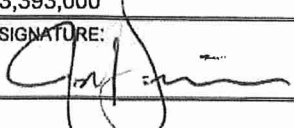




**CITY OF NANAIMO
APPLICATION FOR PERMISSIVE
TAX EXEMPTION**

Office Use

ORGANIZATION: CMHA Mid Island Branch		DATE: JUNE 30, 2022	
ADDRESS: 437 Wesley Street <i>Application for 250 Albert Street Folio 80958.000</i>		PRESIDENT: Darby Eakins	
NANAIMO, BC V9R 2T8		SENIOR STAFF MEMBER: Jason Harrison	
		POSITION: Executive Director	
		CONTACT: Allison Evans	
TELEPHONE: 250-244-4042		TELEPHONE: 250-244-4042 Ext. 102	
GEOGRAPHIC AREA SERVED BY THE ORGANIZATION: Ladysmith to Comox Valley			
NO. OF FULL TIME STAFF: 10		NO. OF PART TIME STAFF: 38 incl 24 casual	
NO. OF COMMUNITY VOLUNTEERS: n/a		NO. OF VOLUNTEER HOURS PER YEAR: n/a	
CLIENTS SERVED, LAST YEAR: 2162		CLIENTS SERVED, THIS YEAR (PROJECTED): 2500+	
B.C. SOCIETY ACT REG. NO.: S0057478		REVENUE CANADA CHARITABLE REG. NO.: 837106319	
CURRENT BUDGET: \$2,910,000		LEGAL DESCRIPTION OF PROPERTY: LT1, AMLT2 (DD59351-N), WLY 40FTOFLT5, BLK21, SEC 1, PL584 & 494R, EX 4288/L	
INCOME: 3,3336,000			
EXPENSES: 3,198,000		TAX FOLIO NUMBER: 80958.000	
NEXT YEAR PROJECTED: 3,495,000			
INCOME: 3,495,000		CURRENT YEAR TAXES (IF KNOWN): 2022	
EXPENSES: 3,393,000			
SIGNATURE: 		TITLE/POSITION: Executive Director	DATE: JUNE 30, 2022
<p>NOTE: YOUR ORGANIZATION'S MOST RECENT YEAR-END FINANCIAL STATEMENTS AND CURRENT YEAR-TO-DATE FINANCIAL STATEMENTS MUST BE ATTACHED TO THE APPLICATION FORM (INCLUDING A BALANCE SHEET AND INCOME STATEMENT).</p>			

CITY OF NANAIMO GRANT QUESTIONNAIRE

1. Please describe the Purpose or Mandate of your organization in this community.

CMHA provides advocacy and resources that help prevent mental health problems
and illnesses. We support recovery and resilience to enable all members of our community
to flourish.

2. Please list the programs and services provided by your organization.

Supportive housing, education and wellness, employment support, Social Centre,
Nutrition, homeless outreach, overdose prevention.

3. Are you planning to change or add to current programs and services in the future?

It is possible new programs could be added, or current programs expanded. Nothing is
Official or approved at this time. There are no plans to end any of our current programs.

4. Please describe the role of volunteers in your organization.

The board of directors and committee members are volunteers. Volunteers are recruited
to assist with community events.

5. Please list all grants received from the City of Nanaimo, Regional District of Nanaimo, and other governments or service clubs.

CITY OF NANAIMO GRANT QUESTIONNAIRE

6. Please provide details of fees for service in your organization, and how costs and fees are determined.

CMHA Mid Island Branch manages 3 housing units and collect subsidized rent from
Tenants. We own 2 of the units. We do not offer any fee for service programs at this time.

7. If your organization is a branch of a larger organization, please indicate how this affects the financial and other information you have provided.

CMHA Mid-Island operates as its own legal entity, fees are paid to the National
Organization for membership and to share branding and marketing resources. There
is no effect on our financial information provided.

8. If you lease or rent out part of your premises: please note the amount of space rented (sq ft), total square feet of the premises, name of organization renting the space, and the annual rent received.

A total of 19,114 square feet are leased to June 30, 2023. The total square feet are 20,181. The lessee is the Toronto Dominion Bank and the annual rent is anticipated to be \$296,267.

9. Please describe current or planned approaches to self-generated income.

The focus right now is to manage the service contracts that we currently have, and to
build capacity within the organization. As opportunities arise and resources allow, we
will consider fundraising opportunities and possible social enterprise options.

CITY OF NANAIMO GRANT QUESTIONNAIRE

10. Is there any other information about your organization that you would like to provide to support your application?

As the support needs of individuals and families in our community continue to grow, CMHA Mid-Island must maximize our ability to meet that need. Providing the property Tax exemption allows us to direct every possible resource toward those we serve and continue to meet the community's needs.

11. In what ways would you recognize the City's support, should you receive a Permissive Tax Exemption?

The city's contribution would be recognized through social media, on our website, annual report, newsletters, and word of mouth.

