

Canadian Institute for Advancements in Mental Health

Financial Statements

March 31, 2024

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF CANADIAN INSTITUTE FOR ADVANCEMENTS IN MENTAL HEALTH

Qualified Opinion

I have audited the accompanying financial statements of Canadian Institute for Advancements in Mental Health, which comprise the statement of financial position as at March 31, 2024 and statement of operations and 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 my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report the accompanying financial statements present fairly, in all material respects, the financial position of Canadian Institute for Advancements in Mental Health, as at March 31, 2024, 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 Qualified Opinion

In common with many charitable organizations, Canadian Institute for Advancements in Mental Health derives revenue from contributions and fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, my verification of revenue from contributions and fundraising activities was limited to the amounts recorded in the records of the organization and I was not able to determine whether any adjustments might be necessary to revenue from contributions and events and gaming activities, net expense for the year, cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023 and net assets as at April 1 and March 31 for both the 2024 and 2023 years. My audit opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Organization in accordance with the ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Financial Statements

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 Organization'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 Organization's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Organization 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.

I 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 I identify during my audit.



Denis Paganelli, CPA
Licensed Public Accountant

June 20, 2024
Toronto, Canada

Canadian Institute for Advancements in Mental Health

Statement of Financial Position

March 31, 2024

| | 2024 | 2023 |
|---|------------|--------------|
| Assets | | |
| Current assets | | |
| Cash (note 11) | \$ 107,060 | \$ 417,578 |
| Amounts receivable | 105,675 | 70,904 |
| HST rebate receivable | 16,674 | 22,067 |
| Prepaid expense | 35,366 | 46,137 |
| Investments (note 4) | 288,777 | 289,485 |
| | 553,552 | 846,171 |
| Capital assets (note 3) | 22,560 | 27,760 |
| Investments (note 4) | 360,897 | 339,355 |
| | \$ 937,009 | \$ 1,213,286 |
| Liabilities | | |
| Current liabilities | | |
| Accounts payable and accrued liabilities | \$ 116,496 | \$ 72,074 |
| Government remittances payable | 40,641 | 29,048 |
| Deferred contributions (note 7) | 113,908 | 230,530 |
| | 271,045 | 331,652 |
| Canada Emergency Business Account loan (CEBA) (note 13) | – | 40,000 |
| | 271,045 | 371,652 |
| Net assets | | |
| Externally restricted (schedule 2) | 25,000 | 65,000 |
| Internally restricted (schedule 2) | 565,540 | 565,540 |
| Unrestricted Operating Fund | 75,424 | 211,094 |
| | 665,964 | 841,634 |
| Commitment (note 8) | | |
| | \$ 937,009 | \$ 1,213,236 |

See accompanying notes to financial statements.

Approved on behalf of the board:

Director



Director



Denis Paganelli, CPA, CA

Canadian Institute for Advancements in Mental Health

Statement of Operations and Changes in Net Assets

Year ended March 31, 2024

| | Operating Fund (note 14) | Designated Fund | Total 2024 | Total 2023 |
|---------------------------------------|--------------------------------|--------------------|---------------|---------------|
| Revenue | | | | |
| Contributions | | | | |
| Donations – individuals | \$ 161,592 | \$ – | \$ 161,592 | \$ 172,878 |
| Donations – major gifts | 165,828 | – | 165,828 | 168,941 |
| Donations – third party and other | 79,656 | – | 79,656 | 90,772 |
| Bequests | 10,465 | – | 10,465 | 176,680 |
| Events | 129,276 | – | 129,276 | 108,804 |
| Gaming | 96,774 | – | 96,774 | 118,782 |
| Grants | | | | |
| Provincial government (note 5) | 589,562 | – | 589,562 | 561,262 |
| Corporate | 68,804 | – | 68,804 | 99,776 |
| Foundations and other agencies | 370,062 | – | 370,062 | 222,698 |
| Fees for services | 34,566 | – | 34,566 | 52,027 |
| Investment income | 44,065 | – | 44,065 | 7,972 |
| CEBA loan forgiveness (note 12) | 10,000 | – | 10,000 | – |
| Sundry | 5,642 | – | 5,642 | 2,645 |
| | 1,766,292 | – | 1,766,292 | 1,783,237 |
| Expense | | | | |
| Program – (schedule 1) | 1,099,044 | 40,000 | 1,139,044 | 1,131,121 |
| Fundraising and gaming – (schedule 1) | 488,076 | – | 488,076 | 469,023 |
| Administration – (schedule 1) | 314,842 | – | 314,842 | 317,014 |
| | 1,901,962 | 40,000 | 1,941,962 | 1,917,158 |
| Net revenue (expense) for the year | (135,670) | (40,000) | (175,670) | (133,921) |
| Net assets, beginning of year | 211,094 | 630,540 | 841,634 | 975,555 |
| Net assets, end of year | \$ 75,424 | \$ 590,540 | \$ 665,694 | \$ 841,634 |

See accompanying notes to financial statements.

