

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Financial Statements

Year Ended March 31, 2019

**Island Community Mental Health Association
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Year ended March 31, 2019**

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Independent auditor's report

To the Members of Island Community Mental Health Association

Opinion

We have audited the financial statements of Island Community Mental Health Association ("the Association"), which comprise the statement of financial position as at March 31, 2019, 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 Island Community Mental Health Association as at March 31, 2019, and its results of its 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 Foundation 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.

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, the accounting principles in the Canadian accounting standards for not-for-profit organizations have been applied on a consistent basis.

Victoria, Canada
June 26, 2019

Grant Thornton LLP

Chartered Professional Accountants

Island Community Mental Health Association
Statement of Financial Position
As at March 31, 2019

	<u>Operating Fund</u>	<u>Replacement Reserve Fund</u>	<u>Capital Fund</u>	<u>Restricted Fund</u>	<u>Total 2019</u>	<u>Total 2018</u>
Assets						
Current:						
Cash and cash equivalents (Note 3)	80,498	-	-	-	80,498	195,814
Portfolio investments	199,051	386,725	-	109,275	695,051	860,933
Receivables	93,438	-	-	-	93,438	143,349
Goods and service tax receivable	25,838	-	-	-	25,838	15,766
Prepays	-	-	-	-	-	55,878
	<u>398,825</u>	<u>386,725</u>	<u>-</u>	<u>109,275</u>	<u>894,825</u>	<u>1,271,740</u>
Tangible capital assets (Note 4)	-	-	9,854,073	-	9,854,073	9,825,338
	<u>398,825</u>	<u>386,725</u>	<u>9,854,073</u>	<u>109,275</u>	<u>10,748,898</u>	<u>11,097,078</u>
Liabilities						
Current:						
Payables and accruals (Note 3)	423,943	-	-	-	423,943	429,019
Deferred contributions	186,625	-	-	-	186,625	141,660
Current portion of long term debt (Note 5)	-	-	3,859,026	-	3,859,026	4,360,694
	<u>610,568</u>	<u>-</u>	<u>3,859,026</u>	<u>-</u>	<u>4,469,594</u>	<u>4,931,373</u>
Promissory note (Note 6)	-	-	411,005	-	411,005	51,206
Long term debt (Note 5)	-	-	2,682,283	-	2,682,283	2,539,634
	<u>610,568</u>	<u>-</u>	<u>6,952,314</u>	<u>-</u>	<u>7,562,882</u>	<u>2,590,840</u>
Fund Balances						
Invested in tangible capital assets	-	-	2,901,759	-	2,901,759	2,925,010
Internally restricted	-	-	-	41,206	41,206	239,335
Externally restricted	32,053	-	-	68,069	100,122	91,811
Replacement reserve	-	386,725	-	-	386,725	400,752
Unrestricted	(243,796)	-	-	-	(243,796)	(82,043)
	<u>(211,743)</u>	<u>386,725</u>	<u>2,901,759</u>	<u>109,275</u>	<u>3,186,016</u>	<u>3,574,865</u>
	<u>398,825</u>	<u>386,725</u>	<u>9,854,073</u>	<u>109,275</u>	<u>10,748,898</u>	<u>11,097,078</u>

Commitments and contingencies (Note 12, 13)

Approved on behalf of the Board:

See accompanying notes to the financial statements.

 DIRECTOR

 DIRECTOR

Island Community Mental Health Association
Statement of Operations and Changes in Fund Balances
Year Ended March 31, 2019

