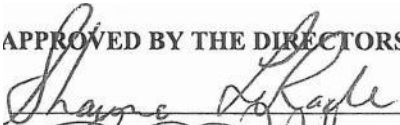
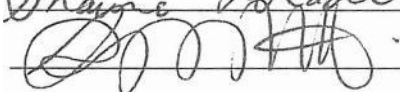
EAST KOOTENAY ADDICTION SERVICES SOCIETY

Statement of Financial Position

March 31, 2022

	2022	2021
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash and cash equivalents ( <i>Note 4</i> )	\$ 538,329	\$ 484,159
Restricted cash - current ( <i>Notes 4 and 5</i> )	185,085	161,516
Goods and services tax recoverable ( <i>Note 2</i> )	2,188	3,332
Prepaid expenses ( <i>Note 6</i> )	9,656	6,650
	<u>735,258</u>	<u>655,657</u>
TANGIBLE CAPITAL ASSETS ( <i>Notes 2 and 7</i> )	44,246	55,070
RESTRICTED CASH AND CASH EQUIVALENTS ( <i>Note 4</i> )	<u>272,089</u>	<u>253,066</u>
	<u>\$ 1,051,593</u>	<u>\$ 963,793</u>
<b>LIABILITIES AND FUND BALANCES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 21,734	\$ 22,828
Wages payable ( <i>Note 8</i> )	50,377	62,006
Employee deductions payable ( <i>Note 9</i> )	52,021	50,464
Deferred revenue ( <i>Note 10</i> )	185,085	161,516
Other deferred revenue ( <i>Note 11</i> )	3,000	-
	<u>312,217</u>	<u>296,814</u>
EMPLOYEE FUTURE BENEFITS ( <i>Note 12</i> )	<u>213,420</u>	<u>174,592</u>
	<u>525,637</u>	<u>471,406</u>
<b>FUND BALANCES</b>		
Operating fund	423,042	358,843
Internally restricted fund ( <i>Note 13</i> )	58,669	78,474
Tangible capital asset fund ( <i>Note 14</i> )	44,245	55,070
	<u>525,956</u>	<u>492,387</u>
	<u>\$ 1,051,593</u>	<u>\$ 963,793</u>

APPROVED BY THE DIRECTORS

 Director  
 Director

See notes to financial statements

EAST KOOTENAY ADDICTION SERVICES SOCIETY  
Statement of Operations  
Year Ended March 31, 2022

	2022	2021
<b>REVENUES</b>		
Province of British Columbia <i>(Note 16)</i>	\$ 1,603,997	\$ 1,569,855
Employee benefit reimbursement	7,075	4,733
Interest	2,482	4,832
Miscellaneous	696	270
Lease	300	700
Donations	130	2,306
Other grants <i>(Note 17)</i>	(3,100)	4,000
	<u>1,611,580</u>	<u>1,586,696</u>
<b>EXPENSES</b>		
Advertising and promotion	1,702	9,198
Amortization	21,986	19,235
Client recreation	6,056	2,038
Employee benefits	306,400	258,123
Fees and dues	6,299	5,454
Insurance	5,514	5,398
Office	31,656	38,292
Professional fees	11,101	13,383
Program supplies	3,036	843
Rental	67,349	66,437
Repairs and maintenance	-	1,394
Salaries and wages	1,065,758	1,128,184
Telephone	11,002	10,118
Training	8,580	6,386
Travel - employees	17,274	7,748
Utilities and property tax	3,334	6,006
Travel - accommodations <i>(Note 10)</i>	10,125	9,753
Travel - bus fare <i>(Note 10)</i>	839	957
	<u>1,578,011</u>	<u>1,588,947</u>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS</b>	<b>33,569</b>	<b>(2,251)</b>
<b>OTHER INCOME</b>		
Subsidies and grants <i>(Note 18)</i>	-	51,260
<b>EXCESS OF REVENUES OVER EXPENSES</b>	<b>\$ 33,569</b>	<b>\$ 49,009</b>

See notes to financial statements

**EAST KOOTENAY ADDICTION SERVICES SOCIETY**  
**Statement of Changes in Fund Balances**  
**Year Ended March 31, 2022**

	Operating Fund	Internally Restricted Fund	Tangible Capital Asset Fund	<b>2022</b>	2021
<b>FUND BALANCES</b>					
<b>BEGINNING OF YEAR</b>	\$ 358,843	\$ 78,474	\$ 55,070	<b>492,387</b>	443,378
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES</b>	55,555	-	(21,986)	<b>33,569</b>	49,009
Transfer of internally restricted funds	19,805	(19,805)	-	-	-
Purchase of tangible capital assets	(11,161)	-	11,161	-	-
<b>FUND BALANCES - END OF YEAR</b>	<b>\$ 423,042</b>	<b>\$ 58,669</b>	<b>\$ 44,245</b>	<b>525,956</b>	492,387

