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**CONSOLIDATED FINANCIAL STATEMENTS**

**CANADIAN MENTAL HEALTH  
ASSOCIATION, NORTH AND WEST  
VANCOUVER BRANCH**

**March 31, 2021**



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## INDEPENDENT AUDITOR'S REPORT

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To the Members of  
**Canadian Mental Health Association, North and West Vancouver Branch**

### ***Opinion***

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

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2021, and the 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 Consolidated Financial Statements* section of our report. We are independent of the Association in accordance with the ethical requirements that are relevant to our audits of the consolidated 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 audit opinion.

### ***Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements***

Management is responsible for the preparation and fair presentation of the consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated 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 Consolidated Financial Statements***

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated 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 consolidated 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.

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## INDEPENDENT AUDITOR'S REPORT

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- 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 consolidated 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 consolidated financial statements, including the disclosures, and whether the consolidated 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 British Columbia Societies Act, we report that, in our opinion, the accounting principles used in these consolidated financial statements, Canadian accounting standards for not-for-profit organizations, have been applied on a basis consistent with that of the preceding year.

*Tompkins Wozny LLP*

Vancouver, Canada  
July 21, 2021

Chartered Professional Accountants



**STATEMENTS OF CONSOLIDATED FINANCIAL POSITION**

As at March 31

	2021	2020
	\$	\$
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents <i>[note 3]</i>	855,317	284,145
Accounts receivable <i>[note 4]</i>	94,316	123,514
Inventory	3,226	4,966
Prepaid expenses and deposits	34,393	38,099
Deferred rental inducement <i>[note 5]</i>	12,588	15,550
<b>Total current assets</b>	<b>999,840</b>	<b>466,274</b>
Capital assets <i>[note 6]</i>	1,541,378	1,552,032
	<b>2,541,218</b>	<b>2,018,306</b>
<b>LIABILITIES</b>		
<b>Current</b>		
Accounts payable and accrued liabilities <i>[note 7]</i>	171,901	131,237
Deferred revenue <i>[note 8]</i>	508,949	158,199
Current portion of mortgage <i>[note 9]</i>	34,736	33,394
<b>Total current liabilities</b>	<b>715,586</b>	<b>322,830</b>
Deferred contributions related to capital assets <i>[note 10]</i>	47,040	49,000
Mortgage <i>[note 9]</i>	849,046	883,902
	<b>1,611,672</b>	<b>1,255,732</b>
<b>NET ASSETS</b>		
Invested in capital assets	610,556	585,736
Unrestricted	316,990	174,838
Endowment fund	2,000	2,000
	<b>929,546</b>	<b>762,574</b>
	<b>2,541,218</b>	<b>2,018,306</b>

Commitments *[note 11]*  
 Operating loan *[note 12]*  
 Economic dependence *[note 14]*  
 Other - COVID-19 *[note 17]*

See accompanying notes to the consolidated financial statements

Approved by the Board:

  
 Director

  
 Director

**STATEMENTS OF CONSOLIDATED CHANGES IN NET ASSETS**

Year ended March 31

	Invested in Capital Assets	Unrestricted	Endowment	Total
	\$	\$	\$	\$
<b>2021</b>				
Excess of revenue (expenses) for the year	(22,374)	189,346	—	166,972
Mortgage principal payments	33,514	(33,514)	—	—
Capital asset purchases	13,680	(13,680)	—	—
	24,820	142,152	—	166,972
<b>Balance, beginning of year</b>	<b>585,736</b>	<b>174,838</b>	<b>2,000</b>	<b>762,574</b>
<b>Balance, end of year</b>	<b>610,556</b>	<b>316,990</b>	<b>2,000</b>	<b>929,546</b>
<b>2020</b>				
Excess of revenue (expenses) for the year	(20,766)	(148,193)	—	(168,959)
Mortgage principal payments	32,443	(32,443)	—	—
Loan repayment	164,292	(164,292)	—	—
Capital asset purchases	67,861	(67,861)	—	—
Capital asset disposals	(485,985)	485,985	—	—
Contributions received for capital asset purchases	(50,000)	50,000	—	—
	(292,155)	123,196	—	(168,959)
<b>Balance, beginning of year</b>	<b>877,891</b>	<b>51,642</b>	<b>2,000</b>	<b>931,533</b>
<b>Balance, end of year</b>	<b>585,736</b>	<b>174,838</b>	<b>2,000</b>	<b>762,574</b>

