



Financial Statements

Island Community Mental Health Association

March 31, 2022

# Contents

	<b>Page</b>
Independent Auditors' Report	1-2
Statement of Financial Position	3
Statement of Operations and Changes in Fund Balances	4
Statement of Cash Flows	5
Notes to Financial Statements	6-15
Schedule 1 – Community Programs	16
Schedule 2 – Housing Programs	17
Schedule 3 – Special Projects	18
Schedule 4 – Restricted Funds	19
Schedule 5 – Operating Fund, Satellite Apartments	20

# Independent Auditors' Report

---

**Grant Thornton LLP**  
Suite 650  
1675 Douglas Street  
Victoria, BC  
V8W 2G5

T +1 250 383 4191  
F +1 250 381 4623

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, 2022, 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, 2022, 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.

## 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 27, 2022



Chartered Professional Accountants

**Island Community Mental Health Association**  
**Statement of Financial Position**  
**As at March 31, 2022**

	Operating Fund	Replacement Reserve Fund	Capital Fund	Restricted Fund	Total 2022	Total 2021
<b>Assets</b>						
Current:						
Cash and cash equivalents (Note 3)	656,501	-	-	284,968	941,469	868,051
Portfolio investments	-	321,916	-	92,443	414,359	413,615
Receivables	210,472	-	-	-	210,472	234,313
Goods and service tax receivable	19,262	-	-	-	19,262	29,880
Prepays	-	-	-	-	-	7,303
	<u>886,235</u>	<u>321,916</u>	<u>-</u>	<u>377,412</u>	<u>1,585,562</u>	<u>1,553,162</u>
Tangible capital assets (Note 4)	<u>-</u>	<u>-</u>	<u>8,961,940</u>	<u>-</u>	<u>8,961,940</u>	<u>9,340,092</u>
	<u><u>886,235</u></u>	<u><u>321,916</u></u>	<u><u>8,961,940</u></u>	<u><u>377,412</u></u>	<u><u>10,547,502</u></u>	<u><u>10,893,254</u></u>
<b>Liabilities</b>						
Current:						
Payables and accruals (Note 3)	435,200	-	-	-	435,200	408,817
Deferred contributions	684,273	-	-	-	684,273	594,454
Current portion of long term debt and demand loan (Note 5)	-	-	301,128	-	301,128	291,200
	<u>1,119,473</u>	<u>-</u>	<u>301,128</u>	<u>-</u>	<u>1,420,601</u>	<u>1,294,471</u>
Promissory notes (Note 6)	-	-	711,708	-	711,708	611,307
Long term debt (Note 5)	-	-	5,606,367	-	5,606,367	5,924,648
	<u>1,119,473</u>	<u>-</u>	<u>6,619,203</u>	<u>-</u>	<u>7,738,676</u>	<u>7,830,426</u>
<b>Fund Balances</b>						
Invested in tangible capital assets	-	-	2,342,737	-	2,342,737	2,512,937
Internally restricted	-	-	-	285,487	285,487	262,456
Externally restricted	148,204	-	-	91,924	240,128	98,018
Replacement reserve	-	321,916	-	-	321,916	331,747
Unrestricted	(381,442)	-	-	-	(381,442)	(142,330)
	<u>(233,238)</u>	<u>321,916</u>	<u>2,342,737</u>	<u>377,412</u>	<u>2,808,825</u>	<u>3,062,828</u>
	<u><u>886,235</u></u>	<u><u>321,916</u></u>	<u><u>8,961,940</u></u>	<u><u>377,412</u></u>	<u><u>10,547,502</u></u>	<u><u>10,893,254</u></u>

Commitments and contingencies (Note 11, 12)

Approved on behalf of the Board:

 DIRECTOR

 DIRECTOR

See accompanying notes to the financial statements.

