

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992
Financial Statements
Year Ended March 31, 2025

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992
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Year Ended March 31, 2025

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Tammy Leslie, C.P.A., C.G.A., C.A.*
Lori John, C.P.A., C.G.A.*
Jaime Court, C.P.A.*
Sarah Brimacombe, C.P.A.*
*A professional corporation.

INDEPENDENT AUDITOR'S REPORT

To the Members of Canadian Mental Health Association - Cowichan Valley Branch 1992

Report on the Financial Statements

Opinion

We have audited the financial statements of Canadian Mental Health Association - Cowichan Valley Branch 1992 (the Association), which comprise the statement of financial position as at March 31, 2025, and the statements of revenues and expenditures, 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 the Association as at March 31, 2025, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

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 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 the financial statements in accordance with ASNPO, 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.

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301-394 Duncan Street
Duncan, BC V9L 3W4

T | 250 748 1426
F | 250 748 2805

Toll Free | 1 800 818 5703
Email | info@plcpa.ca
Web | www.palmerleslie.ca

101-626 First Avenue, PO Box 1396
Ladysmith, BC V9G 1A9

T | 250 245 1429
F | 250 245 1421



Tammy Leslie, C.P.A., C.G.A., C.A.*

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Independent Auditor's Report to the Members of Canadian Mental Health Association - Cowichan Valley Branch 1992 (*continued*)

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 policies applied in preparing and presenting the financial statements in accordance with Canadian Accounting Standards for Not-for-profit Organizations have been applied on a basis consistent with that of the preceding year.

Duncan, British Columbia
September 18, 2025


CHARTERED PROFESSIONAL ACCOUNTANTS

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992
Statement of Financial Position
March 31, 2025

	Operating Fund	Capital Fund	Total 2025	Total 2024
ASSETS				
CURRENT				
Cash				
-Unrestricted	\$ 1,606,827	\$ -	\$ 1,606,827	\$ 630,068
-Restricted (Note 4)	-	489,502	489,502	40,872
Term Deposits				
-Unrestricted (Note 5)	131,393	-	131,393	190,969
-Restricted (Notes 4, 5)	63,977	69,473	133,450	382,672
Accounts receivable (Note 6)	135,339	-	135,339	526,485
Interest receivable	7,851	4,488	12,339	14,151
Prepaid expenses	18,691	-	18,691	18,086
	1,964,078	563,463	2,527,541	1,803,303
LONG TERM INVESTMENTS - RESTRICTED (Notes 4, 5)	-	103,846	103,846	11,475
TANGIBLE CAPITAL ASSETS (Net of accumulated amortization) (Note 7)	-	7,421,750	7,421,750	6,643,376
	<u>\$ 1,964,078</u>	<u>\$ 8,089,059</u>	<u>\$ 10,053,137</u>	<u>\$ 8,458,154</u>
LIABILITIES AND NET ASSETS				
CURRENT				
Accounts payable	\$ 114,601	\$ -	\$ 114,601	\$ 94,222
Current portion of long term debt (Note 8)	-	304,739	304,739	293,895
Wages payable	343,325	-	343,325	290,398
Wage liabilities payable (Note 9)	179,346	-	179,346	152,980
Deferred revenue (Notes 11, 12, 13)	871,300	829,997	1,701,297	886,627
	1,508,572	1,134,736	2,643,308	1,718,122
LONG TERM DEBT (Note 8)	-	6,222,577	6,222,577	6,084,491
	1,508,572	7,357,313	8,865,885	7,802,613
NET ASSETS				
Invested in capital fund	-	519,492	519,492	(18,726)
Externally Restricted	-	198,206	198,206	213,198
Internally Restricted	63,977	14,048	78,025	74,050
Unrestricted	391,529	-	391,529	387,019
	455,506	731,746	1,187,252	655,541
	<u>\$ 1,964,078</u>	<u>\$ 8,089,059</u>	<u>\$ 10,053,137</u>	<u>\$ 8,458,154</u>

ON BEHALF OF THE BOARD

Laurie Harding

Chair

2025-Sep-18 13:06

[Signature]

Treasurer

2025-Sep-18 12:41

The accompanying notes form an integral part of these financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992
Statement of Revenues and Expenditures
Year Ended March 31, 2025