See accompanying notes to the consolidated financial statements

**STATEMENTS OF CONSOLIDATED OPERATIONS**

Year ended March 31

	<b>2021</b>	<b>2020</b>
	<b>\$</b>	<b>\$</b>
<b>EXCESS OF REVENUE (EXPENSES) FOR THE YEAR</b>		
CMHA - North and West Vancouver, per schedule of operations	<b>173,702</b>	(153,101)
HOpE Centre Café, per schedule of operations	<b>(6,730)</b>	(15,858)
<b>Net excess of revenue (expenses) for the year</b>	<b>166,972</b>	(168,959)

*See accompanying notes to the consolidated financial statements*

**SCHEDULE OF OPERATIONS**

Year ended March 31

	2021	2020
	\$	\$
<b>REVENUE</b>		
Program funding <i>[note 8]</i>	1,923,302	1,469,508
Donations and fundraising	363,867	580,330
Other <i>[note 17]</i>	239,791	38,000
Tenant rent contributions	162,305	115,200
Fee for service	134,451	116,623
Commercial rent	88,803	85,402
Interest	2,209	1,876
Amortization of deferred contributions related to capital assets <i>[note 10]</i>	1,960	1,000
Memberships	550	450
	<b>2,917,238</b>	<b>2,408,389</b>
<b>EXPENSES</b>		
Wages and benefits <i>[note 15]</i>	1,770,216	1,468,251
Rent	233,681	154,791
Program activities and purchased services	123,984	103,959
Office and other	84,701	47,403
Rent subsidies	60,950	14,050
Repairs and maintenance	49,462	36,297
Interest on mortgage	34,118	35,189
Telephone and internet	30,369	19,504
Amortization	24,334	21,303
Contracted direct services	22,210	58,469
Utilities	16,225	14,745
Insurance	12,089	9,540
Professional fees	10,325	9,124
Travel and mileage	6,104	10,485
Advertising and promotion	4,683	1,011
	<b>2,483,451</b>	<b>2,004,121</b>
<b>Excess of revenue for the year before other items:</b>	<b>433,787</b>	<b>404,268</b>
Gain on sale of capital assets	—	576,526
Contribution to donor advised endowment fund <i>[note 16]</i>	<b>(260,085)</b>	<b>(1,133,895)</b>
<b>Excess of revenue (expenses) for the year</b>	<b>173,702</b>	<b>(153,101)</b>

See accompanying notes to the consolidated financial statements

## SCHEDULE OF OPERATIONS

Year ended March 31

	2021	2020
	\$	\$
<b>REVENUE</b>	<b>870</b>	193,265
Cost of sales	<b>(1,740)</b>	(76,180)
	<b>(870)</b>	117,085
<b>EXPENSES</b>		
Insurance	<b>2,874</b>	2,915
Office supplies and other	<b>2,588</b>	2,445
Telephone	<b>353</b>	807
Salaries and benefits	<b>40</b>	103,338
Bank charges and interest	<b>5</b>	2,625
Royalty fees	—	14,194
Professional fees	—	2,669
Repairs and maintenance	—	2,002
Bad debts	—	633
Travel and entertainment	—	571
Amortization	—	463
Donations	—	281
	<b>5,860</b>	132,943
<b>Excess of expenses for the year</b>	<b>(6,730)</b>	(15,858)