	<u>Operating Fund</u>	<u>Replacement Reserve Fund</u>	<u>Capital Fund</u>	<u>Restricted Fund</u> (Schedule 4)	<u>Total 2019</u>	<u>Total 2018</u>
Revenue						
Community (Schedule 1)	4,456,474	-	-	-	4,456,474	4,687,906
Housing (Schedule 2)	1,958,756	-	-	-	1,958,756	1,890,347
Special Projects (Schedule 3)	15,694	-	-	-	15,694	74,243
Other	-	17,635	-	1,547	19,182	26,409
	<u>6,430,924</u>	<u>17,635</u>	<u>-</u>	<u>1,547</u>	<u>6,450,106</u>	<u>6,678,905</u>
Expenses						
Community (Schedule 1)	4,489,155	-	-	-	4,489,155	4,526,044
Housing (Schedule 2)	1,669,680	-	-	-	1,669,680	1,500,434
Amortization	-	-	468,452	-	468,452	472,761
Special Projects (Schedule 3)	15,694	-	-	-	15,694	74,238
Other	-	84,311	-	111,663	195,974	254,939
	<u>6,174,529</u>	<u>84,311</u>	<u>468,452</u>	<u>111,663</u>	<u>6,838,955</u>	<u>6,828,415</u>
Excess (deficiency) of revenue over expenses from operations	256,395	(66,676)	(468,452)	(110,116)	(388,849)	(149,511)
Fund balances, beginning of year	(59,325)	400,752	2,925,010	308,428	3,574,865	3,724,376
Interfund transfers:						
Net Principal payments	(359,018)	-	359,018	-	-	-
Net Funding transfers	(49,795)	52,649	86,183	(89,037)	-	-
	<u>(408,813)</u>	<u>52,649</u>	<u>445,201</u>	<u>(89,037)</u>	<u>-</u>	<u>-</u>
Fund balances, end of year	<u>(211,743)</u>	<u>386,725</u>	<u>2,901,759</u>	<u>109,275</u>	<u>3,186,016</u>	<u>3,574,865</u>

See accompanying notes to the financial statements.

Island Community Mental Health Association
Statement of Cash Flows
Year Ended March 31, 2019

	<u>2019</u>	<u>2018</u>
Increase (decrease) in cash and cash equivalents		
Operating		
Deficiency of revenue over expenses	(388,849)	(149,511)
Gain on sale of assets	-	(8,500)
Amortization of tangible capital assets	468,452	472,761
	<u>79,603</u>	314,750
Change in non-cash operating working capital (Note 6)	<u>135,606</u>	<u>(378,277)</u>
Cash flow from (used by) operating activities	<u>215,209</u>	<u>(63,527)</u>
Financing		
Proceeds from promissory note to BCHMC	359,799	-
Repayment of long term debt	<u>(359,018)</u>	<u>(365,127)</u>
Cash flow used by financing activities	<u>781</u>	<u>(365,127)</u>
Investing		
Redemption (purchase) of portfolio investments	165,879	226,116
Proceeds from sale of tangible capital asset	-	8,500
Purchase of tangible capital assets	<u>(497,186)</u>	<u>(58,975)</u>
Cash flow from (used by) investing activities	<u>(331,307)</u>	<u>175,641</u>
Net decrease in cash and cash equivalents	(115,317)	(253,013)
Cash and cash equivalents, beginning of year	<u>195,814</u>	<u>448,827</u>
Cash and cash equivalents, end of year	<u>80,498</u>	<u>195,814</u>

Cash Flows Supplementary Information:

Interest received	7,083	7,445
Interest paid	248,594	257,225

See accompanying notes to the financial statements.

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

1. PURPOSE OF THE ASSOCIATION

Island Community Mental Health Association (the "Association") operates housing programs and psycho-social rehabilitation services for persons with mental illness and substance use issues. The Association is incorporated under the Society Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

The Association is dependent on the Vancouver Island Health Authority and British Columbia Housing Management Commission ("BC Housing") to provide sufficient funding to continue day-to-day operations.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

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

Fund accounting

The Association follows the restricted fund method of accounting for contributions. The Association records its activities in the following funds:

The Operating Fund accounts for the Association's community and housing programs. This fund reports unrestricted contributions and restricted operating grants.

