



CITY OF NANAIMO APPLICATION FOR PERMISSIVE TAX EXEMPTION

Office Use

ORGANIZATION: CMHA Mid Island Branch	DATE: 2023 June 20
ADDRESS: 437 Wesley Street	PRESIDENT: Darby Barnes
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: 15	NO. OF PART TIME STAFF: 30 incl 14 casual
NO. OF COMMUNITY VOLUNTEERS: n/a	NO. OF VOLUNTEER HOURS PER YEAR: n/a
CLIENTS SERVED, LAST YEAR: 2500	CLIENTS SERVED, THIS YEAR (PROJECTED): 3000
B.C. SOCIETY ACT REG. NO.: S0057478	REVENUE CANADA CHARITABLE REG. NO.: 837106319
CURRENT BUDGET: Fiscal 2022/23 Ending March 31, 2023:	LEGAL DESCRIPTION OF PROPERTY: LT1, AMLT2 (DD59351-N), WLY 40FTOFLT5, BLK21, SEC I, PL584 & 494R, EX 4288/L
INCOME \$3,856,669	
EXPENSES: \$3,779,182	TAX FOLIO NUMBER: 80958.000
NEXT YEAR PROJECTED: Fiscal 2023/24 Ending March 31, 2024:	
INCOME: \$4,048,569	CURRENT YEAR TAXES (IF KNOWN): 55,908.33
EXPENSES: \$3,919,609	
SIGNATURE:	TITLE/POSITION: Executive Director
	DATE: June 28, 2023

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).

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 support individuals with the challenges of mental health and illness. 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, 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.
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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 collects 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.

The CMHA no longer rents out any portion of the building; the lease ended in November
2022 by mutual agreement.

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."



2022 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 30, 2022 11:39 PM Pacific Time

Annual General Meeting (AGM) Date: November 1, 2022

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 November 1, 2022

Last Name, First Name Middle Name:

ARCHER, JANA

Delivery Address:

[REDACTED]

Last Name, First Name Middle Name:

CAMPBELL, AINSLEY

Delivery Address:

[REDACTED]

Last Name, First Name Middle Name:

COPLEY, JENN

Delivery Address:

[REDACTED]

Last Name, First Name Middle Name:

EAKINS, DARBY

Delivery Address:

[REDACTED]

Last Name, First Name Middle Name:

GALLANT, MICHELLE

Delivery Address:



Last Name, First Name Middle Name:

JOHNSON, KIERAN

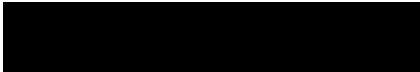
Delivery Address:



Last Name, First Name Middle Name:

KOMM, LEANNE

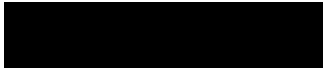
Delivery Address:



Last Name, First Name Middle Name:

MORLAND, SHAWNA

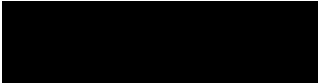
Delivery Address:



Last Name, First Name Middle Name:

YACEYKO, GREG

Delivery Address:



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, 2022

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, 2022**, 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, 2022** 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.
- 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.

Partners

Grant McDonald, CPA, CA*

Lee-Anne Harrison, CPA, CA*

Anna Jones, CPA, CA*

Joanne Novak, CPA, CA*

*Incorporated



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.
- 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

CHURCH PICKARD

Chartered Professional Accountants

Nanaimo, B.C.

September 12, 2022

25 Cavan Street, Nanaimo, BC V9A 2T9

Tel (250) 754-6396 Toll Free 1-888-754-6396

Fax (250) 754-8177 mail@churchpickard.com

www.churchpickard.com

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF FINANCIAL POSITION

As at **March 31, 2022**

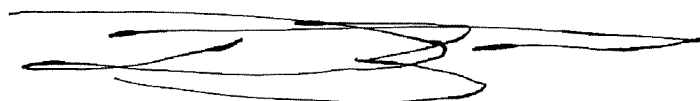
	2022	2021
Assets		
Current		
Cash and term deposits	\$ 560,601	\$ 766,358
Accounts receivable - Note 9	232,953	43,827
Prepaid expenses	<u>18,041</u>	<u>16,636</u>
	811,595	826,821
Cash and investments - internally and externally restricted - Note 3	256,367	334,243
Property and equipment - Note 4	<u>5,277,080</u>	<u>2,075,395</u>
	<u>\$ 6,345,042</u>	<u>\$ 3,236,459</u>