*See accompanying notes to the consolidated financial statements*



**STATEMENTS OF CONSOLIDATED CASH FLOWS**

Year ended March 31

	2021	2020
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue (expenses) for the year	166,972	(168,959)
Items not affecting cash:		
Amortization of deferred contributions related to capital assets	(1,960)	(1,000)
Amortization of capital assets	24,334	21,766
Gain on disposal of capital assets	—	(576,526)
	<b>189,346</b>	<b>(724,719)</b>
Changes in other non-cash working capital items:		
Accounts receivable	29,198	(46,472)
Inventory	1,740	1,324
Prepaid expenses and deposits	3,706	(2,941)
Deferred rental inducement	2,962	2,735
Accounts payable and accrued liabilities	40,664	(1,226)
Deferred revenue	350,750	91,711
<b>Cash provided by (used in) operating activities</b>	<b>618,366</b>	<b>(679,588)</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(13,680)	(67,861)
Net proceeds on disposal of capital assets	—	1,062,973
Contributions received for capital asset purchases	—	50,000
<b>Cash provided by (used in) investing activities</b>	<b>(13,680)</b>	<b>1,045,112</b>
<b>FINANCING ACTIVITIES</b>		
Repayment of mortgage	(33,514)	(32,443)
Repayment of loan	—	(164,292)
<b>Cash used in financing activities</b>	<b>(33,514)</b>	<b>(196,735)</b>
<b>Increase in cash during the year</b>	<b>571,172</b>	<b>168,789</b>
Cash, beginning of year	284,145	115,356
<b>Cash, end of year</b>	<b>855,317</b>	<b>284,145</b>

See accompanying notes to the consolidated financial statements

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2021

### 1. NATURE OF OPERATIONS

The Canadian Mental Health Association, North and West Vancouver Branch (the "Association") is registered under the British Columbia Societies Act and is a tax-exempt charitable organization as defined by the Canadian Income Tax Act.

Revenues are derived primarily from Vancouver Coastal Health funding, YWCA Metro Vancouver, B.C. Housing, subcontract work and donations. These are used to cover the costs of providing and administering programs designed to promote mental health and to support the resilience and recovery of people experiencing mental illnesses.

The Association owns two houses in North Vancouver (Arborlynn House and Harold House) and operates other houses in North Vancouver (Lillian House and Circle of Care Houses), which are being used as group homes for individuals with mental illnesses.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") and include the following significant accounting policies:

#### Consolidation

These consolidated financial statements include the accounts of the Association and its wholly owned subsidiary: 1013915 BC Ltd. (HOpe Centre Café). The results of the subsidiary will continue to be included in the consolidated financial statements of the Association until the date that the Association's control over the subsidiary ceases. Control exists when the Company has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

Inter-company balances and transactions, including unrealized income and expenses arising from intercompany transactions, are eliminated on consolidation.

#### Use of Estimates

The preparation of consolidated financial statements in conformity with Canadian ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the amounts of revenues and expenses reported during the year. Significant areas requiring the use of management estimates relate to the determination of net recoverable value of assets, in particular as it relates to useful lives of capital assets and the determination of the deferred portion of grants. Actual results could differ from these estimates.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Revenue Recognition

The Association follows the deferral method of accounting for contributions. 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. Donations in-kind are only recognized when the fair value is reasonably determinable and significant, with such items recorded at the fair value on the date of contribution.

Fee for service and other revenues are recognized as the related services are performed, or when the product has been delivered and the amount to be received can be reasonably estimated and collection is reasonably assured.

Canadian Emergency Wage Subsidies are recognized as revenue when the Association meets the conditions of the program and when the Association is reasonably assured of collection of the respective claims.

Interest income is recognized as revenue when earned.

#### Contributed Materials and Services

Contributed materials and services are carried at no cost unless valuation is determinable. Furniture and equipment donated to the Association therefore may not be reflected in the consolidated financial statements.

#### Measurement of Financial Instruments

The Association initially measures its financial assets and financial liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and the mortgage.

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net income.