The Replacement Reserve Fund has been established in accordance with the provisions of agreements with the BC Housing and Canada Mortgage and Housing Corporation ("CMHC") to pay for the long-term maintenance of the buildings. Annually, investment income earned on such funds and specific contributions received are recorded as revenue, and maintenance costs incurred as expenses of the funds.

The Capital Fund reports the assets and liabilities related to the Association's tangible capital assets.

Restricted Fund includes a number of special purpose funds which account for individually significant contributions received for which the donor and/or the Association have specified certain uses.

Revenue recognition

Restricted contributions related to general operations are recognized as revenue of the Operating Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate restricted fund.

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

Operating grant revenue is recognized in the period for which the grant is awarded. Accordingly, operating grant contributions awarded for periods subsequent to the current year are deferred to the next fiscal year.

Investment income is recognized as earned and is allocated to operating funds, replacement reserve funds and restricted funds.

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Government grants

Government grants are recorded when there is a reasonable assurance that the Association has complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Donations-in-kind

The Association records donated materials, services and facilities in those cases where:

the Association controls the way they are used;

there is a measurable basis for arriving at fair value; and

the services are essential services, which would normally be purchased and paid for if not donated.

Because of the difficulty of compiling and valuing volunteer hours, contributed services, where a fair market value has not been established, are not recognized in the financial statements.

Cash and cash equivalents

Cash and cash equivalents consist primarily of cash on hand and balances held with financial institutions.

Capital assets

Tangible capital assets are accounted for at cost or deemed cost less accumulated amortization. Contributed tangible capital assets are recorded at their fair values as at the date of contribution.

Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following rates:

Buildings	20 - 50 years	straight-line method
Furniture and fixtures	10 years	straight-line method
Leasehold improvements	10 years	straight-line method
Prepaid land leases	Over the term of the lease	straight-line method
Vehicles	3 - 5 years	straight-line method

The Association regularly reviews its tangible capital assets to eliminate obsolete items. Government grants are treated as a reduction in costs of tangible capital assets.

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

Impairment of long lived assets

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

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Portfolio investments

Portfolio investments, which are comprised of bonds and fixed income securities, are carried at fair market value.

Financial instruments policy

Financial instruments are recorded at fair value on initial recognition. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income in the period incurred. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations 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 earnings in the period in which they become known. Actual results could differ from these estimates. The Association's material estimates include the economic useful life of tangible capital assets, collectability of receivables, and accrual of liabilities.

3. FUNDS HELD IN TRUST

The Association receives funds from the residents of McCauley Lodge and holds these funds in trust to be used to pay the rent for these residents. As of March 31, 2019, the Association held the following amounts in trust, with an offsetting liability in accounts payable:

	<u>2019</u>	<u>2018</u>
Funds held in trust	\$ 12,117	\$ 10,267
Liability for funds held in trust	<u>(12,117)</u>	<u>(10,267)</u>
	<u>\$ -</u>	<u>\$ -</u>

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

4. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Buildings	\$ 11,987,599	\$ 4,706,224	\$ 7,281,375	\$ 7,568,224
Building development costs	452,463	-	452,463	92,838
Computer software	4,296	4,296	-	-
Furniture and fixtures	318,733	211,884	106,849	135,594
Land	1,637,237	-	1,637,237	1,637,237
Leasehold improvements	75,404	75,404	-	1,960
Prepaid land leases	552,747	178,097	374,650	384,566
Vehicles	19,609	18,110	1,499	4,921
	<u>\$ 15,048,088</u>	<u>\$ 5,194,015</u>	<u>\$ 9,854,073</u>	<u>\$ 9,825,430</u>

The following costs included in land leases \$552,747 (2018 - \$552,747) and buildings \$4,134,834 (2018 - \$4,134,834) relates to the Darwin, Meerstille and Edith Gunning properties that are held under mortgage. Once repaid, ownership of the land and building for these properties will revert back to BC Housing. These buildings are constructed on lands which are leased to the Association for terms ranging in expiration from 2037 to 2061. Management is of the opinion that BC Housing will not enforce this clause of the agreement once the mortgages have been fully repaid.