	Operating Fund	Capital Fund	Total 2025	Total 2024
REVENUE				
BC Housing	\$ 1,900,781	\$ 125,512	\$ 2,026,293	\$ 1,972,945
CMHA-BC Bounceback	642,480	-	642,480	614,941
Community Gaming Grant	28,200	-	28,200	62,300
Ministry of Children and Family Development	701,868	-	701,868	569,605
Vancouver Island Health Authority	1,489,695	-	1,489,695	883,386
Donations	56,402	-	56,402	189,524
Fees for service	193,090	-	193,090	186,617
Fundraising events	3,457	-	3,457	6,983
Interest	14,293	6,298	20,591	20,487
Rent				
-Other rental revenue	99,228	-	99,228	70,778
-Warmland	114,883	-	114,883	104,744
Other	37,231	51,447	88,678	34,784
	<u>5,281,608</u>	<u>183,257</u>	<u>5,464,865</u>	<u>4,717,094</u>
EXPENSES				
Advertising	4,688	-	4,688	754
Amortization	-	213,295	213,295	190,887
Auditing and legal	50,644	-	50,644	45,275
Board costs	2,033	-	2,033	5,416
Equipment lease	7,850	-	7,850	6,481
Fundraising	1,320	-	1,320	3,107
Insurance	36,830	-	36,830	32,449
Mortgage interest	-	34,302	34,302	36,890
Office	47,083	-	47,083	37,999
Programs	291,861	-	291,861	286,072
Property tax	355	-	355	1,024
Rent	157,648	-	157,648	127,493
Repairs and maintenance	150,830	-	150,830	90,008
Safety & Security	5,324	-	5,324	628
Salaries and benefits <i>(Note 16)</i>	4,307,017	-	4,307,017	3,752,694
Service Contracts	23,696	-	23,696	24,443
Service fees	11,706	-	11,706	18,087
Staff training	4,903	-	4,903	9,770
Travel	18,043	-	18,043	18,857
Utilities and telephone	91,522	-	91,522	87,690
	<u>5,213,353</u>	<u>247,597</u>	<u>5,460,950</u>	<u>4,776,024</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	68,255	(64,340)	3,915	(58,930)
OTHER INCOME				
Gain (loss) on disposal of tangible capital assets	-	(2,989)	(2,989)	(1,726)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 68,255</u>	<u>\$ (67,329)</u>	<u>\$ 926</u>	<u>\$ (60,656)</u>

The accompanying notes form an integral part of these financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Statement of Changes in Net Assets

Year Ended March 31, 2025

	Operating Fund	Restricted Fund	Capital Fund	2025	2024
NET ASSETS - BEGINNING OF YEAR					
As previously reported	\$ 205,478	\$ 207,788	\$ 242,275	\$ 655,541	\$ 512,197
Operating funding reported in capital fund	33,769	-	(33,769)	-	-
Restricted term deposits included in deferred revenues	147,772	(147,772)	-	-	-
As restated	387,019	60,016	208,506	655,541	512,197
Excess of revenue over expenses	64,295	3,960	(67,329)	926	(60,656)
	656,792	271,764	383,452	656,467	451,541
BC Housing loan forgiveness	-	-	204,000	204,000	204,000
BC Housing replacement reserve, cash restricted	(20,736)	-	20,736	-	-
Non-depreciable asset acquired using capital funding	-	-	326,785	326,785	-
Operating net assets used in acquiring capital assets	(39,048)	-	39,048	-	-
NET ASSETS - END OF YEAR	\$ 391,529	\$ 63,977	\$ 731,746	\$ 1,187,252	\$ 655,541

The accompanying notes form an integral part of these financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Statement of Cash Flows

