

## Financial Statements

Canadian Mental Health Association – Kelowna and  
District Branch

March 31, 2021

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# Independent auditor's report

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To the Directors of Canadian Mental Health Association – Kelowna & District Branch:

## Report on the audit of the financial statements

### Opinion

We have audited the financial statements of Canadian Mental Health Association - Kelowna & District Branch ("the Association"), which comprise the statement of financial position as at March 31, 2021, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly in all material respects, the financial position of Canadian Mental Health Association - Kelowna & District Branch as at March 31, 2021, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Matters

Our audit was conducted for the purposes of forming an opinion on the financial statements taken as a whole. The supplementary information included in the schedules is presented for purposes of additional information and is not required as part of the financial statements. Such information has been subject to the auditing procedures applied, only to the extent necessary to express an opinion in the audit of the financial statements taken as a whole.

### 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 the Association's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association's financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

## Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these financial statements were prepared on a basis consistent with that applied in preparing the financial statements of the preceding period.

Kelowna, Canada  
July 5, 2021

  
Chartered Professional Accountants

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# Canadian Mental Health Association - Kelowna and District Branch

## Statement of financial position

Year Ended March 31

2021

2020

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### Assets

#### Current

Cash and cash equivalents - Unrestricted funds	\$ 4,116,461	\$ 2,114,120
Cash - Restricted funds (Note 4)	384,486	302,830
Investments (Note 5)	207,779	-
Receivables	181,657	175,041
Goods and services tax recoverable	57,942	40,674
Prepaid expenses and deposits	197,265	81,244
	<u>5,145,590</u>	<u>2,713,909</u>

Replacement reserve funds (Note 6)	379,721	397,260
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Tangible capital assets (Note 7)	<u>2,658,654</u>	<u>2,766,074</u>
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\$ 8,183,965	\$ 5,877,243
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### Liabilities

#### Current

Payables and accruals	\$ 362,155	\$ 108,390
Wages payable	91,061	107,751
Deferred revenue (Note 8)	2,174,840	511,285
Rent security deposits	52,820	49,072
Current portion of mortgage payable (Note 9)	78,529	76,655
	<u>2,759,405</u>	<u>853,153</u>

Mortgage payable (Note 9)	1,010,092	1,088,621
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Deferred capital contributions (Note 10)	<u>1,112,827</u>	<u>1,380,000</u>
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<u>4,882,324</u>	<u>3,321,774</u>
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### Net assets

Restricted	402,911	401,736
Unrestricted	2,291,524	1,682,135
Invested in tangible capital assets	607,206	471,598
	<u>3,301,641</u>	<u>2,555,469</u>
	<u>\$ 8,183,965</u>	<u>\$ 5,877,243</u>

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Commitments (Note 11)