2  
**Island Community Mental Health Association**  
**Statement of Operations and Changes in Fund Balances**  
**Year Ended March 31, 2022**

	<u>Operating Fund</u>	<u>Replacement Reserve Fund</u>	<u>Capital Fund</u>	<u>Restricted Fund</u> (Schedule 4)	<u>Total 2022</u>	<u>Total 2021</u>
<b>Revenue</b>						
Community (Schedule 1)	5,115,298	-	-	-	<b>5,115,298</b>	5,093,439
Housing (Schedule 2)	1,846,906	-	-	-	<b>1,846,906</b>	1,942,015
Special Projects (Schedule 3)	109,857	-	-	-	<b>109,857</b>	99,212
Other	-	-	-	53,296	<b>53,296</b>	5,368
	<u>7,072,061</u>	<u>-</u>	<u>-</u>	<u>53,296</u>	<u><b>7,125,357</b></u>	<u>7,140,034</u>
<b>Expenses</b>						
Community (Schedule 1)	5,057,653	-	-	-	<b>5,057,653</b>	4,814,330
Housing (Schedule 2)	1,608,293	-	-	-	<b>1,608,293</b>	1,627,601
Amortization	-	-	478,553	-	<b>478,553</b>	482,858
Special Projects (Schedule 3)	93,457	-	-	-	<b>93,457</b>	94,110
Other	53,734	62,480	-	37,754	<b>153,968</b>	80,231
	<u>6,813,137</u>	<u>62,480</u>	<u>478,553</u>	<u>37,754</u>	<u><b>7,391,924</b></u>	<u>7,099,130</u>
<b>Excess (deficiency) of revenue over expenses from operations</b>	258,924	(62,480)	(478,553)	15,542	<b>(266,567)</b>	40,904
Fund balances, beginning of year	(137,790)	331,747	2,527,816	353,619	<b>3,075,392</b>	3,021,924
Interfund transfers:						
Net Principal payments	(293,474)	-	293,474	-	-	-
Net Funding transfers	(60,899)	52,649	-	8,250	-	-
	<u>(354,373)</u>	<u>52,649</u>	<u>293,474</u>	<u>8,250</u>	<u>-</u>	<u>-</u>
<b>Fund balances, end of year</b>	<u><u>(233,238)</u></u>	<u><u>321,916</u></u>	<u><u>2,342,737</u></u>	<u><u>377,412</u></u>	<u><u><b>2,808,825</b></u></u>	<u><u>3,062,828</u></u>

See accompanying notes to the financial statements.

---

**Island Community Mental Health Association**  
**Statement of Cash Flows**  
**Year Ended March 31, 2022**

---

	<u>2022</u>	<u>2021</u>
Increase (decrease) in cash and cash equivalents		
<b>Operating</b>		
Excess (deficiency) of revenue over expenses	(266,567)	40,904
Amortization of tangible capital assets	478,553	482,858
	<u>211,986</u>	<u>523,762</u>
Change in non-cash operating working capital (Note 7)	<u>157,964</u>	<u>(284,487)</u>
Cash flow from operating activities	<u>369,950</u>	<u>239,275</u>
<b>Financing</b>		
Proceeds from promissory note to BCHMC	100,404	80,958
Proceeds from long term debt		150,000
Repayment of long term debt	<u>(295,792)</u>	<u>(284,806)</u>
Cash flow used by financing activities	<u>(195,388)</u>	<u>(53,848)</u>
<b>Investing</b>		
Redemption of portfolio investments	(744)	(610)
Purchase of tangible capital assets	<u>(100,400)</u>	<u>(185,876)</u>
Cash flow (used by) from investing activities	<u>(101,144)</u>	<u>(186,486)</u>
Net (decrease) increase in cash and cash equivalents	73,418	(1,059)
Cash and cash equivalents, beginning of year	<u>868,051</u>	<u>869,110</u>
<b>Cash and cash equivalents, end of year</b>	<u><u>941,469</u></u>	<u><u>868,051</u></u>

---

See accompanying notes to the financial statements.