Year Ended March 31, 2025

	Operating Fund	Capital Fund	Total 2025	Total 2024
OPERATING ACTIVITIES				
Excess (deficiency) of revenue over expenses	\$ 68,255	\$ (67,329)	\$ 926	\$ (60,656)
Items not affecting cash:				
Amortization of tangible capital assets	-	213,295	213,295	190,887
Loss on disposal of tangible capital assets	-	2,989	2,989	1,726
	<u>68,255</u>	<u>148,955</u>	<u>217,210</u>	<u>131,957</u>
Changes in non-cash working capital:				
Accounts receivable	391,144	-	391,144	(309,720)
Interest receivable	2,956	(1,146)	1,810	(11,124)
Accounts payable	20,384	-	20,384	(3,319)
Deferred revenue	237,963	576,673	814,636	173,959
Prepaid expenses	(605)	-	(605)	5,027
Wages payable	52,927	-	52,927	69,645
Wage liabilities payable	26,366	-	26,366	77,868
	<u>731,135</u>	<u>575,527</u>	<u>1,306,662</u>	<u>2,336</u>
Cash flow from operating activities	<u>799,390</u>	<u>724,482</u>	<u>1,523,872</u>	<u>134,293</u>
INVESTING ACTIVITIES				
Purchase of tangible capital assets	-	(995,823)	(995,823)	(164,244)
Proceeds on disposal of tangible capital assets	-	1,200	1,200	-
Net transfers (to)/from long term investments	-	(92,370)	(92,370)	284,287
Capital funding received expended on purchase of non-depreciable land	-	326,785	326,785	-
Cash flow from (used by) investing activities	<u>-</u>	<u>(760,208)</u>	<u>(760,208)</u>	<u>120,043</u>
FINANCING ACTIVITIES				
Proceeds from long term financing	-	455,000	455,000	-
BC Housing loan forgiveness	-	204,000	204,000	204,000
Repayment of long term debt	-	(306,070)	(306,070)	(292,620)
Cash flow from (used by) financing activities	<u>-</u>	<u>352,930</u>	<u>352,930</u>	<u>(88,620)</u>

(continues)

The accompanying notes form an integral part of these financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Statement of Cash Flows (continued)

Year Ended March 31, 2025

	Operating Fund	Capital Fund	Total 2025	Total 2024
INTERFUND TRANSFERS				
Opening fund adjustment	33,769	(33,769)	-	-
Asset purchases	(39,048)	39,048	-	-
Replacement reserve	(20,736)	20,736	-	-
	<u>(26,015)</u>	<u>26,015</u>	<u>-</u>	<u>-</u>
INCREASE IN CASH FLOW	773,369	343,219	1,116,589	165,711
Cash - beginning of year	<u>1,028,825</u>	<u>215,756</u>	1,244,581	1,078,868
CASH - END OF YEAR	\$ 1,802,197	\$ 558,975	\$ 2,361,172	\$ 1,244,581
CASH CONSISTS OF:				
-Unrestricted cash	\$ 1,606,827	\$ -	\$ 1,606,827	\$ 630,068
-Restricted cash	-	489,502	489,502	40,872
-Unrestricted term deposits	131,393	-	131,393	190,969
-Restricted term deposits	<u>63,977</u>	<u>69,473</u>	133,450	382,672
	\$ 1,802,197	\$ 558,975	\$ 2,361,172	\$ 1,244,581

The accompanying notes form an integral part of these financial statements

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Notes to Financial Statements

Year Ended March 31, 2025

1. OPERATIONS

Canadian Mental Health Association – Cowichan Valley Branch 1992 ("the Association") is a Not-for-Profit community agency whose mission is to improve the mental health of people in the Cowichan Valley through public education and the promotion of mental health. Its charitable objectives are to develop, operate and support the highest possible level of mental health services, to develop community advocacy and advisory capacity, to provide family support and education and to generate and encourage activities designed to promote mental health and well-being and connections between individuals and groups in the Cowichan Valley Communities which contribute to and facilitate on-going positive relationships.

The Association is registered as a Charity under the Income Tax Act (13990 5772RR) and is therefore tax-exempt under Section 149(1)(f).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO), which is one of the financial reporting frameworks included in Canadian Generally Accepted Accounting Standards.

Contributed services

The operations of the organization involve 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 are therefore not reflected in these financial statements.

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:

Land		non-depreciable
Leasehold interest	60 years	straight-line method
Furniture and fixtures	20%	declining balance method
Furniture and fixtures	10%	declining balance method
Computer equipment	30%	declining balance method
Motor vehicles	30%	declining balance method

One-half of the year's amortization is recorded in the year of purchase and none in the year of disposal.

Fund accounting

The Association follows the deferral method of accounting for contributions.

The Operating Fund reports the assets, liabilities, revenues, and expenses related to the Association's program and administrative activities. This fund reports unrestricted, internally restricted, and externally restricted resources.

The Capital Fund reports the assets, liabilities, revenues and expenses related to the Association's capital assets. This fund reports resources internally restricted and externally restricted, as well as the net amount invested in the Association's capital assets.

(continues)

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Notes to Financial Statements

Year Ended March 31, 2025

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash equivalents are investments in redeemable guaranteed investment certificates with a maturity date of less than one calendar year valued at cost plus accrued interest.

Revenue recognition

The Association follows the deferral method of accounting for contributions.

Revenue consists of contracts, fees for services, donations and contributions, grants, rental revenue, memberships, fundraising events and interest from savings.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a basis and rate corresponding with the amortization of the related capital assets.