See notes to financial statements



EAST KOOTENAY ADDICTION SERVICES SOCIETY

Statement of Cash Flow

Year Ended March 31, 2022

	2022	2021
<b>OPERATING ACTIVITIES</b>		
Excess of revenues over expenses	\$ 33,569	\$ 49,009
Item not affecting cash:		
Amortization of tangible capital assets	21,986	19,235
	55,555	68,244
Changes in non-cash working capital:		
Accounts payable and accrued liabilities	(1,095)	10,155
Deferred revenue	23,569	23,163
Prepaid expenses	(3,006)	(2,650)
Goods and services tax payable	1,144	(1,745)
Wages payable	(11,629)	(22,929)
Employee deductions payable	1,557	2,189
Other deferred revenue	3,000	-
Employee future benefits	38,828	1,660
	52,368	9,843
Cash flow from operating activities	107,923	78,087
<b>INVESTING ACTIVITY</b>		
Purchase of tangible capital assets	(11,161)	(1,447)
<b>INCREASE IN CASH FLOW</b>	96,762	36,640
Cash - beginning of year	898,741	862,101
<b>CASH - END OF YEAR</b>	\$ 995,503	\$ 898,741
<b>CASH CONSISTS OF:</b>		
Cash and cash equivalents <i>(Note 4)</i>	\$ 666,757	\$ 571,998
Restricted cash - current <i>(Notes 4 and 5)</i>	328,746	326,743
	\$ 995,503	\$ 898,741

See notes to financial statements

EAST KOOTENAY ADDICTION SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2022

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1. PURPOSE OF THE SOCIETY

East Kootenay Addiction Services Society (the "society") is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act of Canada. As such the society is exempt from income taxes and can issue charitable donation receipts. The society's primary activity is to provide addiction counselling services.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Fund accounting

East Kootenay Addiction Services Society follows the deferral method of accounting for contributions.

- Revenues and expenses related to program delivery and administrative activities are reported in the Operating Fund. The fund also reports unrestricted resources and restricted operating grants.
- The Tangible Capital Asset Fund reports the assets, liabilities, revenues, and expenses related to East Kootenay Addiction Services Society's tangible capital assets and building improvements campaign.
- The Internally Restricted Fund maintains funds to ensure that the long-term obligations or initiatives of the society, as approved by the Board of Directors, are met.

Funds are maintained separately, but reported on a combined basis due to the small nature of the operation.

Cash and cash equivalents

Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of twelve months or less. Because of the short term maturity of these investments, their carrying amount approximates fair value.

Goods and Services Tax

As a registered charity, 50% of the goods and services tax paid is recoverable. The remaining 50% unrecoverable portion is included in the expense or asset balance, as applicable.

Financial instruments

Financial instruments are measured at amortized cost.

Tangible capital assets

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

Computer software	1 year
Equipment	5 years
Leasehold improvements	5 years

The society 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.

(continues)

EAST KOOTENAY ADDICTION SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2022

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2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (*continued*)

Impairment of Long Lived Assets

The society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Accrued Sick and Severance Pay

Employees accumulate sick leave and severance pay benefits in accordance with their collective agreement, as provided in *Note 12*.

Revenue recognition

East Kootenay Addiction Services Society follows the deferral method of accounting for contributions.

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. Endowment contributions, if any, are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Certain government contracts require surplus repayment, reallocation or retention at the option of the funding agency. The society records revenue from these contracts as deferred revenue when received and allocates the funds to revenue when expenses related to the contract are incurred.

Measurement uncertainty

When preparing financial statements according to ASNPO, management makes estimates and assumptions relating to:

- reported amounts of revenues and expenses
- reported amounts of assets and liabilities
- disclosure of contingent assets and liabilities.

Estimates are based on a number of factors including historical experience, current events and actions that the society may undertake in the future, and other assumptions that management believes are reasonable under the circumstances. By their nature, these estimates are subject to measurement uncertainty and actual results could differ. In particular, estimates are used in accounting for certain items such as revenues, allowance for doubtful accounts, useful lives of tangible capital assets, asset impairments, legal and tax contingencies, employee compensation plans (i.e. employee future benefits), and employee benefit plans.

Contributed services

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

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**EAST KOOTENAY ADDICTION SERVICES SOCIETY Notes**  
**to Financial Statements**  
**Year Ended March 31, 2022**

3. FINANCIAL INSTRUMENTS

The society 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 society's risk exposure and concentration as of March 31, 2022.

Liquidity risk

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

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its floating rate investments.