"Freedom of Information and Protection of Privacy Act (FOIPPA) Information collected on this form is done so under the general authority of the Community Charter and FOIPPA, and is protected in accordance with FOIPPA. Personal information will only be used by authorized staff to fulfill the purpose for which it was originally collected, or for a use consistent with that purpose."

Revised 2020-SEP-10

G:\ADMINISTRATION\Committees\Grants Advisory Sub-Committee\Grants Application Forms\Applications, Instructions, Info\Permissive Tax Exemption Application.docx



2021 BC SOCIETY ANNUAL REPORT

BC Society • Societies Act

NAME OF SOCIETY: **CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH**

Incorporation Number: S0057478

Business Number: 83710 6319 BC0001

Filed Date and Time: November 25, 2021 12:51 PM Pacific Time

Annual General Meeting (AGM) Date: October 26, 2021

REGISTERED OFFICE ADDRESS INFORMATION

Delivery Address:

437 WESLEY ST
NANAIMO BC V9R 2T8

Mailing Address:

437 WESLEY ST
NANAIMO BC V9R 2T8

DIRECTOR INFORMATION AS OF October 26, 2021

Last Name, First Name Middle Name:

EAKINS, DARBY

Delivery Address:

950 CHELSEA ST
NANAIMO BC V9S 1Y7

Last Name, First Name Middle Name:

FRANZ, CATHERINE

Delivery Address:

2645 LYNBURN CRES
NANAIMO BC V9S 3T7

Last Name, First Name Middle Name:

GALLANT, MICHELLE

Delivery Address:

1330 SIRIUS RD
PO BOX 44
MERVILLE BC V0R 2M0

Last Name, First Name Middle Name:

HANSEN, KAYA

Delivery Address:

5958 STILLWATER WAY
NANAIMO BC V9T 0J6

Last Name, First Name Middle Name:

JOHNSON, KIERAN

Delivery Address:

1608 HOSANNA WAY
NANAIMO BC V9X 0B2

Last Name, First Name Middle Name:

KOMM, LEANNE

Delivery Address:

104 - 3032 WATERSTONE WAY
NANAIMO BC V9T 6S8

Last Name, First Name Middle Name:

KRAATZ, KAITLYN

Delivery Address:

508 WATERWOOD PL
NANAIMO BC V9T 0J6

Last Name, First Name Middle Name:

MORLAND, SHAWNA (Formerly MORLAND, SHAUNA)

Delivery Address:

667 FIRST ST
NANAIMO BC V9R 1Z6

Last Name, First Name Middle Name:

SWISS, KIMBERLY

Delivery Address:

6367 CORFU DR
NANAIMO BC V9V 1P2

Last Name, First Name Middle Name:

TAIT, JOHN

Delivery Address:

3012 ROCK CITY RD
NANAIMO BC V9T 1S8

CERTIFICATION

I, Jason Harrison, certify that I have relevant knowledge of the society, and that I am authorized to make this filing.

**CANADIAN MENTAL HEALTH ASSOCIATION,
MID ISLAND BRANCH
FINANCIAL STATEMENTS
March 31, 2021**

Partners

Grant McDonald, CPA, CA*

Lee-Anne Harrison, CPA, CA*

Anna Jones, CPA, CA*

Joanne Novak, CPA, CA*

*Incorporated



INDEPENDENT AUDITORS' REPORT

To the Members

Report on the Audit of the Financial Statements

Qualified Opinion

We have audited the financial statements of **Canadian Mental Health Association, Mid Island Branch**, which comprise the statements of financial position as at **March 31, 2021**, and the statements of revenues and expenditures, changes in net assets, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of **Canadian Mental Health Association, Mid Island Branch** as at **March 31, 2021** and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the society derives revenue from donations and sponsorships, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the society and we were not able to determine whether any adjustments might be necessary to donations and sponsorships, excess of revenues over expenditures, assets, or fund balances.

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 **Canadian Mental Health Association, Mid Island Branch** 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.

Other Information

Management is responsible for the other information. The other information comprises the annual report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

INDEPENDENT AUDITOR'S REPORT

(Continued)

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing **Canadian Mental Health Association, Mid Island Branch** 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 **Canadian Mental Health Association, Mid Island Branch** or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing **Canadian Mental Health Association, Mid Island Branch** 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 **Canadian Mental Health Association, Mid Island Branch** internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

INDEPENDENT AUDITOR'S REPORT

(Continued)

- 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 entity'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 **Canadian Mental Health Association, Mid Island Branch** 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of **Canadian Mental Health Association, Mid Island Branch** to express an opinion on the financial statements. We are responsible for the direction, supervision, and performance of the group audit. We remain solely responsible for our audit opinion.

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. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

As required by the *Societies Act of British Columbia* we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.