Rental revenue is recorded as it becomes receivable on the first of the month by tenants or the Ministry subsidizing the unit. Rental deposits are deferred until forfeited for partial rent payments, retained for repairs upon change in occupancy or returned to the tenants.

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.

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. 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.

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Notes to Financial Statements

Year Ended March 31, 2025

3. FINANCIAL INSTRUMENTS

The Association's financial instruments consist of cash, accounts receivable, term deposits, accounts payable, accrued liabilities, and security deposits. It is the board's opinion that the Association is not exposed to significant credit risk, market risk or currency risk arising from these financial instruments as of March 31, 2025.

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. In seeking to minimize the risks from interest rate fluctuations, the Association manages exposure through its normal operating and financing activities.

The exposure of the Association to interest rate risk arises from its interest bearing term deposits. The Association manages its exposure to interest rate risk through contracts stating the guaranteed interest rate. Fluctuations in market rates of interest on the term deposits do not have a significant impact on the Association's results of operations.

4. RESTRICTED CASH AND TERM DEPOSITS

	<u>2025</u>	<u>2024</u>
Restricted cash:		
Capital grants externally restricted	\$ 2,097	\$ 12,610
Capital replacement reserve externally restricted, to be transferred to term deposits	22,790	14,228
Capital contingency fund internally restricted	14,048	14,034
Hemlock street mortgage, cash restricted to pay mortgage balance	450,567	-
	<u>489,502</u>	<u>40,872</u>
Restricted term deposits:		
Capital replacement reserve externally restricted, short term	69,473	174,884
Board of directors internally restricted, short term	63,977	207,788
	<u>133,450</u>	<u>382,672</u>
Capital replacement reserve externally restricted, long term	103,846	11,475
	<u>\$ 726,798</u>	<u>\$ 435,019</u>

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Notes to Financial Statements

Year Ended March 31, 2025

5. TERM DEPOSITS

Certain term deposits are externally restricted under the operating agreement with B.C. Housing for the repair and replacement of property known as Warmland House in the amount of \$173,319 (2024 - \$186,359).

Term deposits held by financial institutions are as follows:

	<u>2025</u>	<u>2024</u>
Restricted		
Capital Fund externally restricted		
Term deposit @ 4.50% to mature November 10, 2025	\$ 9,364	\$ 11,323
Term deposit @ 3.80% to mature May 23, 2027	33,125	33,125
Term deposit @ 4.75% to mature June 8, 2025	21,640	20,736
Term deposit @ 4.75% to mature June 8, 2025	7,693	7,372
Term deposit @ 4.75% to mature December 10, 2025	7,693	7,532
Term deposit @ 4.75% to mature December 10, 2025	11,091	10,859
Term deposit @ 4.75% to mature May 29, 2026	22,321	21,516
Term deposit @ 3.00% to mature October 11, 2027	7,552	7,426
Term deposit @ 2.85% to mature November 3, 2027	8,453	8,312
Term deposit @ 2.85% to mature November 3, 2027	20,642	20,298
Term deposit @ 2.95% to mature September 8, 2026	11,753	10,922
Term deposit @ 3.10% matured March 29, 2025	-	17,650
Term deposit @ 4.50% to mature September 30, 2025	11,992	11,475
Term deposit balance unrestricted by BC Housing on October 18, 2022	-	(2,187)
Total Capital Fund externally restricted	<u>173,319</u>	<u>186,359</u>
Internally restricted		
Term deposit @ 4.50% to mature November 10, 2025	63,977	60,016
Term deposit @ 4.75% to mature May 9, 2025	-	70,000
Term deposit @ 3.10% matured March 29, 2025	-	77,772
Total internally restricted	<u>63,977</u>	<u>207,788</u>
Unrestricted		
Term deposit @ 4.75% to mature May 9, 2025	73,051	-
Term deposit @ 4.75% matured June 18, 2025	58,342	-
Term deposit @ 4.40% matured October 11, 2024	-	161,226
Term deposit @ 1.70% matured October 11, 2024	-	27,556
Term deposit balance unrestricted by BC Housing on October 18, 2022	-	2,187
Total unrestricted	<u>131,393</u>	<u>190,969</u>
	<u>\$ 368,689</u>	<u>\$ 585,116</u>

Board restricted term deposits and accrued interest totalling \$210,438 was used towards the purchase of land and building located at 190 Hemlock Avenue. The funding was generated from the Coldest Night of the Year fundraisers for the years 2022, 2023 and 2024. Fundraising revenues receivable in 2025, but not yet placed into term deposits, of \$47,809 was also used for the purchase of land and building. The total funds designated for the capital purchase was \$258,247. In accordance with the Association's revenue recognition policy, the contributions restricted for the purchase of capital assets were deferred and will be amortized into revenue on a basis and rate corresponding with the amortization of the related capital assets.