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

Unless otherwise noted, it is management's opinion that the Association's risk is not significantly different from prior years

4. RESTRICTED CASH AND SHORT TERM INVESTMENTS

	2022	2021
<u>Cash and cash equivalents</u>		
Cash and cash equivalents	\$ 666,757	\$ 571,998
Restricted cash - current ( <i>Note 5</i> )	328,746	326,743
Total cash and cash equivalents	995,503	898,741
 <u>Restricted cash, current</u>		
Cash restricted for deferred revenue ( <i>Note 10</i> )	(185,085)	(161,516)
 <u>Restricted cash, long term</u>		
Cash restricted for employee future benefits ( <i>Note 12</i> )	(213,420)	(174,592)
Cash restricted for internally restricted fund ( <i>Note 13</i> )	(58,669)	(78,474)
	(272,089)	(253,066)
 Unrestricted cash available for operations	\$ 538,329	\$ 484,159

EAST KOOTENAY ADDICTION SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2022

5. SHORT TERM INVESTMENTS

	2022	2021
EKCCU .70% non-redeemable GIC maturing April 19, 2022	\$ 110,917	\$ -
EKCCU 0.75% non-redeemable Community Bond maturing October 16, 2022	110,797	
EKCCU 0.30% GIC maturing October 16, 2022	107,032	
EKCCU 0.35% GIC maturing October 16, 2021	-	106,684
EKCCU 0.75% non-redeemable Community Bond maturing October 16, 2021	-	109,973
EKCCU 1.90% non-redeemable GIC maturing April 19, 2021	-	110,086
	<u>\$ 328,746</u>	<u>\$ 326,743</u>

6. PREPAID EXPENSES

	2022	2021
Prepaid insurance	\$ 5,656	\$ -
Damage deposits	4,000	4,000
Prepaid rent	-	2,650
	<u>\$ 9,656</u>	<u>\$ 6,650</u>

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Computer software	\$ 3,170	\$ 3,170		\$ -
Equipment	202,124	170,018	32,106	39,071
Leasehold improvements	142,408	130,268	12,140	15,999
	<u>\$ 347,702</u>	<u>\$ 303,456</u>	<u>\$ 44,246</u>	<u>\$ 55,070</u>

8. WAGES PAYABLE

	2022	2021
Vacation pay	\$ 50,377	\$ 62,006

EAST KOOTENAY ADDICTION SERVICES SOCIETY

Notes to Financial Statements

Year Ended March 31, 2022

9. EMPLOYEE DEDUCTIONS PAYABLE

	2022	2021
Statutory payroll deductions	\$ 25,117	\$ 24,675
Municipal pension plan	14,885	14,146
Health and long-term disability	7,905	7,817
WorkSafe BC	2,478	2,220
Union dues	1,636	1,606
	<u>\$ 52,021</u>	<u>\$ 50,464</u>

10. DEFERRED REVENUE

The deferred revenue reported in the operating fund represents restricted operating funding received in the current period that is related to a subsequent period. Changes to deferred revenue are as follows:

	Opening balance	Funds received or receivable during the year	Transferred to revenue	Ending balance
IHA - accommodation program ( <i>Note 16</i> )	\$ 97,650	\$ 24,089	\$ 10,125	\$ 111,614
IHA - bus fare program ( <i>Note 16</i> )	63,866	10,445	840	73,471
	<u>\$ 161,516</u>	<u>\$ 34,534</u>	<u>\$ 10,965</u>	<u>\$ 185,085</u>

11. OTHER DEFERRED REVENUE

YMCA Funding for Y-Minds of \$3,000 received during the year is for the 2022 - 23 fiscal year.

**EAST KOOTENAY ADDICTION SERVICES SOCIETY Notes**  
**to Financial Statements**  
**Year Ended March 31, 2022**

12. EMPLOYEE FUTURE BENEFITS

The Society accumulates sick leave and severance pay benefits for employees who are covered by the Provincial Agreement between The Health Science Professionals Bargaining Association and Health Employers Association of BC, as follows:

Sick Leave

Employees receive 40% of their accumulated sick leave credits based on their existing salary upon retirement or on voluntarily leaving the workforce after the employee's 55th birthday.

Severance Allowance

Employees with ten years of service will be entitled to one week's pay for every two years of service to a maximum of twenty weeks pay, subject to certain exclusions.

The sick and severance liability reported under employee future benefits is the amount of sick and severance that is expected to be paid after 12 months and up to 5 years.

In addition to this amount, an internally restricted fund for sick and severance pay that is expected to be paid between 6 and 10 years provides for additional payouts beyond the time period covered by the liability reported here (*Note 13*).