5. LONG TERM DEBT

	2019	2018
Newbridge property, Bank of Montreal loan bearing interest at 3.15% per annum, repayable in monthly blended payments of \$5,509. The loan matures on August 1, 2019 and is secured by Newbridge Apartment's land and building at 843 Nigel Avenue.	\$ 25,631	\$ 90,219
Greenridge property, TD Canada Trust loan bearing interest at 4.34% per annum, repayable in monthly blended payments of \$7,019. The loan matures on May 25, 2023 and is secured by land and buildings at 970 and 972 Greenridge Crescent and a portion of lease interest and building at 125 Skinner Street.	799,001	847,401
Meerstille property, British Columbia Housing Management Commission loan bearing interest at 2.61% per annum, repayable in monthly blended payments of \$4,141. The loan matures on December 1, 2023 and is secured by lease interest and building at 3250 Alder Street.	223,226	264,956

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

E. Gunning property, MCAP loan bearing interest at 2.20% per annum, repayable in monthly blended payments of \$13,926. The loan matures on October 1, 2026 and is secured by lease interest and building at 125 Wilson Street.	2,437,011	2,549,423
Darwin property, British Columbia Housing Management Commission loan bearing interest at 10.00% per annum, repayable in monthly blended payments of \$895. The loan matures on February 1, 2028 and is secured by lease interest and building at 801 Darwin Avenue.	80,379	84,167
McCauley property, TD Canada Trust loan bearing interest at 4.75% per annum, repayable in monthly blended payments of \$19,159. The loan matures on May 29, 2039 and is secured by Land and buildings at 1037 and 1039 Lyall Street.	2,976,061	3,064,162
	6,541,309	6,900,328
Amounts payable within one year	(3,859,026)	(4,360,694)
	\$ 2,682,283	\$ 2,539,634

As part of its credit facility with TD Canada Trust, the Association is subject to a financial covenant requiring a Debt Service Coverage ratio of not less than 1.00 to be maintained at all times for McCauley and Greenridge mortgages. As at March 31, 2019 the Association's Debt Service Coverage ratio is in technical default and the outstanding balances of McCauley and Greenridge mortgages have been classified as current as a result. The bank has not indicated its intention to call the loans.

6. PROMISSORY NOTE

Nigel Valley project costs are considered to be long term promissory notes payable to British Columbia Housing Management Commission (BCHMC). On completion of project, the amounts will be repaid in full from the proceeds of the initial mortgage loan advance. If, for any reason, the project does not proceed to a loan commitment, unexpended portion of the loan is to be immediately returned to BCHMC. The promissory notes are non-interest bearing.

7. CHANGES IN NON-CASH WORKING CAPITAL

	<u>2019</u>	<u>2018</u>
Receivables	\$ 49,911	\$ (90,514)
GST receivable	(10,072)	(2,134)
Prepaid expenses	55,878	(49,653)
Accounts payable and accrued liabilities	(56,282)	74,481
Deferred contributions	44,965	(310,457)
	\$ 84,400	\$(378,277)

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

8. LINE OF CREDIT

TD Canada Trust has made available to the Association an operating loan with a credit limit of \$100,000, bearing interest at TD Canada Trust prime rate. This operating loan is secured by land and building. At year end, no funds had been drawn on this operating loan.

9. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Association's risk exposure and concentration as of March 31, 2019.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Association is exposed to credit risk from tenants. In order to reduce its credit risk, the Association reviews a new tenant's credit history before extending credit and conducts regular reviews of its existing tenants' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Association has a significant number of tenants which minimizes concentration of credit risk.

Currency risk

Currency risk is the risk to the Association's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Association does not perform significant transactions in foreign currencies and is not exposed to significant currency risk.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Interest rate risk arises primarily from the Association's investment in interest bearing financial instruments. The value of fixed income securities will generally rise when interest rates fall and decrease when interest rates rise. Changes in interest rates may also affect the value of any equity securities. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The Association is exposed to this risk mainly in respect of its receipt of funds from its tenants and other related sources, long term debt, and payables and accruals.