CHURCH PICKARD

Chartered Professional Accountants

Nanaimo, B.C.
August 6, 2021

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF FINANCIAL POSITION

As at March 31, 2021

	2021	2020
Assets		
Current		
Cash and term deposits	\$ 760,726	\$ 560,208
Accounts receivable - Note 10	43,827	22,024
Prepaid expenses	<u>16,636</u>	<u>21,795</u>
	821,189	604,027
Cash and investments - internally and externally restricted - Note 2	339,876	320,290
Property and equipment - Note 4	<u>2,075,395</u>	<u>2,140,431</u>
	<u>\$ 3,236,460</u>	<u>\$ 3,064,748</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities - Note 10	\$ 107,450	\$ 112,864
Wages payable	108,462	98,595
Deferred revenue - Note 12	179,259	176,552
Current portion of long-term debt - Note 8	<u>81,500</u>	<u>75,600</u>
	476,671	463,611
Callable debt - Note 9	30,076	41,132
Long-term debt - Note 8	1,371,428	1,413,298
Deferred contributions related to property and equipment - Note 15	<u>700</u>	<u>1,000</u>
	<u>1,878,875</u>	<u>1,919,041</u>
Net assets		
Net investment in property and equipment	631,691	609,401
Internally restricted - Note 2	79,704	79,704
Externally restricted - Note 2	260,172	240,586
Unrestricted - Note 3	<u>386,018</u>	<u>216,016</u>
	1,357,585	1,145,707
	<u>\$ 3,236,460</u>	<u>\$ 3,064,748</u>

Approved:

Jason Harrison

John Tait

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF CHANGES IN NET ASSETS

For the year ended **March 31, 2021**

	Investment in Property and Equipment	Internally Restricted	Externally Restricted	Unrestricted	2021	2020
Balance, beginning of the year	\$ 609,401	\$ 79,704	\$ 242,299	\$ 214,303	\$ 1,145,707	\$ 1,190,910
Excess of revenues over expenditures (expenditures over revenues)	(64,735)	-	-	276,613	211,878	(45,203)
Principal payments on mortgages and callable debt	87,025	-	-	(87,025)	-	-
Interest earned on restricted funds	-	-	67	(67)	-	-
Contributions to restricted funds	-	-	34,104	(34,104)	-	-
Expenditures from restricted funds	-	-	(16,298)	16,298	-	-
Balance, end of the year	<u>\$ 631,691</u>	<u>\$ 79,704</u>	<u>\$ 260,172</u>	<u>\$ 386,018</u>	<u>\$ 1,357,585</u>	<u>\$ 1,145,707</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF REVENUES AND EXPENDITURES

For the year ended **March 31, 2021**

	2021	2020
Revenues		
BC Housing	\$ 1,427,643	\$ 1,408,462
Island Health	730,033	716,758
Rental income	309,894	266,404
Other income	207,989	51,021
National employment program	83,056	94,247
Canada Mortgage and Housing Corporation	20,117	20,117
Donations and fundraising	15,302	15,755
Program revenue	5,735	13,402
Amortization of deferred capital contributions - Note 15	300	428
	<u>2,800,069</u>	<u>2,586,594</u>
Expenditures		
Wages and benefits	1,627,488	1,698,801
Program expenses	391,601	309,100
Utilities	114,196	112,201
Repairs and maintenance	85,531	139,212
Rent	77,967	69,550
Amortization	65,035	66,424
Subcontractors	55,663	24,737
Insurance	43,855	37,684
Interest on long-term debt	35,685	37,201
Office	25,796	34,618
Telephone	17,202	18,632
Professional fees	12,787	19,370
Vehicle operation	8,813	7,495
Security	5,884	16,000
Bank charges	4,197	1,882
Travel	4,055	18,997
Advertising and promotion	3,514	2,587
Property taxes	3,006	2,316
Memberships	2,963	4,495
Training	2,953	10,495
	<u>2,588,191</u>	<u>2,631,797</u>
Excess of revenues over expenditures (expenditures over revenues)	<u>\$ 211,878</u>	<u>\$ (45,203)</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF CASH FLOWS

For the year ended **March 31, 2021**

	2021	2020
Cash provided (used):		
Operating activities		
Excess of revenues over expenditures, (expenditures over revenues)	\$ 211,878	\$ (45,203)
Items not involving cash		
Amortization	65,035	66,424
Amortization of deferred capital contributions	(300)	(428)
	276,613	20,793
Changes in non-cash operating accounts		
(Increase) decrease in accounts receivable	(21,803)	1,226
Decrease in prepaid expenses	5,159	166
Increase in accounts payable and accrued liabilities, and wages payable	4,454	26,929
Increase in deferred revenue	2,707	20,842
	267,130	69,956
Investing activities		
Purchase of property and equipment	-	(35,763)
Increase in externally restricted cash	(19,586)	(512)
	(19,586)	(36,275)
Financing activities		
(Decrease) increase in bank loans	(11,056)	22,737
Repayment of long-term debt	(35,970)	(72,457)
	(47,026)	(49,720)
Increase (decrease) in cash	200,518	(16,039)
Cash and cash equivalents, beginning of the year	560,208	576,247
Cash and cash equivalents, end of the year	\$ 760,726	\$ 560,208