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Notes to Financial Statements

Year Ended March 31, 2025

6. ACCOUNTS RECEIVABLE

	<u>2025</u>	<u>2024</u>
Government and other contracts	\$ 126,040	\$ 524,014
Goods and services tax recoverable	9,299	2,471
	<u>\$ 135,339</u>	<u>\$ 526,485</u>

Management of the Association believes all of the contract receivables are fully collectable, therefore there is no allowance for doubtful accounts provision in the current or prior year.

7. TANGIBLE CAPITAL ASSETS

	Cost	Accumulated amortization	2025 Net book value	2024 Net book value
Land	\$ 326,823	\$ -	\$ 326,823	\$ -
Leasehold interest - Mischa Lelum	379,661	3,164	376,497	-
Leasehold interest - Warmland				
House	8,232,355	2,081,300	6,151,054	6,288,260
Furniture and fixtures	550,682	375,942	174,740	88,574
Furniture and fixtures	354,022	38,493	315,529	209,240
Computer equipment	41,244	20,651	20,593	29,419
Motor vehicles	126,954	70,440	56,514	27,883
	<u>\$ 10,011,741</u>	<u>\$ 2,589,990</u>	<u>\$ 7,421,750</u>	<u>\$ 6,643,376</u>

The Association recorded amortization of \$213,295 in the current year (2024 - \$190,887). Tangible capital asset purchases were \$995,823 (2024 - \$164,244). Tangible capital assets were disposed with a net book value of \$4,189 (2024 - \$1,726); proceeds on the disposition of tangible capital assets were \$1,200 (2024 - nil).

CANADIAN MENTAL HEALTH ASSOCIATION - COWICHAN VALLEY BRANCH 1992

Notes to Financial Statements

Year Ended March 31, 2025

8. LONG TERM DEBT

	<u>2025</u>	<u>2024</u>
BC Housing forgivable loan (Note 10).	\$ 3,876,000	\$ 4,080,000
Coast Capital loan bearing interest at 1.58% per annum, repayable in monthly blended payments of \$10,459. The loan matures on September 30, 2030 and is secured by the Warmland House which has a carrying value of \$6,151,054.	2,200,749	2,298,386
Coastal Community Credit Union loan bearing interest at 5.19% per annum, repayable in monthly blended payments of \$2,715. The loan matures on November 1, 2029 and is secured by Mischa Lelum which has a carrying value of \$703,320.	<u>450,567</u>	-
	6,527,316	6,378,386
Amounts payable within one year	<u>(304,739)</u>	<u>(293,895)</u>
	<u>\$ 6,222,577</u>	<u>\$ 6,084,491</u>

Principal repayment terms are approximately:

2026	\$ 304,739
2027	306,693
2028	308,696
2029	310,784
2030	711,083
Thereafter	<u>4,585,321</u>
	<u>\$ 6,527,316</u>

Subsequent to obtaining the Coastal Community Credit Union mortgage to purchase the land and building on Hemlock Avenue, the Association received a \$450,000 donation from the Mischa Weiss Foundation. \$450,567 of cash is restricted at March 31, 2025 to be used for repayment of the Coastal Community Credit Union mortgage balance.

9. WAGE LIABILITIES PAYABLE

	<u>2025</u>	<u>2024</u>
Source Deductions	\$ 74,828	\$ 64,837
WCB	26,693	19,973
Union Dues	2,174	3,269
Municipal Pension	34,664	39,109
Group Benefits	32,282	25,792
Employer Health Tax	<u>8,705</u>	-
	<u>\$ 179,346</u>	<u>\$ 152,980</u>

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Notes to Financial Statements

Year Ended March 31, 2025

10. B.C. HOUSING FORGIVABLE MORTGAGE PAYABLE

This mortgage is a forgivable mortgage secured by a second charge over the leasehold interest with a net book value of \$6,151,054 (2024 - \$6,288,260) to be forgiven over 25 years which commenced in 2019. The Warmland House building must be used for the intended purpose of providing affordable housing during the 10 years prior to forgiveness commencing and continue to be used for this purpose during the forgiveness term. In the current year, the property was operational and did meet the terms of this contract by providing affordable housing for twelve months.