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities - Note 9	\$ 124,532	\$ 69,960
Wages payable	160,770	145,960
Deferred revenue - Note 10	240,122	179,259
Current portion of long-term debt - Note 7	<u>83,100</u>	<u>81,500</u>
	608,524	476,679
Callable debt - Note 8	2,943,544	30,076
Long-term debt - Note 7	1,288,341	1,371,428
Deferred capital contributions related to property and equipment - Note 13	<u>9,319</u>	<u>700</u>
	<u>4,849,728</u>	<u>1,878,883</u>
Net assets		
Net investment in property and equipment	992,776	631,691
Internally restricted - Note 3	-	79,704
Externally restricted - Note 3	256,367	254,539
Unrestricted - Note 3	<u>246,171</u>	<u>391,642</u>
	<u>1,495,314</u>	<u>1,357,576</u>
	<u>\$ 6,345,042</u>	<u>\$ 3,236,459</u>

Approved:

Michelle Gallant



CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF CHANGES IN NET ASSETS

For the year ended **March 31, 2022**

	Investment				2022	2021
	in Property and Equipment	Internally Restricted	Externally Restricted	Unrestricted		
Balance, beginning of the year	\$ 631,691	\$ 79,704	\$ 254,539	\$ 391,642	\$ 1,357,576	\$ 1,145,697
Excess of revenues over expenses (expenses over revenues)	(64,347)	-	-	202,085	137,738	211,879
Principal payments on mortgages and callable debt	93,019	-	-	(93,019)	-	-
Loan proceeds	(2,925,000)	-	-	2,925,000	-	-
Interest earned on restricted funds	-	-	123	(123)	-	-
Contributions to restricted funds	-	-	34,104	(24,420)	-	-
Expenditures from restricted funds	-	-	(32,399)	32,399	-	-
Deferred capital contributions	(9,684)	-	-	-	-	-
Purchase of property and equipment	3,267,097	-	-	(3,267,097)	-	-
Transfers	-	(79,704)	-	79,704	-	-
Balance, end of the year	<u>\$ 992,776</u>	<u>\$ -</u>	<u>\$ 256,367</u>	<u>\$ 246,171</u>	<u>\$ 1,495,314</u>	<u>\$ 1,357,576</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF REVENUES AND EXPENSES

For the year ended **March 31, 2022**

	Actual 2022	Actual 2021
Revenues		
BC Housing	\$ 1,527,973	\$ 1,425,643
Island Health	747,425	730,033
Program revenue	678,665	291,207
Rental income	303,741	309,894
Other income	31,987	25,346
Donations and memberships	42,215	15,302
Amortization of deferred capital contributions		
- Note 13	1,065	300
Interest income	<u>2,775</u>	<u>2,344</u>
	<u>3,335,846</u>	<u>2,800,069</u>
Expenses		
Wages and benefits	1,697,125	1,578,226
Program costs	637,927	451,323
Contracted services	233,880	55,663
Facility costs	198,446	172,615
Repairs and maintenance	113,709	83,643
Amortization	65,412	65,035
Office and general admin	63,428	40,204
Insurance	62,308	43,855
Interest on long-term debt and callable debt	39,072	35,685
Communications	29,297	27,449
Professional fees	23,306	12,787
Travel	16,943	12,868
Security	9,508	5,884
Training and conferences	<u>7,747</u>	<u>2,953</u>
	<u>3,198,108</u>	<u>2,588,190</u>
Excess of (expenses over revenues)		
revenues over expenses	<u><u>137,738</u></u>	<u><u>211,879</u></u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