10. REMUNERATION

On November 28, 2017 the new British Columbia Societies Act came into effect. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually.

During the year, the Association paid a total of \$431,732 in remuneration to five persons who are employees, whose remuneration, during the applicable period, was at least \$75,000.

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

11. EMPLOYEE BENEFITS

The Association and certain of its employees contribute to the Municipal Pension Plan in accordance with the Public Sector Pension Plans Act. The British Columbia Pension Corporation administers the Plan, including the payment of pension benefits on behalf of employers and employees to whom the Act applies.

The Plan is a multi-employer defined benefit plan. Defined contribution accounting has been applied to the plan as the Association has insufficient information to apply defined benefit plan accounting. Accordingly, the Association's contributions are expensed in the year in which the services are rendered and represent its total pension obligation. Under joint trusteeship, which became effective April 5, 2001 for the Municipal Pension Plan, the risks and rewards associated with the Plan's unfunded liability or funding surplus are shared between the employers and the Plans' members and may be reflected in their future contributions. Portions of the unfunded liability or funding surplus are not attributed to individual employers. The most recent valuation as at December 31, 2015 indicated a surplus for basic pension benefits of 1.927 billion. The next valuation will be as at December 31, 2018 with results not yet available as at audit report date. The actuary does not attribute portions of the unfunded liability to individual employers. The Association paid \$203,948 (2018 - \$211,940) for employer contributions to the plan in the fiscal year.

12. COMMITMENTS

The Association is committed under operating leases for office equipment. Future minimum lease payments for the remaining terms of these operating leases are as follows:

Contractual obligation repayment schedule:

2020	\$	5,808
2021		5,198
2022		<u>2,425</u>
	\$	<u>13,431</u>

13. CONTINGENT LIABILITY

Non-Rent-Geared-to-Income (non-RGI) assistance received from the British Columbia Housing Management Commission ("BCHMC") is contingently repayable to BCHMC in the event that the total non-RGI tenant rent contribution in any year exceeds the economic rent of the suites occupied by non-RGI tenants. The Association is required to commence repayment of the cumulative non-RGI assistance on the first day of the year of the fiscal year following the fiscal year in which the preceding event occurs. The balance then bears interest at bank prime and the required monthly payments are set annually, based upon the amount by which non-RGI tenant rent contribution exceeds economic rent for these suites in the prior year.

The non-RGI assistance that could become repayable in the future in the circumstances described above totaled \$551,863 as at March 31, 2019 (2018: \$542,801). The balance will be updated by BCHMC once it receives the audited financial statements.

14. ENDOWMENT FUNDS HELD WITH THIRD PARTIES

Not included in the financial statements are investments held in endowment with the Victoria Foundation. The market value at March 31, 2019 is \$24,321 (2018: \$19,771).

ISLAND COMMUNITY MENTAL HEALTH ASSOCIATION

Notes to Financial Statements

Year Ended March 31, 2019

15. COMPARATIVE INFORMATION

Comparative figures have been adjusted to conform to changes in the current year presentation.

Island Community Mental Health Association
Schedule of Community Programs
Year Ended March 31, 2019