On behalf of the Board

Neelke da Silva Director

Stef y Director

# Canadian Mental Health Association - Kelowna and District Branch

## Statement of operations

Year Ended March 31

	<u>Gaming</u>	<u>Rosemead Apartments</u>	<u>Willowbridge</u>			
	<u>Program Operations</u>	<u>Building Operations</u>	<u>Building Operations</u>	<u>Unrestricted Operations</u>	<u>Total 2021</u>	<u>Total 2020</u>
Revenue						
BC Housing and Interior Health Authority	\$ -	\$ 189,356	\$ 570,720	\$ 4,602,478	\$ 5,362,554	\$ 4,464,872
Donations	41,073	-	650	379,785	421,508	840,944
Grants	29,250	-	-	1,085,679	1,114,929	636,176
Tenants' rent	-	97,994	165,014	461,418	724,426	644,697
Amortization of deferred capital contributions	-	-	-	365,136	365,136	353,259
Sales and workshops	50,325	-	-	306,202	356,527	219,164
Other income	-	14,540	23,013	104,652	142,205	107,258
Sponsorships	-	-	-	8,000	8,000	106,091
BC Gaming	92,000	-	-	-	92,000	93,950
United Way	-	-	-	74,500	74,500	22,500
Interest	648	2,235	4,100	5,267	12,250	39,541
	<u>213,296</u>	<u>304,125</u>	<u>763,497</u>	<u>7,393,117</u>	<u>8,674,035</u>	<u>7,528,452</u>
Expenses						
Advertising	30	-	44	26,693	26,767	44,438
Amortization	-	37,443	1,460	384,982	423,885	424,349
Bank charges and processing fees	26	385	535	4,339	5,285	11,707
Conference and education	172	-	-	3,846	4,018	36,194
Contract fees and honorarium	5,743	-	108,108	513,292	627,143	687,726
Dues and memberships	569	-	1,150	12,130	13,849	10,552
Insurance	-	27,330	7,694	35,246	70,270	48,837
Interest on mortgage	-	27,328	-	-	27,328	29,157
Office	1,230	21	5,217	87,436	93,904	64,489
Professional fees	-	6,000	5,000	14,398	25,398	22,679
Program supplies and activities	1,482	753	24,769	430,964	457,968	419,806
Property tax	-	5,971	-	100	6,071	5,478
Rent	-	-	-	219,022	219,022	166,623
Rent subsidies	-	-	-	392,822	392,822	441,059
Repairs and maintenance	-	78,939	43,973	195,121	318,033	340,022
Salaries and wages	124,568	28,623	475,084	4,216,974	4,845,249	4,173,952
Telephone and internet	936	1,593	4,922	86,045	93,496	72,975
Travel	57	-	276	44,719	45,052	57,964
Utilities	-	51,850	63,228	117,224	232,302	207,057
	<u>134,813</u>	<u>266,236</u>	<u>741,460</u>	<u>6,785,353</u>	<u>7,927,862</u>	<u>7,265,064</u>
Excess of revenues over expenses	\$ <u>78,483</u>	\$ <u>37,889</u>	\$ <u>22,037</u>	\$ <u>607,764</u>	\$ <u>746,173</u>	<u>263,388</u>

See accompanying notes to the financial statements.

Canadian Mental Health Association - Kelowna and District Branch

Statement of changes in net assets

Year Ended March 31

		Rosemead Apartments		Willowbridge						
	Gaming Fund	Replacement Reserve	Restricted for Building Operations	Replacement Reserve	Restricted for Building Operations	Total Restricted	Unrestricted	Invested in Tangible Capital Assets	Total 2021	Total 2020
<b>Net assets (deficiency), beginning of year</b>	\$ 46,194	\$ 128,291	\$ (11,754)	\$ 268,969	\$ (29,964)	\$ 401,736	\$ 1,682,135	\$ 471,598	\$ 2,555,469	\$ 2,292,081
Interfund transfer for BC Housing expense allocation	-	(2,580)	2,580	(3,676)	3,676	-	-	-	-	-
Revenue (expenses), net for the year	78,483	-	75,332	-	23,497	177,312	627,610	(58,749)	746,173	263,388
Administrative fee and rent ( <i>Note 3</i> )	(49,100)	-	(12,670)	-	(36,622)	(98,392)	98,392	-	-	-
Replacement reserve provision	-	16,560	(16,560)	28,800	(28,800)	-	-	-	-	-
Repairs and maintenance	-	(50,250)	50,250	(11,020)	11,020	-	-	-	-	-
Mortgage principal repayments	-	-	(76,654)	-	-	(76,654)	-	76,654	-	-
Interest on replacement reserve	-	1,146	(1,146)	3,482	(3,482)	-	-	-	-	-
Purchase of tangible capital assets	(101,890)	-	-	-	-	(101,890)	(214,575)	316,465	-	-
Additions to deferred capital contributions	100,800	-	-	-	-	100,800	97,962	(198,762)	-	-
	<u>\$ 74,487</u>	<u>\$ 93,167</u>	<u>\$ 9,378</u>	<u>\$ 286,555</u>	<u>\$ (60,675)</u>	<u>\$ 402,911</u>	<u>\$ 2,291,524</u>	<u>\$ 607,206</u>	<u>\$ 3,301,641</u>	<u>\$ 2,555,469</u>

See accompanying notes to the financial statements.