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

Purpose of the association

Canadian Mental Health Association, Mid Island Branch is part of a national and provincial association that has existed for nearly 100 years and is the nationwide leader and champion for mental health. The association's vision is mentally healthy people in a healthy society. It promotes mental wellness by working to reduce the stigma and silence around mental illness and substance misuse as well as by providing services to community members who are living with challenges. Its programs include homelessness outreach, supported housing, food security, vocational support, social groups, as well as wellness recovery education and support. It promotes inclusiveness in the community through public education and influencing policy. It is dedicated to understanding the ever-changing mental health needs within the community, and responds with projects that are based on principles of empowerment, support, and wellness.

1. Significant accounting policies

The financial statements have been prepared in accordance with the Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles.

- **Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand, cash on deposit, and short-term deposits with maturity dates of less than 90 days, net of cheques issued and outstanding at the reporting date.

- **Property and equipment**

Property and equipment are recorded at cost. Amortization is recorded on a declining-balance basis, except for the leases which are amortized on a straight-line basis. The amortization rates of the assets are as follows:

Balmoral Hotel building	3%
Vehicles	20%
Furniture and equipment	20%
Leasehold improvements	20%
Computer hardware	55%
Courtenay lease interest	60 years
Courtenay land lease	60 years

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended March 31, 2021

1. Significant accounting policies - cont.

- Revenue recognition

The association follows the deferral method of accounting for revenue. Contributions received are recognized in the period to which the funding contract relates. Program funds received in advance of service performed are recorded as deferred revenue. Grants, donations, and gaming revenue with external restrictions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted donations are recognized when received or receivable if the amount can be reasonably estimated and collection is assured. Revenue from events are recognized when the event occurs and when the amount can be reasonably estimated and collection is reasonably assured.

- Use of estimates

The preparation of the financial statements of the association 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 and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Significant areas requiring the use of management estimates relate to the determination of the collectibility of accounts receivable, estimated useful life of property and equipment, the estimated usage of the banked sick time, and the amount of deferred revenue. Actual results could differ from those estimates. Adjustments, if any, will be reflected in operations in the period of settlement.

- Donated property and equipment

Donated property and equipment materials are recognized in the financial statements when their fair value can be reasonably determined and they are used in the normal course of the association's operations and would otherwise have been purchased.

- Financial instruments

Financial instruments are recorded at fair value on initial recognition and subsequently measured at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in the statement of revenues and expenditures.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

1. Significant accounting policies - cont.

Financial instruments - cont.

Financial assets measured at amortized cost include cash, prepaid expenses, accounts receivable, and short-term investments.

Financial liabilities measured at amortized cost include accounts payable, wages payable, bank loans and advances, other current liabilities, deferred revenue, and callable debt.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in the statement of operations. Any previously recognized impairment loss may be reversed to the extent of the improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously.

2. Internally and externally restricted cash and investments

The short-term investments consist of several GICs, having interest rates ranging from 0.20% to 1.25% and maturing at various dates from April 5, 2021 to February 25, 2022. Investments are initially and subsequently measured at cost. Transaction costs that are directly attributable to the acquisition of this investment are recognized in the net income in the period incurred.

	2021	2020
Cash		
Externally restricted for BC Housing	\$ 260,172	\$ 240,586
Internally restricted for operations	<u>79,704</u>	<u>59,652</u>
	<u>339,876</u>	<u>300,238</u>
GICs		
Internally restricted for operations	<u>-</u>	<u>20,052</u>
	<u>\$ 339,876</u>	<u>\$ 320,290</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

2. Internally and externally restricted cash and investments - cont.

Under the terms of the agreement with BC Housing, the replacement reserve accounts are to be credited in the amount determined by the budget provision per annum plus interest earned. These funds, along with the accumulated interest, must be held in a separate bank account and/or invested only in accounts or instruments insured by the Canada Deposit Insurance Corporation or the Credit Union Deposit Insurance Corporation, in investments guaranteed by a Canadian government, or in other investment instruments as agreed upon with BC Housing. The society has transferred the agreed provision and maintained the reserve fund in accordance with the operating agreement.

The reserve funds may only be used for capital repairs and replacements in accordance with the operating agreement.

The internally restricted fund is for a future office building, program development, staff training, website upgrades, and a Balmoral contingency fund. This amount is not available for any other purposes without appropriate board approval.