---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 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 Societies 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.



---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 2. Summary of significant accounting policies *(continued)*

#### 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.

#### 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.

---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 2. Summary of significant account policies *(continued)*

#### 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.

#### 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.

---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 2. Summary of significant accounting policies *(continued)*

#### 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, 2022, the Association held the following amounts in trust, with an offsetting liability in accounts payable:

	<u>2022</u>		<u>2021</u>
Funds held in trust	\$ 42,062	\$	36,288
Liability for funds held in trust	(42,062)		(36,288)
	<u>\$ -</u>	<u>\$</u>	<u>-</u>

---

---

## Island Community Mental Health Association

### Notes to the Financial Statements

March 31, 2022

---

#### 4. Tangible Capital Assets

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Buildings	\$ 12,245,242	\$ (6,023,784)	\$ 6,221,458	\$ 6,661,350
Building development costs	737,728	-	737,728	637,327
Computer software	4,296	(4,296)	-	-
Furniture and fixtures	318,733	(298,120)	20,613	49,359
Land	1,637,237	-	1,637,237	1,637,237
Leasehold improvements	75,404	(75,404)	-	-
Prepaid land leases	552,747	(207,843)	344,904	354,814
Vehicles	19,609	(19,609)	-	-
	<b>\$ 15,590,996</b>	<b>\$ (6,629,056)</b>	<b>\$ 8,961,940</b>	<b>\$ 9,340,087</b>

The following costs included in land leases \$552,747 (2021: \$552,747) and buildings \$4,134,834 (2021: \$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.

---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

### 5. Long Term Debt and Demand Loan

	<u>2022</u>	<u>2021</u>
Greenridge property, Bank of Montreal loan bearing interest at 3.99% per annum, repayable in monthly blended payments of \$4,218. The loan matures on October 10, 2024 and is secured by land and buildings at 970 and 972 Greenridge Crescent.	\$ 753,768	\$ 774,458
Meerstile 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.	85,010	131,736
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.	2,080,882	2,200,919
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	59,513	66,069
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	2,693,201	2,792,662
Bank of Montreal loan bearing interest at 3.1% per annum, repayable in monthly blended payments of \$1,213. The loan matures on August 31, 2024	235,121	250,000
	5,907,495	6,215,844
Amounts payable within one year	(301,128)	(291,200)
	<u>\$ 5,606,367</u>	<u>\$ 5,924,644</u>

---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 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 the 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, the 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>2022</u>	<u>2021</u>
Receivables	\$ 23,841	\$ (144,480)
GST receivable	10,618	29,573
Prepaid expenses	7,303	(6,665)
Accounts payable and accrued liabilities	26,383	(204,301)
Deferred contributions	89,819	41,386
	<u>\$ 157,964</u>	<u>\$ (284,487)</u>

---

---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 8. 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, 2022.

#### 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.

---

### 9. 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 \$528,400 in remuneration to six persons who are employees, whose remuneration, during the applicable period, was at least \$75,000.

---

---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 10. 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, 2018 indicated a surplus for basic pension benefits of \$2.866 billion. The actuary does not attribute portions of the unfunded liability to individual employers. The Association paid \$229,738 (2021: \$211,123) for employer contributions to the plan in the fiscal year.

---

### 11. 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:

2023	660
2024	660
2025	<u>660</u>
	<u>\$ 1,980</u>

---

### 12. 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 \$547,880 as at March 31, 2022 (2021: \$555,054). The balance will be updated by BCHMC once it receives the audited financial statements.

---



---

# Island Community Mental Health Association

## Notes to the Financial Statements

March 31, 2022

---

### 13. 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, 2022 is \$26,374 (2021: \$26,102).

---

### 14. COVID-19 Impact On Operations

Since December 2019, the spread of COVID-19 has severely impacted many local economies around the globe. In many countries, including Canada, businesses are being forced to cease or limit operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing, and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an economic slowdown. Global stock markets have also experienced great volatility and a significant weakening. Governments and central banks have responded with monetary and fiscal interventions to stabilize economic conditions.