STATEMENT OF CASH FLOWS

For the year ended **March 31, 2022**

	2022	2021
Cash provided (used):		
Operating activities		
Excess of revenues over expenses	\$ 137,738	\$ 211,879
Items not involving cash		
Amortization	65,412	65,035
Amortization of deferred capital contributions	<u>(1,065)</u>	<u>(300)</u>
	202,085	276,614
Changes in non-cash operating accounts		
Increase in accounts receivable	(189,126)	(21,803)
(Increase) decrease in prepaid expenses	(1,405)	5,159
Increase in accounts payable and accrued liabilities, and wages payable	69,381	4,453
Increase in deferred revenue	60,863	2,707
Increase in deferred capital contributions	<u>9,684</u>	<u>-</u>
	<u>151,482</u>	<u>267,130</u>
Investing activities		
Purchase of property and equipment	(3,267,097)	-
Decrease (increase) in externally restricted cash	<u>77,877</u>	<u>(13,954)</u>
	<u>(3,189,220)</u>	<u>(13,954)</u>
Financing activities		
Proceeds from callable debt net of repayment	2,913,468	(11,056)
Repayment of long-term debt	<u>(81,487)</u>	<u>(35,970)</u>
	<u>2,831,981</u>	<u>(47,026)</u>
(Decrease) increase in cash	(205,757)	206,150
Cash and cash equivalents, beginning of the year	<u>766,358</u>	<u>560,208</u>
Cash and cash equivalents, end of the year	<u>\$ 560,601</u>	<u>\$ 766,358</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

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:

Buildings	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, 2022**

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 expenses.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

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. Short-term investments

The short-term investments consist of several GICs, having interest rates ranging from 0.30% to 0.65% with maturity dates from April 5, 2022 to February 27, 2023. 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.

3. Internally and externally restricted

	2022	2021
Cash:		
Externally restricted for BC Housing	\$ 256,367	\$ 254,539
Internally restricted for operations	<u> -</u>	<u> 79,704</u>
	<u> 256,367</u>	<u> 334,243</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

3. Internally and externally restricted - 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 was for a future office building, program development, staff training, website upgrades, and a Balmoral contingency fund. The amount was spent in the fiscal year with appropriate board approval.

4. Property and equipment

	Cost	Accumulated Amortization	Net 2022	Net 2021
Land	\$ 2,010,338	\$ -	\$ 2,010,338	\$ 371,338
Buildings	3,221,176	502,747	2,718,429	1,140,000
Vehicles	65,970	39,100	26,870	33,588
Furniture and equipment	133,932	99,500	34,432	30,154
Leasehold improvements	12,577	5,877	6,700	8,375
Computer hardware	13,299	13,218	81	177
Courtenay lease interest	626,025	179,162	446,863	457,296
Courtenay land lease	<u>66,007</u>	<u>32,640</u>	<u>33,367</u>	<u>34,467</u>
	<u>\$ 6,149,324</u>	<u>\$ 872,244</u>	<u>\$ 5,277,080</u>	<u>\$ 2,075,395</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.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

5. 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 \$0 (2021 - \$2,000), received donations from CMHA National in the amount of \$3,785 (2021 - \$180), received revenue for the National Employment Program from CMHA Toronto in the amount of \$82,704 (2021 - \$83,056), received donations from CMHA BC in the amount of \$12,251 of which \$11,875 has been deferred (2021 - \$1,904) and paid fees to CMHA BC of \$10,254 (2021 - \$150). 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.

6. 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, 2022, there are 5,123 (2021 - 4,922) sick time hours accumulated in the pool. Based on the employees' current rates of pay, the maximum liability of the association could be \$168,451 (2021 - \$156,814). The association has accrued \$35,820 (2021 - \$37,498) 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, 2022 there are 2,364 (2021 - 2,367) special leave hours accumulated in the pool. Based on the employees' current rates of pay, the maximum liability of the association could be \$64,488 (2021 - \$63,324). 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, 2022**

7. Long-term debt

	2022	2021
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 \$446,863, and an assignment of rents; renewable on September 1, 2023	\$ 198,016	\$ 226,111
Peoples Trust - mortgage - payable at \$4,685 per month including interest at 3.13%; secured by land and buildings, with a carrying value of \$1,105,800, and an assignment of rents; renewable on December 1, 2024	915,988	943,263
Canada Mortgage and Housing Corporation - forgivable loan for renovations made to Balmoral land and building, with a carrying value of \$1,105,800; to be forgiven over 15 years as long as the property is used for its intended purpose; due December 1, 2025	75,437	95,554
BC Housing - forgivable mortgage for the Balmoral land and building; with a carrying value of \$1,105,800; to be forgiven over 25 years commencing December 1, 2020	142,000	148,000
Canada Emergency Business Account (CEBA) - interest-free loan repayable by December 31, 2023 with potential forgiveness up to 33%; \$20,000 has been recognized as income in the previous year	<u>40,000</u>	<u>40,000</u>
	1,371,441	1,452,928
Less: Current portion	<u>83,100</u>	<u>81,500</u>
	<u>\$ 1,288,341</u>	<u>\$ 1,371,428</u>