3. Unrestricted net assets

Unrestricted net assets consist of funds for general and government funded programs. The government funding is received from BC Housing and Island Health.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

4. Property and equipment

	Cost	Accumulated Amortization	Net 2021	Net 2020
Land	\$ 371,338	\$ -	\$ 371,338	\$ 371,338
Balmoral Hotel building	1,604,506	464,506	1,140,000	1,175,258
Vehicles	65,970	32,382	33,588	41,986
Furniture and equipment	122,507	92,353	30,154	37,693
Leasehold improvements	12,577	4,202	8,375	10,469
Computer hardware	13,299	13,122	177	390
Courtenay lease interest	626,025	168,729	457,296	467,730
Courtenay land lease	<u>66,007</u>	<u>31,540</u>	<u>34,467</u>	<u>35,567</u>
	<u>\$ 2,882,229</u>	<u>\$ 806,834</u>	<u>\$ 2,075,395</u>	<u>\$ 2,140,431</u>

The Wesley Street building and its contents are owned by BC Housing and, as such, are not recorded in the financial statements of the association.

5. Bank advances

The association has a \$50,000 line of credit available with CIBC at an interest rate of prime. During the year the line of credit was not used.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

6. Related party transactions

The Canadian Mental Health Association, Mid Island Branch, is a branch of a national charity with various locations across Canada. In the current year, this association paid membership fees to CMHA National in the amount of \$2,000 (2020 - \$0), received donations from CMHA National in the amount of \$180 (2020 - \$0), received revenue for the National Employment Program from CMHA Toronto in the amount of \$83,056 (2020 - \$94,247), paid fees to CMHA Vancouver-Fraser of \$0 (2020 - \$673) and revenue less expenses from CMHA BC of \$2,054 (2020 - \$134) which was a donation and reimbursement of expenses. These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

7. Contingent liability

Based on the current union contract, sick pay for employees is accumulated at a rate of 6.9% to a maximum of 1,170 hours and does not vest. For non-union staff, sick pay is also accumulated at a rate of 6.9% to a maximum of 1,170 hours and does not vest. As of March 31, 2021, there are 4,922 (2020 - 4,513) sick time hours accumulated in the pool. Based on the employees' current rates of pay, the maximum liability of the association could be \$156,814 (2020 - \$144,753). The association has accrued \$37,498 (2020 - \$31,739) for sick pay.

Based on the current union contract, special leave for employees is accumulated at a rate of 1/2 day every four weeks up to a maximum of 25 days. As of March 31, 2021 there are 2,367 (2020 - 2,141) special leave hours accumulated in the pool. Based on the employees' current rates of pay, the maximum liability of the association could be \$63,324 (2020 - \$54,843). No accrual has been made for special leave as it is rarely used and does not vest.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

8. Long-term debt

	2021	2020
Canada Mortgage and Housing Corporation - mortgage - payable at \$2,787 per month including interest at 2.52%; secured by a 60-year leasehold interest in land and buildings, with a carrying value of \$457,296, and an assignment of rents; due September 1, 2023	\$ 226,111	\$ 253,523
Peoples Trust - mortgage - payable at \$4,685 per month including interest at 3.13%; secured by land and buildings, with a carrying value of \$1,511,338, and an assignment of rents; due December 1, 2024	943,263	969,704
Canada Mortgage and Housing Corporation - forgivable loan for renovations made to Balmoral land and building, with a carrying value of \$1,511,338; to be forgiven over 15 years as long as the property is used for its intended purpose; due December 1, 2025	95,554	115,671
BC Housing - forgivable mortgage for the Balmoral land and building; with a carrying value of \$1,511,338; to be forgiven over 25 years commencing December 1, 2020	148,000	150,000
Canada Emergency Business Account (CEBA) - interest-free loan repayable by December 31, 2022 with potential forgiveness up to 33%; \$20,000 has been recognized as income in the current year	40,000	-
	1,452,928	1,488,898
Less: Current portion	81,500	75,600
	<u>\$ 1,371,428</u>	<u>\$ 1,413,298</u>

Principal payments due in each of the next five years are as follows:

2022	\$ 81,500
2023	123,000
2024	224,400
2025	884,900
2026	21,100
	<u>\$ 1,334,900</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

9. Callable debt

	2021	2020
CIBC demand loan - payable at \$485 per month plus interest at CIBC prime rate (2.45% at March 31, 2021) secured by a specific vehicle, with a carrying value of \$13,085; the loan is due on demand	\$ 6,763	\$ 12,583
CIBC demand loan - payable at \$476 per month plus interest at CIBC prime rate (2.45% at March 31, 2021) secured by a specific vehicle, with a carrying value of \$20,096; the loan is due on demand	<u>23,313</u>	<u>28,549</u>
	<u>\$ 30,076</u>	<u>\$ 41,132</u>

These loans are part of a revolving term facility loan agreement that is not to exceed \$200,000 and is to be used for the purchase and or repair of vehicles. All loans under this facility agreement will be issued at the prime rate, with maximum of 60 regular payments, plus interest and are due on demand.