Canadian Institute for Advancements in Mental Health

Statement of Cash Flows

Year Ended March 31, 2024

| | 2024 | 2023 |
|---|--------------|--------------|
| Cash provided by (used in): | | |
| Operating activities | | |
| Net revenue (expense) for the year | \$ (175,670) | \$ (133,921) |
| Adjustment for items not affecting cash | | |
| Net Investment income/expense maintained/paid in investments | (34,953) | 1,281 |
| CEBA loan forgiveness | (10,000) | – |
| Amortization of capital assets | 5,200 | 5,200 |
| | (215,423) | (127,440) |
| Net change in non-cash working capital balances related to operations | (79,214) | (43,237) |
| | (294,637) | (170,677) |
| Investing activities | | |
| Transfers from investment accounts | 50,000 | 100,000 |
| Transfers to Investment accounts | (35,881) | (40,494) |
| Purchase of capital assets | – | (15,435) |
| | 14,119 | 44,071 |
| Financing activities | | |
| Canada Emergency Business Account loan paid | (30,000) | – |
| | (30,000) | – |
| Increase (decrease) in cash during the year | (310,518) | (126,606) |
| Cash, beginning of year | 417,578 | 544,184 |
| Cash, end of year | \$ 107,060 | \$ 417,578 |

See accompanying notes to financial statements.

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2024

1. Purpose of the organization

On April 26, 2022 the Organization through a Certificate of Continuance under the Canada Not-For-Profit Corporations Act received from Innovation, Science and Economic Development Canada changed its name to Canadian Institute for Advancements in Mental Health. The purpose and objects of the organization remain unchanged.

Previously on January 13, 2020 through Ontario Supplementary Letters Patent the organization changed its name from Schizophrenia Society of Ontario to Institute for Advancements in Mental Health ("IAM"). The new name reflects the evolution of our understanding of mental illness and schizophrenia and the recommendation of individuals, families and communities to move away from a diagnosis-based organization, to one that can better serve their needs with a focus on social inclusion. IAM will also expand our research to embrace innovation which contributes solutions to mental health challenges faced by those impacted by mental illness.

The organization was founded in 1979 under the following objects of incorporation;

- a) Generally, to provide assistance to and to alleviate the hardships of the mentally ill, in particular those suffering from the disease of schizophrenia and their families;
- b) For the objects aforesaid, but not so as to limit their generality, to facilitate communication among the mentally ill and among the families of the mentally ill, to assist in educating the public in general and the mentally ill and their families in particular, in the nature of mental illness, and to assist the professions in the search for and application of cures for mental illness;
- c) For the objects aforesaid, to accept donations, gifts, legacies and bequests.

2. Summary of significant accounting policies

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Canada Handbook and include the following significant accounting policies:

(a) Fund accounting

The organization follows the restricted fund method of accounting for contributions.

The Operating Fund accounts for the organization's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The Designated Fund reports revenues that are externally restricted by the donor and resources internally restricted by the Board of Directors and consist of the following funds:

- The Thomas Gabriel McGowan Biomedical Research Fund was established in fiscal 2017. It must be used for supporting biomedical research for schizophrenia. Previous donations were also made to the Society for \$50,000 in both fiscal 2016 and 2015 for general research.
- The Development Fund reports internally restricted resources that are to be used for projects and activities of the organization as approved by the Board of Directors.

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

(b) Capital assets and amortization

Purchased capital assets are recorded at cost less accumulated amortization. Contributed capital assets are recorded at fair value at the date of contribution. Furniture and equipment are amortized over their estimated useful lives using the straight-line method at 20% per annum while leasehold improvements are amortized over the term of the lease.

(c) Revenue Recognition

Contributions

Restricted contributions including grants, donations and membership dues 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 Designated 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.

Endowment contributions are reported as revenue in the appropriate Designated Fund when received.

Investment Income

Investment income is recognized as revenue of the Operating Fund when earned.

Events and gaming

Events and gaming revenues are recognized in the year that the event and gaming take place.

(d) Financial instruments

The organization initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial liabilities at amortized cost except for marketable securities quoted in an active market and bonds, which it chose to measure at fair value. Changes in fair value are recognized in the statement of operations.