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

7. Long-term debt - continued.

Assuming the loans are renewed for similar terms, the principal payments due in each of the next five years are as follows:

2023	\$	83,100
2024		124,700
2025		86,300
2026		83,000
2027		<u>69,700</u>
	<u>\$</u>	<u>446,800</u>

8. Callable debt

	2022	2021
CIBC demand loan - payable at \$485 per month plus interest at CIBC prime rate (2.70% at March 31, 2022) secured by a specific vehicle, with a carrying value of \$10,468	\$ 943	\$ 6,763
CIBC demand loan - payable at \$476 per month plus interest at CIBC prime rate (2.70% at March 31, 2022) secured by a specific vehicle, with a carrying value of \$16,077	17,601	23,313
CIBC demand loan - payable at \$17,850 per month plus interest at CIBC prime rate (2.70% at March 31, 2022) secured by property with a carrying value of \$3,251,628	<u>2,925,000</u>	<u>-</u>
	<u>\$ 2,943,544</u>	<u>\$ 30,076</u>

These loans include 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. These loans have a security agreement granting a fourth security interest in all present and after acquired personal property, a collateral mortgage granting a first charge over 250 Albert Street for \$3,250,000, and an assignment of rents.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

8. **Callable debt** - continued.

There is also a debt service ratio of 1.0 to 1.0 or more, at all times that must be met. This ratio was met in the 2022 fiscal year.

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

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

2023	\$	143,600
2024		146,400
2025		150,200
2026		148,900
2027		<u>152,500</u>
	\$	<u>741,600</u>

9. **Government remittances**

The association has the following accounts receivable/(payable) for government remittances at March 31, 2022:

	2022	2021
Public service body rebate net of GST payable	\$ 4,868	\$ 2,896
WCB	\$ (5,021)	\$ (3,160)
Payroll source deductions	\$ (14,310)	\$ (16,274)

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

10. 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:

	2022	2021
Prepaid funding	\$ 202,142	\$ 164,164
Damage deposits	37,980	11,005
Prepaid rent	<u>-</u>	<u>4,090</u>
	<u>\$ 240,122</u>	<u>\$ 179,259</u>

11. 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 \$49,529 for employer contributions to the plan in fiscal 2022.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

12. 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. The new agreement has not been ratified as at the date of the auditor's report.

13. 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:

	2022	2021
Balance, beginning of the year	\$ 700	\$ 1,000
Add: Capital contributions received	9,684	-
Less: Amortization for the year	<u>1,065</u>	<u>300</u>
	<u>\$ 9,319</u>	<u>\$ 700</u>

14. Economic dependence

During the year, the association received 46% (2021 - 57%) of its funding from various contracts with BC Housing and 23% (2021 - 27%) funding from various contracts with VIHA.

15. 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 \$106,108.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

NOTES TO THE FINANCIAL STATEMENTS

For the year ended **March 31, 2022**

16. 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 14.