# Canadian Mental Health Association - Kelowna and District Branch

## Statement of cash flows

March 31

2021

2020

Increase (decrease) in cash and cash equivalents

### Operating

Excess of revenue over expenses - Restricted funds	\$ 138,409	\$ 107,409
Excess of revenue over expenses - Unrestricted funds	607,764	155,979
	<u>746,173</u>	<u>263,388</u>

Adjustment for non-cash items

Amortization of deferred capital contributions - Restricted funds	-	(1,388)
Amortization of deferred capital contributions - Unrestricted funds	(365,136)	(351,871)
Amortization - Restricted funds	38,903	41,859
Amortization - Unrestricted funds	384,982	382,490
	<u>58,749</u>	<u>71,090</u>

Changes in non-cash operating working capital

Investments	(173,227)	224,488
Receivables	(6,615)	33,443
Goods and service tax recoverable	(17,268)	(5,361)
Prepaid expenses and deposits	(116,021)	(17,117)
Payables and accruals	253,765	(27,501)
Wages payable	(16,690)	331
Deferred revenue	1,663,555	102,268
Rent security deposits	3,748	4,845
	<u>1,591,247</u>	<u>315,396</u>
	<u>2,396,169</u>	<u>649,874</u>

### Investing

Purchase of tangible capital assets - Restricted funds	(101,890)	(141,600)
Purchase of tangible capital assets - Unrestricted funds	(214,575)	(46,789)
	<u>(316,465)</u>	<u>(188,389)</u>

### Financing

Additions to deferred capital contributions - Unrestricted funds	97,962	7,275
Mortgage principal repayments	(76,655)	(74,826)
	<u>21,307</u>	<u>(67,551)</u>

Increase in cash and cash equivalents	2,101,011	393,934
Cash and cash equivalents, beginning of year	2,533,461	2,139,527
Cash and cash equivalents, end of year	<u>\$ 4,634,471</u>	<u>\$ 2,533,461</u>

Cash consists of:

Cash and cash equivalents - Unrestricted funds	\$ 4,116,461	\$ 2,114,120
Cash - Restricted funds	384,486	302,830
Cash - Replacement reserve funds	133,524	116,511
	<u>\$ 4,634,471</u>	<u>\$ 2,533,461</u>

See accompanying notes to the financial statements.



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# Canadian Mental Health Association – Kelowna and District Branch

## Notes to the financial statements

March 31, 2021

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### 1. Nature of organization

The Canadian Mental Health Association - Kelowna and District Branch (the "Association") is a branch of the Canadian Mental Health Association and is incorporated under the Societies Act of British Columbia. The Association promotes the mental health of all and supports the resilience and recovery of people in the Central Okanagan experiencing mental illness through community education, influencing public policy, research and service.

The Association is a registered charity within the definition of the Income Tax Act and therefore, as long as it complies with the rules and regulations of the Income Tax Act, it is exempt from income taxes and may issue receipts to donors.

On March 11, 2020, the World Health Organization officially declared the COVID-19 outbreak a pandemic. The pandemic has forced governments to implement extraordinary measures to slow the progress of infections and to stabilize disrupted economies and financial markets. The Association has deployed initiatives to mitigate the impact of the crisis while ensuring continuity of its activities. These included closing its offices to the public and moving programs from in-person to remote programming, social distancing and masking for all staff working in the office, as well as having those staff who could accomplish their duties remotely working from home. In addition, the Association applied for and received the Government of BC's pandemic pay subsidy and the \$151,292 contribution received was recorded as an offset against the related salaries and wages expense in the statement of operations. It is difficult to assess the impact of the pandemic on the Association's future results as this is dependent on the length and severity of the pandemic. Management will continue to monitor and assess the situation and respond accordingly.

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### 2. Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO). Canadian accounting standards for not-for-profit organizations are part of Canadian generally accepted accounting principles (GAAP).

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### 3. Summary of significant accounting policies

#### **Fund accounting and revenue recognition**

The Association follows the restricted fund method of accounting for contributions. The funds are segregated into restricted and unrestricted funds depending on externally imposed spending requirements.