#### Cash

Cash is defined as cash on hand and cash on deposit, net of cheques issued and outstanding at the year-end and highly liquid term deposits. The statement of cash flows is prepared on a net cash basis and cash flows from operating activities are presented using the indirect method.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2021

### 2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

#### Donor Advised Endowment Fund

In accordance with the provisions of the Vancity Community Foundation (VCF), the endowment principal [note 16] is held permanently by the VCF. As the Association has only the right to receive grants disbursed on investment income on these funds and has no access to the contributed principal, the Society's financial statements do not reflect this amount as an asset and any contribution to the donor advised endowment is expensed as incurred.

#### Inventory

Inventory is carried at lower of cost and net realizable value. Inventory is determined on average cost basis.

#### Capital Assets

Capital assets are initially valued at cost and are amortized over their estimated useful lives at the following annual rates (one half of the annual rate is used in the year of acquisition):

• Buildings	4% declining balance
• Furniture and equipment	20% declining balance
• Computer hardware	40% declining balance
• Computer software	100% declining balance
• Leasehold improvements	5 years straight-line

#### Income Taxes

The Association is a non-profit organization and, as such, its revenue is not subject to income tax.

The HOpe Centre Café is a private corporation subject to Canadian corporation income taxes. Therefore, the HOpe Centre Café is in conformity with ASPE principles for income taxation.

Current income tax assets and liabilities for the current period are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date, in the countries where the Association operates and generates taxable income.

Current income tax relating to items recognized directly in other comprehensive income or equity is recognized in other comprehensive income or equity and not in profit or loss. Management periodically evaluates positions in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 3. CASH AND CASH EQUIVALENTS

	2021	2020
	\$	\$
Cash	198,717	179,445
Term deposits	650,000	100,000
Petty cash	6,600	4,700
	855,317	284,145
Operating	855,280	284,108
Gaming	37	37
	855,317	284,145

Term deposits have interest rates ranging from 0.55% to 0.75% with maturity dates from September 2021 to March 2022.

### 4. ACCOUNTS RECEIVABLE

	2021	2020
	\$	\$
Operations and other	86,699	118,263
Government - GST	7,617	5,251
Allowance for doubtful accounts	—	—
	94,316	123,514

### 5. DEFERRED RENTAL INDUCEMENT

On May 18, 2019, the Association entered into a sublease agreement with Southern and Associates Ltd. (the "Subtenant") to sublease 2,223 square feet of their office space. The term of the sublease commenced on September 1, 2019 and expires on June 29, 2025. The sublease was assigned to 1209522 BC Ltd. during the March 31, 2020 fiscal year.

The Association had granted the Subtenant three months of free rent from September 1, 2019 to November 30, 2019. The lease incentive is being amortized over the life of the lease on a straight line basis. The balance remaining to be amortized at March 31, 2021 is \$12,434 [2020 - \$15,359].

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 6. CAPITAL ASSETS

Capital assets are comprised of the following:

	Cost \$	Accumulated Amortization \$	Net Book Value \$
<b>2021</b>			
Land - Arborlynn House	706,790	—	706,790
Land - Harold House	633,010	—	633,010
Buildings - Arborlynn House	125,694	36,304	89,390
Buildings - Harold House	90,615	24,288	66,327
Furniture and equipment	85,912	65,724	20,188
Computer hardware	57,320	38,369	18,951
Leasehold improvements	27,619	20,897	6,722
	<b>1,726,960</b>	<b>185,582</b>	<b>1,541,378</b>
<b>2020</b>			
Land - Arborlynn House	706,790	—	706,790
Land - Harold House	633,010	—	633,010
Buildings - Arborlynn House	125,694	32,106	93,588
Buildings - Harold House	90,615	21,997	68,618
Furniture and equipment	85,303	60,753	24,550
Computer hardware	44,249	30,092	14,157
Leasehold improvements	27,619	16,300	11,319
	<b>1,713,280</b>	<b>161,248</b>	<b>1,552,032</b>

### 7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2021 \$	2020 \$
Operations and other	70,170	42,297
Vacation and wages payable	97,576	86,252
Government remittances - WorkSafeBC	4,155	2,688
	<b>171,901</b>	<b>131,237</b>