17. 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, 2022**

	New Horizons	Outreach	Wesley Street	Total 2022	Total 2021
Revenue					
BCH subsidy	\$ 53,676	\$ 709,996	\$ 764,301	\$ 1,527,973	\$ 1,425,643
Tenant rent revenue	28,742	-	158,588	187,330	190,779
Fundraising and donations	-	1,000	-	1,000	-
Other revenue	287	-	4,753	5,040	3,129
	<u>82,705</u>	<u>710,996</u>	<u>927,642</u>	<u>1,721,343</u>	<u>1,619,551</u>
Expenses					
Wages and benefits	27,603	317,285	555,172	900,060	780,829
Program expenses	2,043	343,601	72,053	417,697	402,143
Repair and maintenance	18,861	146	31,902	50,909	54,092
Utilities	14,281	-	66,397	80,678	70,458
Interest on long-term debt	5,282	-	-	5,282	5,973
Office	26	2,720	8,899	11,645	7,709
Insurance	6,199	4,715	32,223	43,137	32,015
Security	554	1,659	4,727	6,940	3,777
Professional fees	2,500	3,000	10,692	16,192	10,857
Telephone	1,941	3,929	6,743	12,613	12,219
Travel	1,016	1,873	2,520	5,409	2,267
Training	-	-	348	348	305
Vehicle operations	-	4,393	1,617	6,010	7,080
Advertising and promotion	-	-	2,660	2,660	874
Property taxes	2,650	-	-	2,650	2,986
Membership	-	62	182	244	124
Bank charges	-	783	50	833	1,105
Bad debts	-	-	610	610	348
	<u>82,956</u>	<u>684,166</u>	<u>796,795</u>	<u>1,563,917</u>	<u>1,395,161</u>
					(19)

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

BC HOUSING

SCHEDULE OF REVENUE AND EXPENSES

For the year ended **March 31, 2022**

	New Horizons	Outreach	Wesley Street	Total 2022	Total 2021
Excess of revenue over expenses before undernoted items	\$ (251)	\$ 26,830	\$ 130,847	\$ 157,426	\$ 224,390
Additional fees and payments					
Administration fees*	6,324	60,840	41,964	109,128	109,683
Rent*	-	9,000	-	9,000	9,000
Replacement reserve provision**	3,000	-	31,104	34,104	34,104
Principal payments on mortgage**	28,095	-	-	28,095	27,413
Payment on vehicle loan**	-	5,712	2,910	8,622	8,146
	<u>37,419</u>	<u>75,552</u>	<u>75,978</u>	<u>188,949</u>	<u>188,346</u>
Increase (decrease) to net assets after capital items and reserve contributions	<u>\$ (37,670)</u>	<u>\$ (48,722)</u>	<u>\$ 54,869</u>	<u>\$ (31,523)</u>	<u>\$ 36,044</u>

* 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 expenses.

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

ISLAND HEALTH PROGRAMS

SCHEDULE OF REVENUE AND EXPENSES

For the year ended **March 31, 2022**

	Courtenay Peppermill	Social Center	OPS	Total 2022	Total 2021
Revenue					
Island health	\$ 62,342	\$ 204,910	\$ 480,172	\$ 747,424	\$ 730,033
Program revenue	2,847	150	-	2,997	-
Other revenue	<u>232</u>	-	-	<u>232</u>	-
	<u>65,421</u>	<u>205,060</u>	<u>480,172</u>	<u>750,653</u>	<u>730,033</u>
Expenses					
Wages and benefits	24,216	154,544	327,971	506,731	509,531
Program expenses	12,691	16,587	6,946	36,224	36,370
Repair and maintenance	482	2,055	3,072	5,609	2,418
Utilities	-	2,938	4,625	7,563	6,721
Rent	13,530	16,649	-	30,179	50,244
Contractors	-	-	5,496	5,496	7,065
Office	1,966	3,456	1,374	6,796	2,901
Insurance	-	-	2,947	2,947	2,000
Security	-	1,267	189	1,456	949
Professional fees	-	2,400	1,098	3,498	1,930
Telephone	-	2,593	1,653	4,246	4,563
Travel	242	810	41	1,093	678
Training	-	-	1,853	1,853	1,485
Vehicle operations	-	930	-	930	1,733
Advertising and promotion	-	-	82	82	109
Membership	66	62	62	190	268
Bank charges	<u>13</u>	<u>50</u>	-	<u>63</u>	<u>178</u>
	<u>53,206</u>	<u>204,341</u>	<u>357,409</u>	<u>614,956</u>	<u>629,143</u>

(21)

CANADIAN MENTAL HEALTH ASSOCIATION, MID ISLAND BRANCH

ISLAND HEALTH PROGRAMS

SCHEDULE OF REVENUE AND EXPENSES

For the year ended **March 31, 2022**

	Courtenay Peppermill	Social Center	OPS	Total 2022	Total 2021
Excess of revenue over expenses (expenses over revenue) before undernoted items	\$ 12,215	\$ 719	\$ 122,763	\$ 135,697	\$ 100,889
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	2,910
Purchase of capital assets**	-	-	1,741	1,741	-
	<u>8,244</u>	<u>15,018</u>	<u>64,769</u>	<u>88,031</u>	<u>86,290</u>
Increase (decrease) to net assets after capital items and reserve contributions	\$ 3,971	\$ (14,299)	\$ 57,994	\$ 47,666	\$ 14,599

* 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 expenses.