(continued)

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# Canadian Mental Health Association – Kelowna and District Branch

## Notes to the financial statements

March 31, 2021

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### 3. Summary of significant accounting policies (continued)

The Restricted Funds consist of the Rosemead Apartments Fund, the Willowbridge Fund, Gaming Fund and Replacement Reserve Funds:

- The Gaming Fund accounts for grants from the BC Gaming Commission other than those that are specifically for capital items. Expenses of this fund must comply with the policies and procedures of the BC Gaming Commission.
- The Rosemead Apartments Fund and the Willowbridge Fund receive funding from the British Columbia Housing Management Commission (BC Housing) which may only be used for the operations of the related housing projects.
- The Replacement Reserve Fund reports details of funds reserved for tangible capital asset purchases and repairs and maintenance activities for Rosemead Apartments and Willowbridge housing projects.

Unrestricted Funds consist of General program and several self-funded and government-funded programs, as well as grants received from the BC Gaming Commission for capital items. Funded programs receive funding and grants from BC Housing, Interior Health Authority, CMHA BC Division and other federal and provincial organizations. Grants and donations are also received from other organizations and private donors.

#### Government funding and grants

Unrestricted revenue from contracts from federal and provincial organizations is recognized when received or receivable if the amounts to be received can be reasonably estimated and collection is reasonably assured. Restricted revenue from these contracts is recognized in the corresponding restricted funds or, if there is no corresponding restricted fund, it is deferred and recognized in the year in which the related expenses are incurred and/or the services are provided in accordance with the terms of the applicable agreement.

#### Tenant rent contributions

Revenue from tenant rent contributions is recognized when cash is collected or reasonably collectible. The Association has verification of the income of all tenants on-file, as required by the operating agreement with BC Housing.

#### Deferred capital contributions

Externally restricted contributions for depreciable capital assets are deferred and recognized as revenue at a rate corresponding with the amortization rate for the related capital asset.

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# Canadian Mental Health Association – Kelowna and District Branch

## Notes to the financial statements

March 31, 2021

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### 3. Summary of significant accounting policies (continued)

#### Other revenue

Fundraising and miscellaneous revenue are recognized in the respective programs in the current period when cash is received and the services or goods are provided.

Unrestricted income is recognized as revenue when earned in the unrestricted fund. Restricted interest income is recognized as revenue in the corresponding restricted fund.

#### **Replacement reserve funds from BC Housing**

Contributions received from BC Housing for the Replacement Reserve Funds are reported as inter-fund transfers from the Housing Operations Fund to the Replacement Reserve Fund.

#### **Contributed services**

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

#### **Cash and cash equivalents**

Cash and cash equivalents consists of cash on hand, and GIC's and term deposits that are readily convertible into cash as they have original maturities of three months or less. GIC's and term deposits that are not readily convertible into cash are classified as investments.

#### **Tangible capital assets**

Tangible capital assets are stated at cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives at the following rates and methods.

Buildings	4%	declining-balance method
Computer equipment	4 years	straight-line method
Furniture and fixtures	20%	declining-balance method and
	5 years	straight-line method
Leasehold improvements	5 years	straight-line method
Vehicles	5 years	straight-line method

The Association's management regularly reviews its tangible capital assets to ensure that tangible capital assets that no longer contribute to the Association's ability to provide services are written down to their residual value.

Tangible capital assets acquired during the year but not placed into use are not amortized until they are placed into use.

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# Canadian Mental Health Association – Kelowna and District Branch

## Notes to the financial statements

March 31, 2021

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### 3. Summary of significant accounting policies (continued)

#### **Financial instruments**

The Association considers any contract creating a financial asset, liability or equity instrument as a financial instrument, except in certain limited circumstances. A financial asset or liability is recognized when the Association becomes party to contractual provisions of the instrument.

##### Initial measurement

Financial assets or liabilities obtained in arm's length transactions are initially measured at their fair value.

Financial assets or liabilities obtained in related party transactions are measured at their carrying amount, except for those transactions that are with a person or entity whose sole relationship with the Association is in the capacity of management, which are accounted for in accordance with the policy described in the previous paragraph.

##### Subsequent measurement

The Association subsequently measures all of its financial assets and financial liabilities at amortized cost. These financial instruments include cash and cash equivalents, receivables, payables, rent security deposits and mortgage payable.