Management has responded to the pandemic in a variety of ways. Programs have been converted to a mix of online and in-person groups where practicable. Physical distancing measures have been incorporated in all programs and offices, and appropriate personal protective equipment provided to staff and clients where social distancing is difficult to maintain. Cleaning protocols have been enhanced and staffing levels increased in programs where necessary. The Housing Program has been working with tenants to ensure feelings of security are maintained and has accessed rent relief where possible. Management believes that the pandemic has not to date cast doubt on the Association's ability to continue as a going concern nor has it had a negative impact on operations.

**Island Community Mental Health Association**  
**Schedule of Community Programs**  
**Year Ended March 31, 2022**

Schedule 1

	Administration	Bridge Centre	Senior Support Network	Greenridge Eagle Rock	GROW	Housing and Rehabilitation	McCauley Lodge	NetWorks	Total 2022	Total 2021
<b>Revenue</b>										
VIHA Contracts	-	137,038	72,344	1,024,773	460,175	317,238	1,904,081	487,558	4,403,207	4,237,734
Min of Social Development & Poverty Reduction	-	-	-	222,525	-	-	210,620	-	433,145	391,404
Donations	-	-	-	-	-	-	-	-	-	678
Interest	1,194	-	-	-	-	-	-	-	1,194	1,017
Miscellaneous	-	-	-	-	-	-	-	-	-	141,870
Rent from Residents	-	-	-	3,645	-	-	269,554	-	273,199	316,333
Utilities Recovery	-	-	-	-	-	-	4,554	-	4,554	4,403
	1,194	137,038	72,344	1,250,943	460,175	317,238	2,388,808	487,558	5,115,298	5,093,439
<b>Expense</b>										
Salaries and Benefits	522,382	91,583	34,465	890,464	297,277	262,322	1,609,949	394,887	4,103,330	3,841,183
Staff Travel / Mileage	402	16	3	241	83	3,806	1,756	2,621	8,927	7,533
Staff Education	4,768	608	608	586	4,940	310	993	3,792	16,605	10,708
Advertising	-	-	-	-	-	-	-	-	-	230
Audit Fees	-	400	150	1,200	3,702	1,200	1,500	2,702	10,853	10,813
Bank Fees	4,572	-	-	-	-	-	-	-	4,572	6,737
Equipment Lease and Maintenance	(1,851)	389	789	840	2,973	1,117	1,118	973	6,347	9,181
Garbage Removal	547	993	743	2,948	2,228	149	6,812	297	14,715	15,051
Insurance	4,037	1,625	674	8,936	4,009	630	17,325	965	38,201	38,168
Janitorial	437	215	143	4,328	359	287	23,593	359	29,721	46,827
Mortgage Interest	-	-	-	37,826	-	-	125,835	-	163,661	174,074
Office and Miscellaneous	10,856	1,726	1,511	13,487	5,599	2,093	27,172	2,792	65,236	60,499
Professional Expenses	14,812	2,043	2,378	14,363	4,471	1,970	23,090	9,542	72,669	83,846
Program Expenses	893	4,207	3,841	62,199	13,417	1,820	132,857	677	219,911	200,787
Property Taxes	-	-	-	-	-	-	30,117	-	30,117	17,475
Repairs and Maintenance	20,775	4,316	2,617	31,835	20,493	820	46,858	3,546	131,259	119,375
Telephone/Fax/Cable/Internet	7,952	2,503	3,445	10,609	11,536	3,275	21,198	8,348	68,866	74,110
Utilities Expenses	3,318	1,057	1,105	20,636	7,155	197	35,748	1,180	70,397	63,552
Van Expenses	-	-	-	-	-	-	2,266	-	2,266	710
Bad Debt Expense	-	-	-	-	-	-	-	-	-	33,471
	593,900	111,678	52,472	1,100,499	378,240	279,995	2,108,189	432,680	5,057,653	4,814,330
<b>Excess (deficiency) of revenue over expenses</b>	<b>(592,706)</b>	<b>25,360</b>	<b>19,873</b>	<b>150,444</b>	<b>81,935</b>	<b>37,243</b>	<b>280,620</b>	<b>54,878</b>	<b>57,645</b>	<b>279,109</b>
Administration Fees	533,650	(13,702)	(7,085)	(120,814)	(44,211)	(30,957)	(207,545)	(47,930)	61,408	86,108
Rental of Premises	66,852	(11,424)	(7,620)	-	(37,683)	(4,680)	-	(4,896)	549	1,704
Mortgage Principal	-	-	-	(27,352)	-	-	(102,910)	-	(130,261)	(110,608)
Transfer to Restricted Funds	-	-	-	-	-	-	(8,250)	-	(8,250)	(204,250)
<b>Net Surplus (Deficit) from Operations</b>	<b>7,796</b>	<b>234</b>	<b>5,168</b>	<b>2,278</b>	<b>41</b>	<b>1,606</b>	<b>(38,085)</b>	<b>2,052</b>	<b>(18,909)</b>	<b>52,063</b>