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

As At: **Mar 31, 2023**

Assets

Current

Cash and term deposits	\$	1,280,262
Accounts Receivable		150,525
Prepaid Expenses		48,799
		1,479,585

Cash - internally and externally restricted 256,367

Property and equipment 5,245,392

\$ 6,981,345

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$	180,919
Wages payable		306,938
Deferred revenue		705,820
Current portion of long term debt		124,700
		1,318,377

Callable debt 2,857,330

Long term debt 1,163,681

Deferred capital contributions 69,152

5,408,541

Net Assets

Externally restricted		256,367
Net investment in property and equipment		992,774
Internally restricted		-
Unrestricted		246,175
Current Earnings		77,487
		1,572,804

\$ 6,981,345

CANADIAN MENTAL HEALTH ASSOCIATION
MID ISLAND BRANCH
OPERATING STATEMENT - SUMMARY
For the period ended: **March 31, 2023**

	2023	Year to date	Year to date		%
	Budget	Budget	Actual	Variance	Var.
Revenue					
BC Housing	1,637,479	1,637,479	1,625,929	(11,550)	-0.7%
Island Health	689,172	689,172	1,008,765	319,593	46.4%
Rental income	668,364	668,364	664,771	(3,593)	-0.5%
Program revenue - other	254,786	254,786	481,487	226,701	89.0%
Donations and memberships	20,180	20,180	16,902	(3,278)	-16.2%
Interest income	1,300	1,300	26,733	25,433	1956.4%
Other income	28,916	28,916	32,083	3,167	11.0%
	3,300,197	3,300,197	3,856,669	556,472	16.9%
Expenditures					
Accounting and audit	15,900	15,900	16,867	967	6.1%
Amortization	92,294	92,294	109,548	17,254	18.7%
Communications	27,500	27,500	33,014	5,514	20.1%
Contracted services	143,751	143,751	196,817	53,067	36.9%
Facility costs	218,848	218,848	227,993	9,144	4.2%
Insurance	95,818	95,818	78,060	(17,758)	-18.5%
Interest on long term debt	116,539	116,539	180,165	63,626	54.6%
Maintenance	141,245	141,245	183,193	41,949	29.7%
Office and general admin	43,904	43,904	78,792	34,888	79.5%
Program costs	464,186	464,186	741,101	276,915	59.7%
Security	9,230	9,230	25,651	16,421	177.9%
Training/conferences/meetings	7,780	7,780	19,387	11,607	149.2%
Travel	21,321	21,321	22,478	1,157	5.4%
Wages and benefits	1,799,441	1,799,441	1,866,114	66,673	3.7%
	3,197,757	3,197,757	3,779,182	581,425	18.2%
Excess (deficiency) of revenue over expenditures	102,444	102,444	77,487	(24,956)	

CANADIAN MENTAL HEALTH ASSOCIATION MID ISLAND BRANCH

Budget for the Year Ended March 31, 2024

Revenue

BC Housing	1,932,084
Island Health	1,259,774
Rental income	365,431
Program revenue - other	220,056
Donations and memberships	20,200
Interest income	15,200
Administration fees	201,933
Other income	33,891
	<u>4,048,569</u>

Expenditures

Administration fees	201,933
Accounting and audit	16,000
Amortization	107,900
Communications	30,231
Contracted services	31,514
Facility costs	235,264
Insurance	83,231
Interest on long term debt	217,850
Maintenance	105,035
Office and general admin	46,249
Program costs	655,976
Security	26,373
Training/conferences/meetings	13,951
Travel	20,497
Wages and benefits	2,127,605
	<u>3,919,609</u>

Excess of revenue over expenditures 128,960

Other items

Replacement reserve provision	-
Transfer to capital - loan principal	-
Transfer to capital - capital purchases	-
Transfer to capital - financing proceeds	-
Increase (decrease) to net assets	<u>128,960</u>