10. Government remittances

The association has the following amounts receivable/(payable) for government remittances at March 31, 2021:

	2021	2020
Public service body rebate net of GST payable	\$ 2,896	\$ 3,666
WCB	\$ (3,160)	\$ (3,631)
Payroll source deductions	\$ (16,274)	\$ (13,705)

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

11. Government assistance

During the year the society claimed \$25,000 in government assistance from the Temporary Wage Subsidy (TWS); \$25,000 is receivable at year-end. The assistance from the government was for payment of wages during the COVID-19 pandemic, and is presented on the Statement of Revenues and Expenditures in Wages and benefits. No repayment of assistance is anticipated.

12. Deferred revenue

Deferred revenue consists of funding received in the current period that are related to a subsequent period as well as damage deposits paid by tenants, and donations designated for specific programs. Deferred revenue is comprised of:

	2021	2020
Prepaid funding	\$ 164,164	\$ 146,262
Damage deposits	11,005	10,448
Prepaid rent	<u>4,090</u>	<u>19,842</u>
	<u>\$ 179,259</u>	<u>\$ 176,552</u>

13. Pension obligations

The Canadian Mental Health Association, Mid Island Branch and its employees contribute to the Municipal Pension Plan (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 349,000 members.

Every three years an actuarial valuation is performed to assess the financial position of the Plan and adequacy of Plan funding. The most recent valuation, as at December 31, 2018, indicated a surplus of \$2.866 million for basic pension benefits (including amortization requirements of \$2.203 million). The next valuation will be as at December 31, 2021 with results available in 2022. The actuary does not attribute portions of the unfunded liability to individual employers. The association paid \$41,294 for employer contributions to the plan in fiscal 2021.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

14. Union contract

The Canadian Mental Health Association - Mid-Island Branch has an agreement with the Health Employers Association of BC. This collective agreement represents the relationship between management and a certain class of employees. The current Community Subsector labour contract covers the period of April 1, 2019 to March 31, 2022.

15. Deferred capital contributions related to property and equipment

Deferred contributions related to property and equipment represent contributions of assets or cash used for the acquisition of property and equipment. The changes in deferred contributions for the year are as follows:

	2021	2020
Balance, beginning of the year	\$ 1,000	\$ 1,428
Less: Amortization for the year	<u>300</u>	<u>428</u>
	<u>\$ 700</u>	<u>\$ 1,000</u>

16. Lease commitments

The association is committed under a property lease agreement for the rental of a property in Nanaimo until September 2021 with the option to renew for three additional years. The base payments required in the next fiscal year is \$18,544.

17. Economic dependence

During the year, the association received 57% (2020 - 55%) of its funding from various contracts with BC Housing and 27% (2020 - 29%) funding from various contracts with VIHA.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2021**

18. Remuneration of employees and contractors

During the year, one employee earned over \$75,000. The total remuneration paid to this individual by the society during the period was \$97,773.

19. Financial risks and concentration of risk

- 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 does not use derivative instruments to reduce its exposure to interest risk and management does not consider them to be material. The callable debt interest rate fluctuates based off of the prime rate.

- Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The association is exposed to credit risk from its residents; however, there are a number of residents which reduces the concentration of credit risk. The association receives a large portion of its funding from the provincial government. Therefore, if the contract was not renewed, it could affect the organization's ability to operate, as mentioned in Note 17.

20. Comparative figures

Certain balances of the prior year have been reclassified to conform to the current year's financial statement presentation.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

BC HOUSING

SCHEDULE OF REVENUE AND EXPENSES

For the year ended **March 31, 2021**

	New Horizons	Outreach	Wesley Street	Total 2021	Total 2020
Revenue					
BCH subsidy	\$ 56,692	\$ 676,628	\$ 692,323	\$ 1,425,643	\$ 1,408,462
Tenant rent revenue	28,993	-	161,786	190,779	177,552
Other revenue	-	-	3,129	3,129	32,485
	<u>85,685</u>	<u>676,628</u>	<u>857,238</u>	<u>1,619,551</u>	<u>1,618,499</u>
Expenses					
Wages and benefits	7,940	228,711	587,319	823,970	905,613
Program expenses	161	325,996	13,448	339,605	245,902
Repair and maintenance	12,433	-	41,659	54,092	72,973
Utilities	19,581	-	54,969	74,550	73,719
Supplies	-	1,072	4,769	5,841	-
Interest on long-term debt	5,973	-	-	5,973	6,678
Office	-	1,146	6,563	7,709	13,884
Insurance	4,665	3,200	24,150	32,015	23,040
Security	46	1,349	2,381	3,776	7,337
Professional fees	2,011	2,413	6,434	10,858	14,670
Telephone	367	2,976	4,784	8,127	8,116
Travel	366	156	1,745	2,267	8,001
Training	-	-	305	305	2,474
Vehicle operations	-	4,842	2,238	7,080	4,727
Advertising and promotion	-	-	874	874	1,304
Property taxes	2,986	-	-	2,986	2,300
Membership	-	62	62	124	817
Bank charges	-	921	184	1,105	513
Contractors	-	6,492	7,065	13,557	-
Bad debts	-	-	348	348	-
	<u>56,529</u>	<u>579,336</u>	<u>759,297</u>	<u>1,395,162</u>	<u>1,392,068</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