Schedule 1

	Administration	Bridge Centre	Senior Support Network	Greenridge	GROW	Housing and Rehabilitation	McCauley Lodge	NetWorks	Total 2019	Total 2018
Income										
VIHA Contracts	-	135,230	70,395	862,801	423,557	271,331	1,696,916	413,165	3,873,395	4,103,504
Min of Employment & Inc Assist	-	-	-	171,032	-	-	73,695	-	244,727	253,491
Donations	9,643	-	-	-	-	135	70	-	9,848	3,865
Interest	3,897	-	-	-	-	-	-	-	3,897	2,703
Gift Shop Revenue	-	-	-	-	-	-	-	-	-	450
Legacies & Bequests	18,217	-	-	-	-	-	-	-	18,217	-
Miscellaneous	50,953	-	-	-	-	-	1,776	-	52,729	35,781
Program Fees	-	-	725	-	-	-	-	-	725	16,273
Rent from Residents	-	-	-	-	-	-	248,556	-	248,556	264,458
Rental of Building	-	-	-	-	-	-	-	-	-	500
Rental of Van	-	-	-	-	-	-	-	-	-	2,500
Utilities Recovery	-	-	-	-	-	-	4,380	-	4,380	4,380
	82,710	135,230	71,120	1,033,833	423,557	271,466	2,025,393	413,165	4,456,474	4,687,905
Expenses										
Salaries & Benefits	500,212	85,564	32,248	719,235	283,687	208,650	1,322,878	315,728	3,468,202	3,468,369
Staff Travel / Mileage	982	121	69	683	498	6,269	2,093	6,997	17,712	24,380
Staff Education	7,268	35	3,000	1,659	5,749	1,272	3,362	6,218	28,563	30,894
Bank Fees	6,448	6	-	78	-	-	83	-	6,615	6,991
Conference Expense	3,326	-	-	-	-	-	-	-	3,326	-
Equipment Rent	2,651	685	685	573	2,690	1,592	1,771	1,713	12,360	13,401
Gift Shop Expenses	-	-	-	-	-	-	-	-	-	450
Insurance	3,440	727	421	5,082	1,741	695	10,921	1,002	24,029	26,006
Janitorial	8,705	4,953	3,302	6,454	8,624	6,604	33,441	8,255	80,338	77,827
Office & Miscellaneous	25,941	1,052	701	5,470	3,108	1,994	9,145	3,184	50,595	57,909
Professional Expenses	18,920	2,100	2,100	35,923	4,392	5,045	39,936	8,405	116,821	134,582
Program Expenses	10,046	9,208	5,780	56,132	11,148	3,311	117,761	3,994	217,380	234,240
Rent - Residents	-	-	-	-	-	-	-	-	-	1,475
Repairs and Maintenance	11,966	1,868	1,326	29,327	8,937	1,712	54,140	2,648	111,924	90,671
Telephone/Fax/Cable/Internet	12,759	2,409	3,452	8,673	4,045	3,828	16,910	7,720	59,796	58,707
Van Expenses	-	-	-	3,899	-	-	2,664	-	6,563	14,324
Audit Fees	450	400	150	1,200	2,400	1,200	1,500	1,400	8,700	8,850
Garbage Removal	209	911	911	2,808	2,734	182	6,881	365	15,001	18,142
Mortgage Interest	-	-	-	35,831	-	-	140,643	-	176,474	181,870
Property Taxes	149	-	-	-	-	-	17,747	-	17,896	149
Utilities Expenses	7,115	1,424	949	19,175	8,291	265	28,052	1,589	66,860	76,807
Total Expense	620,587	111,463	55,094	932,202	348,044	242,619	1,809,928	369,218	4,489,155	4,526,044
Excess (deficiency) of revenue over expenses	(537,877)	23,767	16,026	101,631	75,513	28,847	215,465	43,947	(32,681)	161,862
Administration Fees	472,101	(12,552)	(6,837)	(105,390)	(37,750)	(25,000)	(180,684)	(39,838)	64,050	60,688
Rental Of Premises	66,844	(11,424)	(7,616)	-	(36,533)	(4,675)	-	(4,896)	1,700	6,000
Mortgage Principal	-	-	-	(48,399)	-	-	(88,101)	-	(136,500)	(145,517)
Transfers To Replacement Reserves	-	-	-	(1,333)	-	-	(8,250)	-	(9,583)	(97,250)
Net surplus (deficit) from operations	1,068	(209)	1,573	(53,491)	1,230	(828)	(61,570)	(787)	(113,014)	(14,217)