**Island Community Mental Health Association**  
**Schedule of Housing Programs**  
**Year Ended March 31, 2022**

Schedule 2

	Darwin Apartments	Edith Gunning Court	Housing Administration	Meerstille Apartments	Newbridge Apartments	Satellite Apartments	Total 2022	Total 2021
<b>Revenue</b>								
VIHA Contracts	-	-	-	-	-	-	-	-
BC Housing	87,900	61,896	-	74,484	55,848	522,395	802,523	838,271
Donations	-	-	-	-	-	-	-	100
Laundry Revenue	3,353	5,798	-	-	-	-	9,151	11,499
Miscellaneous	-	-	837	-	-	-	837	837
Parking Revenue	1,800	3,615	-	-	210	-	5,625	5,730
Rent from Residents	204,587	363,434	-	78,962	59,835	295,325	1,002,143	1,056,269
Utilities Recovery	14,448	-	-	7,050	5,130	-	26,628	29,310
	<u>312,087</u>	<u>434,743</u>	<u>837</u>	<u>160,496</u>	<u>121,023</u>	<u>817,720</u>	<u>1,846,906</u>	<u>1,942,015</u>
<b>Expense</b>								
Salaries and Benefits	44,193	49,231	91,153	38,403	34,813	-	257,793	246,751
Staff Travel / Mileage	-	-	6,053	-	-	-	6,053	3,800
Staff Education	-	-	1,010	-	-	-	1,010	-
Audit Fees	750	3,780	500	2,080	2,090	1,113	10,313	10,313
Bank Fees	7	5	-	50	230	-	292	8
Equipment Lease and Maintenance	-	-	-	-	-	-	-	481
Garbage Removal	5,806	8,020	238	4,127	4,530	-	22,721	23,626
Insurance	18,963	21,673	-	9,234	9,981	-	59,851	39,534
Janitorial	38	32	-	187	33	-	290	850
Land Lease	61,380	-	-	-	-	-	61,380	61,380
Mortgage Interest	5,928	47,079	-	3,907	-	-	56,914	59,934
Office and Miscellaneous	-	3,192	2,020	-	-	837	6,049	4,790
Professional Expenses	225	952	3,193	225	225	-	4,819	13,755
Program Expenses	-	-	451	-	-	-	451	546
Property Taxes	9,061	11,347	-	-	-	-	20,408	20,408
Rent for Residents	-	-	-	-	-	796,492	796,492	842,202
Repairs and Maintenance	29,456	34,222	86	22,547	15,337	-	101,648	111,409
Telephone/Fax/Cable/Internet	18,468	2,105	2,874	1,822	1,921	-	27,190	26,420
Utilities Expenses	72,816	42,651	-	30,142	29,009	-	174,618	161,396
Van Expenses	-	-	-	-	-	-	-	-
Special Fund Expenses	-	-	-	-	-	-	-	-
	<u>267,092</u>	<u>224,290</u>	<u>107,579</u>	<u>112,723</u>	<u>98,168</u>	<u>798,442</u>	<u>1,608,293</u>	<u>1,627,601</u>
<b>Excess (deficiency) of revenue over expenses</b>	<b>44,996</b>	<b>210,453</b>	<b>(106,742)</b>	<b>47,773</b>	<b>22,855</b>	<b>19,278</b>	<b>238,613</b>	<b>314,415</b>
Administration Fees	(65,800)	(48,300)	108,002	(30,700)	(26,295)	(17,915)	(81,008)	(81,008)
Rental of Premises	-	-	(1,704)	-	-	-	(1,704)	(1,704)