BC HOUSING

SCHEDULE OF REVENUE AND EXPENSES

For the year ended **March 31, 2021**

	New Horizons	Outreach	Wesley Street	Total 2021	Total 2020
Excess of revenue over expenses before undernoted items	\$ 29,156	\$ 97,292	\$ 97,941	\$ 224,389	\$ 226,431
Additional fees and payments					
Administration fees*	6,504	63,363	39,816	109,683	109,683
Rent*	-	9,000	-	9,000	9,000
Replacement reserve provision**	3,000	-	31,104	34,104	28,998
Principal payments on mortgage**	27,413	-	-	27,413	26,708
Payment on vehicle loan**	-	5,236	2,910	8,146	2,906
	<u>36,917</u>	<u>77,599</u>	<u>73,830</u>	<u>188,346</u>	<u>177,295</u>
Increase (decrease) to net assets after capital items and reserve contributions	\$ (7,761)	\$ 19,693	\$ 24,111	\$ 36,043	\$ 49,136

* The above administration fees and rent were interdepartmental charges that were eliminated in the statement of revenues and expenditures.

** The replacement reserve provision, principal payments on the mortgage and vehicle loan are cash requirements that do not show up on the statement of revenues and expenditures.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

ISLAND HEALTH PROGRAMS

SCHEDULE OF REVENUE AND EXPENSES

For the year ended **March 31, 2021**

	Courtenay Peppermill	Social Center	OPS	Total 2021	Total 2020
Revenue					
Island health	\$ 71,849	\$ 197,040	\$ 461,144	\$ 730,033	\$ 716,758
Program revenue	5,182	329	224	5,735	11,560
Fundraising and donations	-	-	-	-	300
	<u>77,031</u>	<u>197,369</u>	<u>461,368</u>	<u>735,768</u>	<u>728,618</u>
Expenses					
Wages and benefits	38,100	127,653	345,579	511,332	583,569
Program expenses	7,828	2,489	17,395	27,712	56,981
Repair and maintenance	995	584	1,735	3,314	17,577
Utilities	-	3,186	4,586	7,772	9,121
Rent	14,430	40,775	1,001	56,206	52,946
Contractors	-	-	7,065	7,065	-
Office	300	1,592	1,009	2,901	11,554
Insurance	-	-	2,000	2,000	2,000
Security	-	949	-	949	1,611
Professional fees	-	1,930	-	1,930	4,700
Telephone	-	1,854	1,658	3,512	4,537
Travel	-	488	190	678	3,340
Training	-	460	1,025	1,485	956
Vehicle operations	-	1,719	14	1,733	2,768
Advertising and promotion	-	-	109	109	1,002
Membership	268	-	-	268	255
Bank charges	-	128	50	178	480
	<u>61,921</u>	<u>183,807</u>	<u>383,416</u>	<u>629,144</u>	<u>753,397</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

ISLAND HEALTH PROGRAMS

SCHEDULE OF REVENUE AND EXPENSES

For the year ended **March 31, 2021**

	Courtenay Peppermill	Social Center	OPS	Total 2021	Total 2020
Excess of revenue over expenses (expenses over revenue) before undernoted items	\$ 15,110	\$ 13,562	\$ 77,952	\$ 106,624	\$ (24,779)
Additional fees and payments					
Administration fees*	8,244	12,108	38,100	58,452	58,452
Rent*	-	-	24,928	24,928	24,928
Payment on vehicle loan**	-	2,910	-	2,910	2,906
Purchase of capital assets**	-	-	-	-	7,852
	<u>8,244</u>	<u>15,018</u>	<u>63,028</u>	<u>86,290</u>	<u>94,138</u>
Increase (decrease) to net assets after capital items and reserve contributions	\$ 6,866	\$ (1,456)	\$ 14,924	\$ 20,334	\$ (118,917)

* The above administration fees and rent were interdepartmental charges that were eliminated in the statement of revenues and expenditures.

** The purchase of capital assets, and principal payments on the vehicle loan are cash requirements that do not show up on the statement of revenues and expenditures.