The Association's financial assets (or groups of similar financial assets) are tested for impairment when there are indicators of impairment. Previously recognized impairment losses are reversed to the extent of the improvement provided the asset is not carried at an amount, at the date of the reversal, greater than the amount that would have been the carrying amount had no impairment loss been recognized previously. The amounts of any write-downs or reversals are recognized in the statement of operations.

#### **Government assistance**

Grants received to cover current period expenses are accounted for as contributions in the statement of operations.

#### **Measurement uncertainty**

The preparation of financial statements in conformity with ANSPO requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in the statement of operations in the period in which they become known. Actual results could differ from these estimates. Items subject to significant management estimates include allowance for doubtful accounts, useful lives of tangible capital assets and the related amortization of tangible capital assets and deferred capital contributions.

(continued)

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# Canadian Mental Health Association – Kelowna and District Branch

## Notes to the financial statements

March 31, 2021

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### 3. Summary of significant accounting policies (continued)

#### Inter-department charges

Administration fees and rents were charged by the General program to individual programs according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and funding agencies.

Administration fees and rents charged to each program in Unrestricted Operations have been eliminated in the Statement of operations.

Administration fees were charged in Unrestricted Operations to Gaming, Rosemead Apartments, and Willowbridge in Restricted Funds in the amount of \$39,500, \$12,670 and \$36,622 (2020 - \$40,750, \$23,351 and \$35,686) respectively for administrative services. Rent was charged to Gaming by the Unrestricted operations in the amount of \$9,600 (2020 - \$9,600).

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### 4. Restricted cash

	2021	2020
BC Gaming Commission	\$ 228,652	\$ 146,996
Restricted - Building Fund	<u>155,834</u>	<u>155,834</u>
	<u>\$ 384,486</u>	<u>\$ 302,830</u>

Restricted cash is made up of:

- Grants received from the BC Gaming Commission that are restricted for use towards specific programs as outlined in the grant agreement, of which \$100,000 (2020 - \$100,800) is related to the purchase of a new mobile unit for youth programs.
- A donation from a private donor that is restricted for the development and implementation of a new facility to meet the needs of the Association.

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### 5. Investments

	2021	2020
Interior Savings GIC – 2% annual interest, maturing May 9, 2021	<u>\$ 207,779</u>	<u>\$ -</u>

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# Canadian Mental Health Association – Kelowna and District Branch

## Notes to the financial statements

### March 31, 2021

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#### 6. Replacement reserve funds

Under the terms of an agreement with B.C. Housing, the Replacement Reserve Funds are to be credited in an amount determined by the budget provision per annum plus interest earned. These funds along with 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, the Credit Union Deposit Insurance Corporation, in investments guaranteed by the Canadian government or in other investment instruments as agreed upon with B.C. Housing. The funds are to be used for tangible capital asset purchases or other repairs and maintenance needs to ensure that the buildings continue to be functional over their useful lives. As of March 31, the Replacement Reserve Funds are fully funded and consist of:

	2021	2020
<b>Rosemead apartments</b>		
Savings account	\$ 16,351	\$ 44,192
Bank of Montreal GIC - matured April 2020	-	8,430
Interior Savings term investment - maturing July 2021	18,254	17,860
Interior Savings term investment - maturing March 2022	58,560	57,808
	<u>\$ 93,165</u>	<u>\$ 128,290</u>
<b>Willowbridge</b>		
Restricted cash	\$ 117,173	\$ 72,319
Bank of Montreal GIC - matured April 2020	-	30,750
Interior Savings term investment - maturing November 2021	112,552	109,800
Interior Savings term investment - maturing March 2022	33,919	33,483
Interior Savings term investment - maturing March 2022	22,912	22,618
	<u>\$ 286,556</u>	<u>\$ 268,970</u>
Total cash	133,524	116,511
Total investments	<u>246,197</u>	<u>280,749</u>
Total	<u>\$ 379,721</u>	<u>\$ 397,260</u>

During the year, the Rosemead Apartments' Replacement Reserve Fund earned interest of \$1,146 (2020 - \$1,566), and incurred expenditures of \$50,250 (2020 - \$32,890). The Willowbridge Replacement Reserve Fund earned interest of \$3,482 (2020 - \$4,237) and incurred expenditures of \$11,020 (2020 - \$6,749).