11. DEFERRED REVENUE - OPERATING

Deferred contributions represent government and other contracts and contributions, donations, security deposits and fundraised dollars received that remain unspent. Changes in the deferred contributions balance are as follows:

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 633,337	\$ 536,409
Revenue received	4,231,757	2,855,294
Revenue recognized	<u>(3,993,794)</u>	<u>(2,758,366)</u>
Balance, end of year	<u>\$ 871,300</u>	<u>\$ 633,337</u>

12. DEFERRED REVENUE - CAPITAL CONTRIBUTIONS

Contributions restricted for the purchase of capital assets are included in deferred revenue of the Capital Fund. The end of year balance is comprised of unexpended capital contributions of \$2,097 (2024 - \$12,610) and capital contributions to be amortized into revenue on a basis and rate corresponding with the amortization of the related capital assets of \$827,901 (2024 - \$240,680).

	<u>2025</u>	<u>2024</u>
Balance, beginning of year	\$ 253,290	\$ 176,259
Capital grants received	954,939	100,000
Funding used for non-depreciable land purchase, recognized as a direct increase in net assets	(326,785)	-
Revenue recognized equal to amortization of the related capital assets	<u>(51,447)</u>	<u>(22,969)</u>
Balance, end of year	<u>\$ 829,997</u>	<u>\$ 253,290</u>

13. SECURITY DEPOSITS

Security deposits are tenant deposits to be returned upon termination of rental or applied to repairs and are included in deferred revenue - see Note 11. Security deposits for 2025 total \$4,599 (2024 - \$4,145). No interest has been calculated on potential refunds.

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Notes to Financial Statements

Year Ended March 31, 2025

14. LEASE OBLIGATION AND COMMITMENTS

A space is rented through SK Properties Ltd. at 360 Festubert Street, Duncan, B.C. This lease began on December 1, 2021 and expired November 2023. The lease is now on a month by month basis; this lease requires payments of \$2,867 per month. An office is rented at 552/554 Trunk Road through O. & M. Tiemer Holdings Ltd. effective December 1, 2022 and expiring November 2027; this lease requires payments of \$3,625.

Minimum commitment for the next two years is as follows:

2026	\$	44,000
2027		45,000
2028		<u>30,000</u>
	\$	<u>119,000</u>

The Association has a lease agreement with B.C. Housing which owns the land and building known as Warmland House. The lease of this property with B.C. Housing is for 60 years commencing on January 6, 2009. The Association does not pay B.C. Housing for the leasing of this property but rather is responsible for paying the mortgages advanced for the cost of constructing the building. Please see Notes 8 and 10 for further information in regards to these mortgages.

15. ECONOMIC DEPENDENCE

The Association receives the majority of its funding from contracts with the Province of British Columbia through its various ministries and crown corporations, which provide funds for specific programs that offer services that benefit the community. The continuation of the majority of programs is dependent upon the continued funding from these sources. In the current year 78% (2024 - 74%) of the Association's funding came from the Provincial Government.

16. SALARIES AND BENEFITS

Pursuant to the British Columbia Societies Act, the Association is required to disclose wages and benefits paid to employees and contractors that exceed \$75,000 during the fiscal year. Wages and benefits includes \$817,717 (2024 - \$773,510) paid to nine (2024 - nine) employees during the year that exceed \$75,000. No remuneration was paid to directors in 2025 (2024 - nil).

The workforce of the Association unionized under the Health Sciences Association of British Columbia. The Health Science Professionals implementation date was December 28, 2022, the Health Services and Support - Community Subsector implementation date was March 4, 2023.

As a result, the Association's salaries and benefit expenditures increased significantly. Failure to obtain funding at the current levels could result in the Association being unable to meet its financial obligations. See Note 15 regarding Economic Dependence.

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17. COMPARATIVE FIGURES

Certain prior year balances have been reclassified to conform to the current presentation's format.

The prior years invested in capital net assets has been decreased from \$15,043 to negative \$18,726, the net change is \$33,769; the unrestricted net assets increased by an equal amount. This reclassification is the result of a change in the presentation of prior years funding from the Capital Fund to the Operating Fund. The prior years internally restricted net assets has been decreased from \$207,788 to \$60,016, the net change is \$147,772; the unrestricted net assets increased by an equal amount. This reclassification is the result of a change in the presentation of prior years net assets from the Restricted Fund to the Operating Fund. The prior period financial statements have not been amended, and a report has not been reissued, the corresponding figures have been properly reclassified in the current period financial statements.