Mortgage Principal	(4,807)	(120,038)	-	(45,783)	-	-	(170,628)	(174,198)
Transfer to Restricted Funds	(23,435)	(15,840)	-	(3,654)	(9,720)	-	(52,649)	(52,649)
	<u>(49,046)</u>	<u>26,275</u>	<u>(444)</u>	<u>(32,364)</u>	<u>(13,160)</u>	<u>1,363</u>	<u>(67,375)</u>	<u>4,856</u>
<b>Net Surplus (Deficit) from Operations</b>	<b>(49,046)</b>	<b>26,275</b>	<b>(444)</b>	<b>(32,364)</b>	<b>(13,160)</b>	<b>1,363</b>	<b>(67,375)</b>	<b>4,856</b>
BC Housing Prior Year Adjustments	(4,718)	(7,053)	-	-	(5,963)	-	(17,734)	1,513
	<u>(53,764)</u>	<u>19,222</u>	<u>(444)</u>	<u>(32,364)</u>	<u>(19,123)</u>	<u>1,363</u>	<u>(85,109)</u>	<u>6,369</u>
<b>Net Surplus (deficit)</b>	<b>(53,764)</b>	<b>19,222</b>	<b>(444)</b>	<b>(32,364)</b>	<b>(19,123)</b>	<b>1,363</b>	<b>(85,109)</b>	<b>6,369</b>

**Island Community Mental Health Association**  
**Schedule of Special Projects**  
**Year Ended March 31, 2022**

Schedule 3

	Victoria Foundation	Research Grant Vic Foundation	Green Shield Vic Foundation	Total 2022	Total 2021
<b>Revenue</b>					
Victoria Foundation	13,126	15,419	81,311	109,857	94,782
Miscellaneous	-	-	-	-	3,230
Donations	-	-	-	-	825
PSR Contributions	-	-	-	-	375
	<u>13,126</u>	<u>15,419</u>	<u>81,311</u>	<u>109,857</u>	<u>99,212</u>
<b>Expense</b>					
WCB Premiims	249	104	993	1,346	168
Staff Travel / Mileage	-	-	-	-	637
Staff Education	-	-	35	35	-
Small Equipment Purchase	-	-	-	-	2,824
Equipment Rental	-	-	395	395	1,459
Personal Protective Equipment	-	-	-	-	43
Office Supplies & Postage	-	-	935	935	1,626
Event Coordinator	800	-	13,473	14,273	8,196
Steering Committees	-	-	-	-	345
Project Consultant	1,396	-	50,205	51,601	62,113
Contractor's Fees	-	12,915	4,966	17,881	6,179
IT Expenses	-	-	-	-	721
Marketing	347	-	150	497	283
Honorariums	1,838	-	1,760	3,598	2,475
Program Expenses/Food	-	-	-	-	471
Entertainment	2,497	-	-	2,497	700
Program Expenses	4,334	-	1,760	6,094	-
Rent Expense	-	-	-	-	4,304
Repairs & Maintenance	-	-	400	400	1,000
Telephone/Fax/Cable/Internet	-	-	-	-	568
	<u>7,126</u>	<u>13,019</u>	<u>73,311</u>	<u>93,457</u>	<u>94,112</u>
<b>Excess (deficiency) of revenue over expenses</b>					
	<b>6,000</b>	<b>2,400</b>	<b>8,000</b>	<b>16,400</b>	5,100
Administration Fees	(6,000)	(2,400)	(8,000)	(16,400)	(5,100)
<b>Net Surplus (Deficit) from Operations</b>					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