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Canadian Mental Health Association – Kelowna and District Branch  
Notes to the financial statements  
March 31, 2021

7. Tangible capital assets

			2021	2020
	Cost	Accumulated Amortization	Net book value	Net book value
Land	\$ 483,019	\$ -	\$ 483,019	\$ 483,019
Buildings	2,566,360	1,441,584	1,124,776	1,171,640
Computer equipment	239,956	137,047	102,909	62,745
Furniture and fixtures	521,079	312,751	208,328	241,173
Leasehold improvements	1,367,840	975,510	392,330	665,897
Vehicle	347,292	-	347,292	141,600
	<u>\$ 5,525,546</u>	<u>\$ 2,866,892</u>	<u>\$ 2,658,654</u>	<u>\$ 2,766,074</u>

The vehicle is not in use as at year end and therefore has not been amortized.

8. Deferred revenue

	2021	2020
Deferred revenue - General programs	\$ 978,947	\$ 316,361
Deferred revenue - Foundry	<u>1,195,893</u>	<u>194,924</u>
	<u>\$ 2,174,840</u>	<u>\$ 511,285</u>

9. Mortgage payable

	2021	2020
Peoples Trust Company loan bearing interest at 2.43% per annum, repayable in monthly blended payments of \$8,665. The loan matures on April 1, 2025 and is secured by specific property which has a carrying value of \$888,343	\$ 1,088,621	\$ 1,165,276
Amounts payable within one year	<u>(78,529)</u>	<u>(76,655)</u>
	<u>\$ 1,010,092</u>	<u>\$ 1,088,621</u>

Principal repayment terms are approximately:

2022	\$ 78,529
2023	80,449
2024	82,415
2025	84,475
Thereafter	<u>762,753</u>
	<u>\$ 1,088,621</u>

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# Canadian Mental Health Association – Kelowna and District Branch

## Notes to the financial statements

### March 31, 2021

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#### 10. Deferred capital contributions

	2021	2020
Balance, beginning of the year	\$ 1,380,000	\$ 1,725,984
Additions	97,961	7,275
Amortization	<u>(365,136)</u>	<u>(353,259)</u>
	<u>\$ 1,112,827</u>	<u>\$ 1,380,000</u>

Deferred capital contributions consist of funds received for mobile Foundry, building improvements, leasehold improvements, and equipment for the Foundry and a donation received from a private donor that is restricted for the development and implementation of a new facility to meet the needs of the Association. As at year-end, \$150,000 (2020 - \$250,800) of the total above has not yet been used to purchase tangible capital assets.

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#### 11. Commitments

##### Lease commitment

The Association has a long term lease with respect to its premises for the Foundry program. The lease term extends from March 15, 2017 to March 14, 2022. It contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at March 31, 2021 are \$169,938.

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#### 12. Financial risk and concentration of risks

The Association is exposed to interest rate risks with respect to its cash equivalents and investments. Unless otherwise noted, it is management's opinion that the Association is not exposed to significant currency, liquidity or credit risks. The maximum credit risk exposure of the Association's financial assets is the carrying value of the assets.

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#### 13. British Columbia Societies Act

The British Columbia Societies Act includes a requirement to disclose the remuneration paid to all directors, the ten highest paid employees, and all contractors who were paid at least \$75,000 annually. The Association had three (2020 - three) individuals that fall within this disclosure requirement with remuneration totalling \$362,466 (2020 - \$321,486).

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# Canadian Mental Health Association - Kelowna and District Branch

## Statement of operations

### - Homeless Outreach and Rent Subsidy *(Schedule 1)*

Year Ended March 31

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	2021	2020
Revenue		
BC Housing	\$ 317,698	\$ 327,693
Other Revenue	8,774	-
	<u>326,472</u>	<u>327,693</u>
Expenses		
Administration fee (a)	43,462	43,462
Conference and education	1,145	292
Dues and memberships	385	-
Insurance	-	1,932
Office	1,114	232
Professional fees	1,538	2,000
Program supplies and activities	16,821	8,597
Rent (a)	4,500	4,500
Rent subsidies	46,753	66,689
Repairs and maintenance	8,938	11,884
Salaries and wages	185,536	181,957
Telephone	1,441	1,940
Travel	5,985	11,379
	<u>317,618</u>	<u>334,864</u>
Excess (deficiency) of revenues over expenses	<u>\$ 8,854</u>	<u>(7,171)</u>

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(a) Administration fee and rent are charged to the program according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and BC Housing. Administration fee and rent were recorded as revenue in the General program and have been eliminated in the Statement of operations on page 4.