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2021

**8. PROGRAM FUNDING AND DEFERRED REVENUE**

	Deferred, Beginning of Year \$	Received or Receivable \$	Earned During the Year \$	Deferred, End of Year \$
<b>PROGRAM FUNDING</b>				
Vancouver Coastal Health Authority	91,311	1,101,636	941,165	251,782
YWCA	—	239,766	239,766	—
BC Housing	13,347	270,573	215,925	67,995
Ministry of Housing and Social Development	—	129,388	129,388	—
Community Action Initiative	—	119,999	113,153	6,846
Tsleil Waututh Nation	37,936	140,312	64,052	114,196
Province of BC - Gaming revenue	—	50,000	50,000	—
Vancity Community Foundation [note 16]	—	56,006	56,006	—
Other	8,000	52,049	40,688	19,361
CMHA - BC Division	—	31,967	31,967	—
Vancouver Foundation	—	30,000	16,618	13,382
Municipal - North Vancouver	—	16,574	16,574	—
Municipal - West Vancouver	—	8,000	8,000	—
	150,594	2,246,270	1,923,302	473,562
<b>DONATIONS, SPONSORSHIPS AND OTHER</b>	7,605	29,437	1,655	35,387
	158,199	2,275,707	1,924,957	508,949

**9. MORTGAGE**

	2021 \$	2020 \$
Vancity mortgage bearing fixed interest at 3.79% per annum, repayable in monthly blended payments of \$5,636. The mortgage matures on April 10, 2024 and is secured by a registered mortgage over the lands and buildings located at the Arborlynn House and Harold House. An assignment of rents are pledged as collateral.		
	883,782	917,296
Current portion of mortgage	(34,736)	(33,394)
Long-term portion of mortgage	849,046	883,902

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

### 9. MORTGAGE (CONT'D)

The expected principal repayments over the next 5 years:

	\$
2022	34,736
2023	36,071
2024 (renewal)	812,975
2025	—
2026	—
	<b>883,782</b>

### 10. DEFERRED CONTRIBUTIONS RELATED TO CAPITAL ASSETS

	2021	2020
	\$	\$
<b>Balance, beginning of year</b>	<b>49,000</b>	—
Contributions received, spent on capital items	—	50,000
Amortized to revenue	<b>(1,960)</b>	(1,000)
<b>Balance, end of year</b>	<b>47,040</b>	49,000

### 11. COMMITMENTS

The Association's minimum lease commitments for the next five years, for base rent only on the premises located on 1835 Lonsdale Avenue, North Vancouver, are as follows:

	\$
2022	229,703
2023	199,382
2024	114,380
2025	107,880
2026	26,970
	<b>678,315</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

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March 31, 2021

### 12. OPERATING LOAN

The Association has an operating loan with maximum availability of \$250,000 [2020 - \$250,000]. The operating loan bears interest at prime plus 1.5% per annum, any funds advanced are due on demand and is secured by the Arborlynn House and Harold House. At March 31, 2021, there is no balance outstanding on the operating line of credit [2020 - \$Nil].

### 13. FINANCIAL INSTRUMENTS

The Association is exposed to various risks through its financial instruments. The following analysis presents the Association's exposures to significant risk as at March 31, 2021.

#### Credit Risk

The Association is exposed to credit risk with respect to its cash and accounts receivable. The Association assesses, on a continuous basis, accounts receivable on the basis of amounts it is virtually certain to receive and cash balances are held with a large Canadian credit union.

#### Liquidity Risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they become due. It stems from the possibility of a delay in realizing the fair value of financial instruments.

The Association manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

#### Interest Rate Risk

The Association is exposed to interest rate risk on its callable mortgage. Such instruments are subject to periodic interest rate review on maturity and renewal and cash flows could change with an increase in interest rates and interest expense payable.

There has been no change in the Association's risk exposure in the above noted risks since the previous year.

### 14. ECONOMIC DEPENDENCE

The Association is dependent on grants from governments and governmental agencies to meet its obligations and to finance its continued operations.