**CANADIAN MENTAL HEALTH ASSOCIATION
MID ISLAND BRANCH
OPERATING STATEMENT - SUMMARY
March 31, 2022**

	2022	Year to date		%	
	Budget	Actual	Variance	Var.	Comments
Revenue					
BC Housing	1,528,617	1,527,973	(644)	0.0%	
Island Health	706,992	747,425	40,432	5.7%	
Rental income	305,715	303,741	(1,974)	-0.6%	
Program revenue - other	351,888	678,665	326,776	92.9%	Note 1
Donations and memberships	15,000	42,215	27,215	181.4%	Note 2
Interest income	2,550	2,775	225	8.8%	
Other income	-	33,051	33,051	--	Note 3
	2,910,762	3,335,845	425,082	14.6%	
Expenditures					
Accounting and audit	15,900	23,306	7,406	46.6%	
Amortization	60,253	65,412	5,159	8.6%	
Communications	28,320	29,297	977	3.4%	
Contracted services	142,688	233,880	91,192	63.9%	Note 1
Facility costs	180,450	198,445	17,995	10.0%	Note 1
Insurance	52,417	62,308	9,891	18.9%	
Interest on long term debt	34,913	39,072	4,159	11.9%	
Maintenance	99,382	113,710	14,328	14.4%	Note 4
Office and general admin	37,819	63,427	25,608	67.7%	Note 1
Program costs	521,782	637,927	116,146	22.3%	Note 1
Security	3,800	9,507	5,707	150.2%	
Training/conferences/meetings	8,225	7,747	(478)	-5.8%	
Travel	22,956	16,943	(6,013)	-26.2%	
Wages and benefits	1,727,544	1,697,125	(30,420)	-1.8%	
	2,936,448	3,198,105	261,657	8.9%	
Excess (deficiency) of revenue over expenditures	(25,686)	137,740	163,425		

**Canadian Mental Health Association
Mid Island Branch
Statement of Financial Position (unaudited)**

	As At:	Mar 31, 2022	Mar 31, 2021	Mar 31, 2020
Assets				
Current				
Cash and term deposits	\$	562,428	\$ 760,725	\$ 560,208
Accounts Receivable		232,790	40,930	22,024
Prepaid Expenses		18,041	16,636	21,795
		<u>813,260</u>	<u>818,292</u>	<u>604,027</u>
Cash - internally and externally restricted		254,539	339,876	320,290
Property and equipment		<u>5,277,078</u>	<u>2,075,395</u>	<u>2,140,430</u>
	\$	<u>6,344,877</u>	\$ 3,233,563	\$ 3,064,747
Liabilities and Net Assets				
Current				
Accounts payable and accrued liabilities	\$	162,346	\$ 78,069	\$ 112,864
Deferred revenue		202,141	168,254	176,552
Wages payable		160,770	145,960	98,595
Current portion of long term debt		83,100	81,500	75,600
		<u>608,357</u>	<u>473,784</u>	<u>463,611</u>
Callable debt		2,943,544	30,076	41,132
Deferred capital contributions		9,319	700	1,000
Long term debt		<u>1,288,342</u>	<u>1,371,428</u>	<u>1,413,298</u>
		<u>4,849,561</u>	<u>1,875,987</u>	<u>1,919,040</u>
Net Assets				
Externally restricted		254,539	260,171	240,586
Net investment in property and equipment		631,692	631,692	609,401
Internally restricted		-	79,705	79,704
Unrestricted		471,345	174,134	216,016
Current Earnings		137,740	211,874	
		<u>1,495,316</u>	<u>1,357,577</u>	<u>1,145,707</u>
	\$	<u>6,344,877</u>	\$ 3,233,563	\$ 3,064,747

Current Ratio 1.34 1.73 1.30
(current assets/current liabilities)
This ratio indicates the organization's ability to meet short term financial obligations (usually those due within the next year). Ideally, a current ratio of at least 1.0 is the minimum threshold to be met.

Quick Ratio 1.31 1.69 1.26
(current assets - prepaids)/current Liabilities
This ratio is similar, but better indicates financial stability; staying at a ratio of 1.0 or higher is preferred.

CANADIAN MENTAL HEALTH ASSOC MID ISLAND BRANCH
Budget for the Year Ended March 31 2023

Revenue

BC Housing	1,637,479
Island Health	689,172
Rental income	702,292
Program revenue - other	257,586
Donations and memberships	20,180
Interest income	1,300
Administration fees	161,149
Other income	26,116
	<u>3,495,274</u>

Expenditures

Administration fees	161,149
Accounting and audit	15,900
Amortization	92,294
Communications	27,500
Contracted services	143,751
Facility costs	252,772
Insurance	95,818
Interest on long term debt	116,539
Maintenance	141,245
Office and general admin	43,904
Program costs	464,186
Security	9,230
Training/conferences/meetings	7,780
Travel	21,321
Wages and benefits	1,799,442
	<u>3,392,831</u>

Excess of revenue over expenditures	<u>102,443</u>
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