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# Canadian Mental Health Association - Kelowna and District Branch

## Statement of operations

### - Homeless Prevention and Rent Subsidy Youth (*Schedule 2*)

Year Ended March 31

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	<u>2021</u>	<u>2020</u>
Revenue		
BC Housing	\$ 347,360	\$ 385,323
	<u>347,360</u>	<u>385,323</u>
Expenses		
Administration fee ( <i>a</i> )	36,452	36,452
Conference and education	-	200
Insurance	2,091	3,897
Office	501	563
Program supplies and activities	6,392	5,955
Rent subsidies	160,599	200,407
Repairs and maintenance	15,688	12,537
Salaries and wages	122,130	118,206
Telephone	1,285	1,392
Travel	1,937	3,812
	<u>347,075</u>	<u>383,421</u>
Excess of revenues over expenses	<u>\$ 285</u>	<u>1,902</u>

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(a) Administration fee is charged to the program according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and BC Housing. Administration fee was recorded as revenue in the General program and have been eliminated in the Statement of operations on page 4.

# Canadian Mental Health Association - Kelowna and District Branch

## Statement of operations - Heath House

(Schedule 3)

Year Ended March 31

	2021	2020
Revenue		
BC Housing (b)	\$ 794,700	\$ 809,122
Tenant rent	175,036	168,031
Donations	-	200
Other revenue	3,011	74
	<u>972,747</u>	<u>977,427</u>
Expenses		
Administration fee (a)	56,690	55,989
Bank charges and processing fees	1	55
Conference and education	315	576
Contract fees and honorarium	27,818	16,696
Insurance	9,056	6,684
Office	9,325	3,904
Professional fees	4,500	3,998
Program supplies and activities	165,596	182,546
Repairs and maintenance	65,449	91,711
Salaries and wages	571,177	590,376
Telephone and internet	22,362	20,699
Travel	1,301	3,821
Utilities	32,006	35,502
	<u>965,596</u>	<u>1,012,557</u>
Excess (deficiency) of revenues over expenses	<u>\$ 7,151</u>	<u>(35,130)</u>
Purchase of equipment (b)	682	2,771
Excess (deficiency) of revenues over expenditures	<u>\$ 6,469</u>	<u>\$ (37,901)</u>

(a) Administration fee is charged to the program according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and BC Housing. Administration fee was recorded as revenue in the General program and have been eliminated in the Statement of operations on page 4.

(b) Equipment purchased during the year is presented on this statement for operational review purposes as requested by BC Housing. Funds received from BC Housing for the purpose of equipment purchases have been included above, but for the purposes of the financial statements, are included in deferred capital contributions.

Canadian Mental Health Association - Kelowna and District Branch

Statement of operations - Gordon Place

(Schedule 4)

Year Ended March 31

	2021	2020
Revenue		
BC Housing (b)	\$ 835,632	\$ 833,177
Tenant rent	198,622	199,312
Other revenue	38,371	29,127
	<u>1,072,625</u>	<u>1,061,616</u>
Expenses		
Administration fee (a)	56,876	55,825
Bank charges and processing fees	54	69
Conference and education	315	772
Contract fees and honorarium	25,630	23,958
Insurance	8,953	5,159
Office	14,864	6,800
Professional fees	6,500	5,100
Program supplies and activities	192,255	190,383
Property taxes	50	50
Repairs and maintenance	67,097	39,334
Salaries and wages	617,012	642,254
Telephone and internet	21,842	20,149
Travel	2,708	3,873
Utilities	43,962	48,657
	<u>1,058,118</u>	<u>1,042,383</u>
Excess of revenues over expenses	<u>\$ 14,507</u>	<u>19,233</u>
Purchase of equipment (b)	655	-
Excess of revenues over expenditures	<u>\$ 13,852</u>	<u>\$ 19,233</u>

(a) Administration fee is charged to the program according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and BC Housing. Administration fee was recorded as revenue in the General program and have been eliminated in the Statement of operations on page 4.