	2022	2021
Sick leave	\$ 116,259	\$ 95,456
Severance allowance	97,161	79,136
	\$ 213,420	\$ 174,592

13. INTERNALLY RESTRICTED FUND BALANCES

The society maintains internally restricted funds to ensure that the longer term obligations or initiatives of the society are met. Internally restricted funds are increased (decreased) by an allocation from (to) the operating fund. These internally restricted amounts are not available for unrestricted purposes without approval of the Board of Directors. At year end, the balances of the society's internally restricted funds consisted of:

	Opening balance	Transfers from (to) operating fund	Ending balance
Future sick and severance pay	\$ 78,474	\$ (19,805)	\$ 58,669

The future sick and severance pay fund provides for the amount of sick and severance pay that is expected to accrue in addition to the wages payable (*Note 8*) and the employee future benefit liability (*Note 12*). This fund is an estimate of the sick and severance pay that is expected to be paid to employees between 6 and 10 years from now, discounted to the present value of the expected payout.

**EAST KOOTENAY ADDICTION SERVICES SOCIETY Notes**  
**to Financial Statements**  
**Year Ended March 31, 2022**

14. TANGIBLE CAPITAL ASSET FUND

	2022	2021
Balance - beginning of year	\$ 55,070	\$ 32,857
Purchase of tangible capital assets	11,161	41,448
Amortization	(21,986)	(19,235)
Balance - end of year	\$ 44,245	\$ 55,070

15. LEASE COMMITMENTS

The society has entered into leases for its premises located at:

- . 1617 Baker Street, Cranbrook
- . 312 - 304th Street, Kimberley
- 1022A 7th Avenue, Invermere
- 1221E - 7th Avenue, Feline

The leases expire between June 2021 and July 2024. The total aggregate rental commitment includes GST where applicable. All other premises are leased on a month-to-month basis.

Lease repayment schedule:

2023	\$ 51,449
2024	31,915
2025	7,380
	\$ 90,744

16. PROVINCE OF BRITISH COLUMBIA

	2022	2021
Operating grant (Interior Health Authority)	\$ 1,593,032	\$ 1,559,145
Interior Health Authority - Accommodation fee funding used (Note 10)	10,125	9,753
Interior Health Authority - Bus fare funding used (Note 10)	840	957
	\$ 1,603,997	\$ 1,569,855

17. OTHER GRANTS

	2022	2021
YMCA	\$ 3,000	\$ 3,000
Repayment of former Regional District of East Kootenay grant	(6,100)	-
Columbia Basin Trust		1,000
	\$ (3,100)	\$ 4,000



**EAST KOOTENAY ADDICTION SERVICES SOCIETY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

18. GOVERNMENT ASSISTANCE

Received from the Province of B.C. and the Government of Canada for COVID-19 Pandemic Relief Funding:

	2022	2021
Province of B.C. - temporary pandemic pay	\$ -	\$ 33,767
Government of Canada - temporary wage subsidy	-	17,493
	\$ -	\$ 51,260

19. ECONOMIC DEPENDENCE

The society is dependent on government sources for a major portion of its funding. If the funding were to cease, continued operations would not be possible.

20. EMPLOYEE BENEFITS - MULTI-EMPLOYER PENSION PLAN

The Society and its employees contribute to the Municipal Pension Plan (a jointly trustee pension plan). The board of trustees, representing plan members and employers, is responsible for administering the plan, including investment of assets and administration of benefits. The plan is a multi-employer defined benefit pension plan. Basic pension benefits are based on a formula. As at December 31, 2021, the plan had about 220,000 active members and approximately 101,000 retired members. Active members include approximately 42,000 contributors from local government.

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 is then adjusted to 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 at December 31, 2018, indicated a \$2,866 million funding surplus for basic pension benefits on a going concern basis.

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.

East Kootenay Addiction Services Society paid \$187,241 for combined employer and employee contributions to the plan in fiscal 2021 (2021 - \$192,946).

21. COMPARATIVE FIGURES

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

22. COVID-19 PANDEMIC

In the spring of 2020, the COVID-19 pandemic severely impacted general business activity both globally and locally. The Society continues to provide services to clients via telephone and online-based alternatives. The extent to which the pandemic may impact future operations, cash flow, continued employment of staff and future funding of the Society is currently unable to be determined.

**EAST KOOTENAY ADDICTION SERVICES SOCIETY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2022**

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23. SUBSEQUENT EVENTS

The following events occurred subsequent to the fiscal year end:

Union negotiations

The Collective Agreements with the Health Employers Association of BC for Health Services & Support and Health Science Professionals expired on March 31, 2022. Negotiations for a new agreement continued beyond the balance sheet date and the new agreement was not available as of the date of completion of the audit.

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