**Island Community Mental Health Association**  
**Schedule of Restricted Funds**  
**Year Ended March 31, 2022**

Schedule 4

	Internally Restricted						Externally Restricted						Total 2022	Total 2021
	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		
<b>Revenue</b>														
Donations									3,159				3,159	5,368
Bequest				50,137									50,137	-
	-	-	-	50,137	-	-	-	-	3,159	-	-	-	53,296	5,368
<b>Expenses</b>														
Client Bursary							1,885						1,885	2,678
Staff Education													-	-
Repairs and Maintenance				33,525		1,831							35,356	8,768
Miscellaneous									1,846	(1,333)			513	1,211
	-	-	-	33,525	-	1,831	1,885	-	1,846	(1,333)	-	-	37,754	12,657
Excess (deficiency) of revenues over expenses	-	-	-	16,612	-	(1,831)	(1,885)	-	1,313	1,333	-	-	15,542	(7,289)
Fund Balances, Beginning	-	2,245	32,189	217,894	-	10,127	32,059	128	1,466	21,439	5,125	30,947	353,619	158,985
Transfers from Operating						8,250							8,250	204,250
Transfers to other funds													-	-
<b>Fund Balances, ending</b>	<b>-</b>	<b>2,245</b>	<b>32,189</b>	<b>234,507</b>	<b>-</b>	<b>16,546</b>	<b>30,174</b>	<b>128</b>	<b>2,779</b>	<b>22,772</b>	<b>5,125</b>	<b>30,947</b>	<b>377,412</b>	<b>355,946</b>

**Island Community Mental Health Association**  
**Statement of Financial Position**  
**Year Ended March 31, 2022**

Schedule 5

<b><u>BCHMC Project No.</u></b>	<b><u>BCHMC Subsidies</u></b>	<b><u>Residents Contributions</u></b>	<b><u>Rent Expense</u></b>	<b><u>Administrative Fees</u></b>	<b><u>Audit Fees and Other</u></b>	<b><u>Net Revenue (Expenditure)</u></b>
13002	7,920	3,528	11,150	285	91	\$ (78)
13004	3,840	8,376	11,081	285	91	\$ 759
13007	7,032	4,270	10,548	285	91	\$ 378
13008	27,896	15,360	42,072	1,135	352	\$ (303)
13009	29,564	14,736	42,176	1,700	529	\$ (105)
13010	26,904	17,170	42,774	1,420	442	\$ (562)
13011	23,396	11,502	33,909	1,285	354	\$ (650)
13012	135,049	74,157	208,323	3,960	-	\$ (3,077)
13014	115,631	71,047	185,943	3,600	-	\$ (2,865)
13015	60,876	41,753	101,978	1,800	-	\$ (1,149)
13016	22,884	11,483	35,313	720	-	\$ (1,666)
13095	61,404	21,943	71,225	1,440	-	\$ 10,682
<b>Total</b>	<b><u>\$ 522,396</u></b>	<b><u>\$ 295,325</u></b>	<b><u>\$ 796,492</u></b>	<b><u>\$ 17,915</u></b>	<b><u>\$ 1,950</u></b>	<b><u>\$ 1,364</u></b>