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

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(e) Contributed services

Volunteers contribute significant time each year to assist the organization in carrying out its activities. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

(f) Cash and cash equivalents

The organization's policy is to present bank balances and bank overdrafts under cash and cash equivalents.

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2024

3. Capital assets

Details of capital assets are as follows:

| | | | 2024 | 2023 |
|------------------------|-----------|--------------------------|-----------|-----------|
| | Cost | Accumulated Amortization | Net | Net |
| Leasehold improvements | \$ 42,291 | \$ 19,731 | \$ 22,560 | \$ 27,760 |
| | \$ 42,291 | \$ 19,731 | \$ 22,560 | \$ 27,760 |

4. Investments

Investments are maintained with Connor Clark & Lunn Private Capital (CCL) they were previously maintained in four separate investment accounts with RBC Dominion Securities Inc., are reported at market value and consist of the following:

| | 2024 | 2023 |
|--|------------|------------|
| CCL Private Client Fixed Income Funds | \$ 467,266 | \$ 466,394 |
| CCL Private Client Canadian Equity Funds | 85,109 | 77,644 |
| CCL Private Client Global Equity Funds | 99,653 | 86,995 |
| Cash on hand to be invested | (2,354) | (2,193) |
| | 649,674 | 628,840 |
| Less: investments maturing in next fiscal year consisting of CCL Private Client Short Term Bond Funds | (288,777) | (289,485) |
| Investments maturing after next fiscal year | \$ 360,897 | \$ 339,355 |

5. Grants – Provincial Government

Details of the organization's funding are as follows:

| | 2024 | 2023 |
|------------------------|------------|------------|
| Ontario Health | \$ 273,505 | \$ 260,400 |
| Ontario Health Toronto | 218,535 | 208,045 |
| Ontario Health West | 97,522 | 92,817 |
| | \$ 589,562 | \$ 561,262 |

6. Bank line of credit

The organization has a business line of credit with its bank for an amount up to \$41,500 at an annual interest rate of Scotiabank prime plus 3.5%. The line of credit was not in use at March 31, 2024.

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2024

7. Deferred contributions

Funding for operating activities.

| | 2024 | 2023 |
|---|------------|------------|
| Balance, beginning of year | \$ 230,531 | \$ 107,426 |
| Less: amounts recognized as revenue in the year | (328,082) | (107,426) |
| Add: amounts received related to the following year | 211,459 | 230,531 |
| Balance, end of year | \$ 113,908 | \$ 230,531 |

8. Lease commitment

The organization has leased office space to March 31, 2028. A lease amending agreement has also been signed with the landlord to reduce the square footage for the period from May 1, 2023 to April 30, 2025. The minimum rent payments required over the next five years are:

| Fiscal Year | Amount |
|-------------|------------|
| 2025 | \$ 61,028 |
| 2026 | 81,638 |
| 2027 | 83,512 |
| 2028 | 83,512 |
| 2029 | 62,634 |
| | \$ 372,324 |

9. Pension plan contributions

The organization contributes to individual pension plans that are all defined contribution plans. The pension expense under these plans is equal to the organization's contribution. The 2024 pension expense was \$37,699 (2023-\$37,444).

10. Allocation of expenses

The organization allocates expenses between program, administration and fundraising expenses. Salaries and benefits are allocated by assessing the percentage of work done by each employee in each category. Building occupancy is allocated based on the space occupied by the employees and their work in each of the categories. Other expenses are allocated directly into one of the categories or by a percentage determined by the organization.

11. Cash - restricted

The organization maintains separate trust bank accounts in order to satisfy the requirements of the licences granted to it for Nevada and Bingo gaming by the Alcohol and Gaming Commission of Ontario. These funds are restricted as they must be spent on the activities listed on the licence applications. The balances maintained in these accounts at March 31, 2024 was \$55,023 (2021-\$59,301).

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2024

12. Canada Emergency Business Account loan

This loan for \$40,000 was provided by the Government of Canada at no interest and was repaid by December 31, 2023 so the organization was able to keep \$10,000 as loan forgiveness.

13. Financial risks

The organization is exposed to various risks through its financial instruments.

Credit Risk

The organization is exposed to credit risk on its amounts receivable and investments. The organization assesses on a continuous basis, amounts receivable on the basis of amounts it is virtually certain to receive based on their estimated realizable value.

For investments, the organization has established a conservative investment policy which requires investments to be invested in Canadian and provincial government bonds and major Canadian banks and corporations with a debt rating of A or better.