(b) Equipment purchased during the year is presented on this statement for operational review purposes as requested by BC Housing. Funds received from BC Housing for the purpose of equipment purchases have been included above, but for the purposes of the financial statements, are included in deferred capital contributions.

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# Canadian Mental Health Association - Kelowna and District Branch

## Statement of operations

### - Homeless Outreach and Rent Subsidy Scattered Sites *(Schedule 5)*

Year Ended March 31

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	2021	2020
Revenue		
BC Housing	\$ 192,384	\$ 185,000
Donations	900	-
Other revenue	386	-
	<u>193,670</u>	<u>185,000</u>
Expenses		
Administration fee <i>(a)</i>	15,127	13,970
Bank charges and processing fees	-	14
Insurance	1,288	1,932
Office	125	488
Program supplies and activities	5,699	7,925
Rent subsidies	106,981	98,472
Repairs and maintenance	15,146	10,719
Salaries and wages	46,589	42,748
Telephone	612	682
Travel	3,623	2,898
	<u>195,190</u>	<u>179,848</u>
(Deficiency) excess of revenues over expenses	<u>\$ (1,520)</u>	<u>5,152</u>

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(a) Administration fee is charged to the program according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and BC Housing. Administration fee was recorded as revenue in the General program and have been eliminated in the Statement of operations on page 4.

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Canadian Mental Health Association - Kelowna and District Branch  
Statement of operations - Ellis Place  
*(Schedule 6)*  
Year Ended March 31

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	<u>2021</u>
Revenue	
BC Housing <i>(b)</i>	\$ 485,919
Tenant rent	70,125
	<u>556,044</u>
Expenses	
Administration fee <i>(a)</i>	23,950
Insurance	11,328
Office	7,637
Program supplies and activities	111,514
Repairs and maintenance	35,653
Salaries and wages	309,879
Telephone and internet	11,256
Travel	684
Utilities	12,908
	<u>524,809</u>
Excess of revenues over expenses	<u>\$ 31,235</u>
Purchase of equipment <i>(b)</i>	30,768
Excess of revenues over expenditures	<u>\$ 467</u>

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(a) Administration fee is charged to the program according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and BC Housing. Administration fee was recorded as revenue in the General program and have been eliminated in the Statement of operations on page 4.

(b) Equipment purchased during the year is presented on this statement for operational review purposes as requested by BC Housing. Funds received from BC Housing for the purpose of equipment purchases have been included above, but for the purposes of the financial statements, are included in deferred capital contributions.

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Canadian Mental Health Association - Kelowna and District Branch  
Statement of operations - McCurdy Place  
*(Schedule 7)*  
Year Ended March 31

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	<u>2021</u>
Revenue	
BC Housing <i>(b)</i>	\$ 263,744
	<u>263,744</u>
Expenses	
Administration fee <i>(a)</i>	10,010
Dues and memberships	7,799
Office	3,838
Program supplies and activities	50,550
Repairs and maintenance	35,442
Salaries and wages	74,949
Security	20,944
Telephone and internet	3,162
Travel	235
Utilities	3,970
	<u>210,899</u>
Excess of revenues over expenses	<u>\$ 52,845</u>
Purchase of equipment <i>(b)</i>	53,933
Excess of revenues over expenditures	<u>\$ (1,088)</u>

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(a) Administration fee is charged to the program according to the annual operating budget as approved by management and the Board of Directors, and as agreed between the Association and BC Housing. Administration fee was recorded as revenue in the General program and have been eliminated in the Statement of operations on page 4.

(b) Equipment purchased during the year is presented on this statement for operational review purposes as requested by BC Housing. Funds received from BC Housing for the purpose of equipment purchases have been included above, but for the purposes of the financial statements, are included in deferred capital contributions.