Island Community Mental Health Association
Schedule of Housing Programs
Year Ended March 31, 2019

Schedule 2

	Darwin Apartments	E Gunning Court	Housing Administration	Meerstile Apartments	Newbridge Apartments	Satellite Apartments (Schedule 5)	Total 2019	Total 2018
Revenue								
BC Housing	98,696	69,023	-	65,064	101,536	539,577	873,896	830,539
Laundry Income	2,162	5,362	-	-	-	-	7,524	8,667
Miscellaneous	-	-	864	-	-	-	864	877
Parking Income	1,735	3,240	-	-	205	-	5,180	5,180
Rent from Residents	206,920	339,465	-	88,091	70,202	342,160	1,046,838	1,007,620
Utilities Recovery	15,132	-	-	7,890	6,300	-	29,322	29,857
	324,645	417,090	864	161,045	178,243	881,737	1,963,624	1,882,740
Expenses								
Salaries & Benefits	51,471	51,563	94,455	31,786	31,213	-	260,488	147,336
Staff Travel / Mileage	-	-	3,320	-	-	-	3,320	5,722
Staff Education	-	-	3,492	-	-	-	3,492	984
Bank Fees	-	-	192	-	-	-	192	118
Insurance	10,377	11,775	-	4,975	5,514	-	32,641	26,815
Janitorial	167	1,490	-	1,231	165	-	3,053	206
Office & Miscellaneous	-	3,791	1,369	-	-	864	6,024	4,362
Professional Expenses	-	458	11,618	386	697	-	13,159	7,791
Program Expenses	-	-	899	-	-	-	899	-
Rent - Residents	-	-	-	-	-	870,673	870,673	841,835
Repairs & Maintenance	23,473	45,738	3,422	15,528	18,571	-	106,732	84,001
Telephone/Fax/Cable/Internet	14,408	1,612	2,673	4,495	3,813	-	27,001	22,516
Audit Fees	750	3,780	300	2,076	2,090	1,147	10,143	10,160
Garbage Removal	6,595	7,986	-	3,833	4,667	-	23,081	21,699
Land Lease	61,380	-	-	-	-	-	61,380	61,380
Mortgage Interest	6,947	54,705	-	8,948	1,519	-	72,119	75,356
Property Taxes	8,000	10,278	-	-	-	-	18,278	35,984
Utilities Expenses	57,765	33,899	-	33,741	31,600	-	157,005	154,170
	241,333	227,075	121,740	106,999	99,849	872,684	1,669,680	1,500,434
Excess (deficiency) of revenue over expenses	83,312	190,015	(120,876)	54,046	78,394	9,053	293,944	382,306
Administration Fees	(62,606)	(45,911)	116,831	(29,216)	(25,043)	(18,105)	(64,050)	(60,688)
Rental of Premises	-	-	(1,700)	-	-	-	(1,700)	(6,000)
Mortgage Principal	(3,788)	(112,412)	-	(41,730)	(64,588)	-	(222,518)	(219,610)
Transfers To Replacement Reserves	(23,435)	(15,840)	-	(3,654)	(9,720)	-	(52,649)	(52,649)
Net surplus from operations	(6,517)	15,852	(5,745)	(20,554)	(20,957)	(9,052)	(46,973)	43,358
Net BC Housing Prior Year Adjustments	-	-	-	-	-	(4,868)	(4,868)	7,607
Net surplus	(6,517)	15,852	(5,745)	(20,554)	(20,957)	(13,920)	(51,841)	50,965

Island Community Mental Health Association**Schedule of Special Projects****Year Ended March 31, 2019**Schedule 3