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

March 31, 2021

**15. WAGES AND BENEFITS**

Pursuant to the British Columbia Societies Act, the Association is required to disclose wages and benefits paid to employees and contractors who are paid \$75,000 or more during the fiscal year. Wages and benefits expense includes \$112,919 [2020 - \$106,924] paid to one [2020 - one] employee during the year. No contractors were paid more than \$75,000 during the year. No remuneration was paid to any members of the board.

**16. DONOR ADVISED ENDOWMENT FUND**

The Association contributed \$260,085 during the year to the Vancity Community Foundation for the Canadian Mental Health Association North and West Vancouver Branch Endowment Fund. As at March 31, 2021, the Fund has a market value of \$1,580,277. The Association does not have access to any of the capital in this fund and therefore is not reflected as an asset of the Association. The capital endowment is invested and earns income to make operating grants to the Association. In 2021, \$56,006 in operating grants were paid to the Association.

	2021	2020
	\$	\$
<b>Balance, beginning of year, at fair market value</b>	<b>1,060,679</b>	—
Contributions	<b>260,085</b>	1,133,895
Grants disbursed <i>[note 8]</i>	<b>(56,006)</b>	(11,651)
Net realized and unrealized investment gain (loss)	<b>329,480</b>	(55,981)
Administration fees	<b>(13,961)</b>	(5,584)
<b>Balance, end of year, at fair market value</b>	<b>1,580,277</b>	1,060,679

The donor advised endowment fund is managed in a consolidated community foundation portfolio by the Vancity Community Foundation with the approximate mix of investments at March 31, 2021:

	2021
	%
Cash and equivalents	<b>2.20</b>
Fixed income	<b>36.10</b>
Equity	<b>61.70</b>
	<b>100.00</b>

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

March 31, 2021

17. OTHER - COVID-19

In March 2020, the outbreak of coronavirus, also known as COVID-19, has spread across the globe and is impacting worldwide economic activity.

As a result, the HOpe Centre Café has been temporarily closed.

The Association has applied for and received the following COVID-19 government subsidies:

	2021	2020
	\$	\$
Government of Canada - Canada Emergency Wage Subsidy	237,583	38,000
Government of Canada - Canada Emergency Rent Subsidy	2,208	—
	<b>239,791</b>	38,000

**SCHEDULE OF REVENUES AND EXPENSES - HOMELESS OUTREACH PROGRAM**

Year ended March 31

	2021	2020
	\$	\$
<b>REVENUE</b>		
B.C. Housing	<b>109,713</b>	103,859
	<b>109,713</b>	103,859
<b>EXPENSES</b>		
Salaries and benefits	<b>77,317</b>	73,305
Rent	<b>22,279</b>	21,250
Computer expenses	<b>2,794</b>	1,438
Program supplies	<b>2,488</b>	1,365
Telephone and cable	<b>1,462</b>	1,435
Maintenance and repairs	<b>1,180</b>	1,065
Travel	<b>1,133</b>	1,239
Professional fees	<b>628</b>	576
Office supplies and other	<b>573</b>	111
Training and professional development	<b>515</b>	682
Groceries	—	1,662
	<b>110,369</b>	104,128
<b>Excess of expenses for the year</b>	<b>(656)</b>	(269)

*See accompanying notes to the consolidated financial statements*

**SCHEDULE OF REVENUES AND EXPENSES - HOMELESS  
PREVENTION PROGRAM**

Year ended March 31

	2021	2020
	\$	\$
<b>REVENUE</b>		
B.C. Housing	92,702	—
	<b>92,702</b>	<b>—</b>
<b>EXPENSES</b>		
Rent	45,325	—
Salaries and benefits	44,245	—
Computer expenses	1,305	—
Training and professional development	940	—
Telephone and cable	484	—
Program supplies	309	—
Office supplies and other	94	—
	<b>92,702</b>	<b>—</b>
<b>Excess of expenses for the year</b>	<b>—</b>	<b>—</b>

*See accompanying notes to the consolidated financial statements*