Interest Rate Risk

The organization is exposed to interest rate risk on its investments which consist of fixed rate bonds. Fixed rate bonds subject the organization to a fair value risk; however, the risk associated with these investments is reduced to a minimum since these assets are invested in safe government and corporate securities.

Liquidity Risk

The organization is subject to liquidity risk which is the risk of being unable to meet cash requirements or to fund obligations as they become due.

14. Comparative figures

In fiscal 2024 the organization decided to report the activities of the Research & Innovation Fund, which accounts for the its research and innovation activities, in the Operating Fund. Certain comparative figures for fiscal 2023 have been reclassified to conform to this classification adopted in fiscal 2024.

Canadian Institute for Advancements in Mental Health

Schedule of Expenses

SCHEDULE 1

For the year ended March 31, 2024

| 2024 | Program (note 14) | Fundraising | Administration | 2024 Total |
|---------------------------------------|----------------------|-------------|----------------|---------------|
| Salaries and benefits | \$ 829,545 | \$ 258,283 | \$ 219,451 | \$ 1,307,279 |
| Occupancy costs | 78,867 | 27,710 | 110 | 106,687 |
| Office and administration | 14,775 | 7,996 | 4,091 | 26,862 |
| Insurance | – | – | 30,574 | 30,574 |
| Investment, interest and bank charges | 150 | – | 20,873 | 21,023 |
| Computer and web costs | 53,294 | 27,523 | 6,606 | 87,423 |
| Education and recruitment costs | 390 | 862 | 414 | 1,666 |
| Contracted services | 40,634 | 25,485 | 23,265 | 89,384 |
| Program and communications | 18,826 | 2,866 | 3,732 | 25,424 |
| Travel | 563 | 339 | 526 | 1,428 |
| Events and gaming | – | 136,512 | – | 136,512 |
| Scholarships | 44,000 | – | – | 44,000 |
| Miscellaneous | 18,000 | 500 | – | 18,500 |
| Mental Health Innovation Prize | 40,000 | – | – | 40,000 |
| Amortization of capital assets | – | – | 5,200 | 5,200 |
| | \$ 1,139,044 | \$ 488,076 | \$ 314,842 | \$ 1,941,962 |

| 2023 | Program (note 14) | Fundraising | Administration | 2023 Total |
|---------------------------------------|----------------------|-------------|----------------|---------------|
| Salaries and benefits | \$ 801,541 | \$ 211,216 | \$ 143,187 | \$ 1,155,944 |
| Occupancy costs | 113,660 | 5,385 | 720 | 119,765 |
| Office and administration | 12,453 | 6,444 | 5,448 | 24,345 |
| Insurance | – | 477 | 28,536 | 29,013 |
| Investment, interest and bank charges | – | – | 20,778 | 20,778 |
| Computer and web costs | 87,688 | 13,313 | 354 | 101,355 |
| Education and recruitment costs | 2,071 | 2,616 | 43 | 4,730 |
| Contracted services | 27,317 | 91,506 | 110,195 | 229,018 |
| Program and communications | 22,733 | 3,656 | 1,649 | 28,038 |
| Travel | 558 | 1,379 | 904 | 2,841 |
| Events and gaming | – | 133,031 | – | 133,031 |
| Scholarships | 35,100 | – | – | 35,100 |
| Miscellaneous | 18,000 | – | – | 18,000 |
| Mental Health Innovation Prize | 10,000 | – | – | 10,000 |
| Amortization of capital assets | – | – | 5,200 | 5,200 |
| | \$ 1,131,121 | \$ 469,023 | \$ 317,014 | \$ 1,917,158 |

See accompanying notes to financial statements

Denis Paganelli, CPA, CA

Canadian Institute for Advancements in Mental Health

Schedule of Designated Fund Revenues and Expenses

SCHEDULE 2

For the year ended March 31, 2024

| | Balance, Beginning of year | Donations received | Events and gaming | Investment Income | Expenses | Interfund transfers | Balance, End of year |
|---|-------------------------------|-----------------------|----------------------|----------------------|-------------|------------------------|-------------------------|
| Externally Restricted Funds | | | | | | | |
| Thomas Gabriel McGowan Biomedical Research Fund | \$ 65,000 | \$ - | \$ - | \$ - | \$ (40,000) | \$ - | \$ 25,000 |
| | \$ 65,000 | \$ - | \$ - | \$ - | \$ (40,000) | \$ - | \$ 25,000 |
| Internally Restricted Funds | | | | | | | |
| Development Fund | \$ 565,540 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 565,540 |

See accompanying notes to financial statements.