	PSR Collaboration Project	PEERS	Total 2019	Total 2018
Revenue				
Victoria Foundation	14,814	880	15,694	14,244
Miscellaneous Grants	-	-	-	59,999
	<u>14,814</u>	<u>880</u>	<u>15,694</u>	<u>74,243</u>
Expenses				
Salaries & Benefits	1,067	880	1,947	61,205
Staff Travel / Mileage	-	-	-	1,103
Staff Education	-	-	-	1,900
Office & Miscellaneous	119	-	119	60
Professional Expenses	13,628	-	13,628	8,620
Program Expenses	-	-	-	1,350
	<u>14,814</u>	<u>880</u>	<u>15,694</u>	<u>74,238</u>
Excess (deficiency) of revenue over expenses	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>

Island Community Mental Health Association
 Schedule of Restricted Funds
 Year Ended March 31, 2019

Schedule 4

	Internally Restricted						Externally Restricted						Total 2019	Total 2018
	Elmes Fund	E Gunning Fund	Thomas Fund	Building Fund	Greenridge Reserve	McCauley Reserve	Dumka Fund	Per Ardua Fund	Christmas Fund	Robertson Fund	Huston Fund	Langtry Fund		
Revenue														
Donations	-	-	-	97	-	-	1,200	-	250	-	-	-	1,547	17,909
Other income	-	-	-	-	-	-	-	-	-	-	-	-	-	8,500
	-	-	-	97	-	-	1,200	-	250	-	-	-	1,547	26,409
Expenses														
Client bursary	-	-	-	-	-	-	1,700	-	-	-	-	-	1,700	2,259
Staff Education	-	-	1,157	-	-	-	-	-	-	591	-	-	1,748	-
Repairs and maintenance	-	-	7,840	56,531	4,419	38,866	-	-	-	-	-	-	107,656	102,464
Miscellaneous	-	-	376	-	-	-	-	-	-	183	-	-	559	623
	-	-	9,373	56,531	4,419	38,866	1,700	-	-	774	-	-	111,663	105,346
Excess (deficiency) of revenues over expenses	-	-	(9,373)	(56,434)	(4,419)	(38,866)	(500)	-	250	(774)	-	-	(110,116)	(78,937)
Fund Balances, Beginning	98,620	2,245	41,042	60,271	3,086	34,071	21,700	128	1,216	14,098	5,125	26,826	308,428	290,115
Transfers in (out)	(98,620)	-	-	-	1,333	8,250	-	-	-	-	-	-	(89,037)	97,250
Fund Balances, ending	-	2,245	31,669	3,837	-	3,455	21,200	128	1,466	13,324	5,125	26,826	109,275	308,428

Island Community Mental Health Association
 Schedule of Operating Fund, Satellite Apartments
 Year Ended March 31, 2019

Schedule 5

<u>BCHMC Project No.</u>	<u>BCHMC Subsidies</u>	<u>Residents Contributions</u>	<u>Rent Expense</u>	<u>Administrative Fees</u>	<u>Audit Fees and Other</u>	<u>Net Revenue (Expenditure)</u>
13002	\$ 7,520	\$ 3,576	\$ 10,724	\$ 285	\$ 91	\$ (4)
13003	3,330	1,788	4,956	190	61	\$ (89)
13004	7,176	5,904	10,652	285	91	\$ 2,052
13007	6,714	3,840	10,230	285	91	\$ (52)
13008	27,763	13,894	40,526	1,135	352	\$ (356)
13009	35,901	27,142	60,464	1,700	531	\$ 347
13010	28,461	21,693	50,443	1,420	442	\$ (2,151)
13011	29,860	14,772	43,403	1,285	354	\$ (410)
13012	141,002	84,505	222,855	3,960	-	\$ (1,309)
13014	112,677	83,371	197,220	3,600	-	\$ (4,772)
13015	61,969	41,871	103,208	1,800	-	\$ (1,169)
13016	28,465	16,120	43,488	720	-	\$ 377
13095	48,740	23,685	72,503	1,440	-	\$ (1,518)
	<u>539,577</u>	<u>342,160</u>	<u>870,673</u>	<u>18,105</u>	<u>2,012</u>	<u>(9,053)</u>