

Canadian Institute for Advancements in Mental Health

Financial Statements

March 31, 2023

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, 2023 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022 and net assets as at April 1 and March 31 for both the 2023 and 2022 years. My audit opinion on the financial statements for the year ended March 31, 2022 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 22, 2023
Toronto, Canada

Canadian Institute for Advancements in Mental Health

Statement of Financial Position

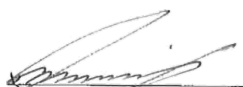
March 31, 2023

	2023	2022
Assets		
Current assets		
Cash (note 11)	\$ 417,578	\$ 544,184
Amounts receivable	70,904	17,629
HST rebate receivable	22,067	25,004
Prepaid expense	46,087	36,214
Investments (note 4)	289,485	346,152
	846,121	989,183
Capital assets (note 3)	27,760	17,525
Investments (note 4)	339,355	343,475
	\$ 1,213,236	\$ 1,330,183
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 72,074	\$ 175,614
Government remittances payable	29,048	31,588
Deferred contributions (note 14)	230,530	107,426
	331,602	314,628
Canada Emergency Business Account loan (note 13)	40,000	40,000
	371,602	354,628
Net assets		
Externally restricted (schedule 2)	65,000	75,000
Internally restricted (schedule 2)	565,540	565,540
Restricted Research and Innovation Fund	—	—
Unrestricted Operating Fund	211,094	335,015
	841,634	975,555
Commitment (note 8)		
	\$ 1,213,236	\$ 1,330,183

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, 2023

	Operating Fund	Research & Innovation Fund	Designated Fund	Total 2023	Total 2022
Revenue					
Contributions					
Donations – individuals	\$ 170,083	\$ 2,795	\$ –	\$ 172,878	\$ 165,031
Donations – major gifts	168,941	–	–	168,941	175,880
Donations – third party and other	90,772	–	–	90,772	86,959
Bequests	176,680	–	–	176,680	237,595
Events (note 6)	108,804	–	–	108,804	34,110
Gaming (note 6)	118,782	–	–	118,782	149,221
Grants					
Provincial government (note 7)	485,302	75,960	–	561,262	581,262
Corporate	69,776	30,000	–	99,776	62,224
Foundations and other agencies	221,375	1,323	–	222,698	237,311
Canada Emergency Wage Subsidy	–	–	–	–	79,580
Canada Emergency Rent Subsidy	–	–	–	–	17,244
Fees for services	44,027	8,000	–	52,027	46,530
Investment income	7,972	–	–	7,972	1,279
Sundry	2,645	–	–	2,645	559
	1,665,159	118,078	–	1,783,237	1,874,785
Expense					
Program – (schedule 1)	857,834	–	–	857,834	910,166
Research & Innovation– (schedule 1)	–	263,287	10,000	273,287	145,208
Fundraising – (schedule 1)	392,256	–	–	392,256	344,226
Gaming – (schedule 1)	76,767	–	–	76,767	75,966
Administration – (schedule 1)	317,014	–	–	317,014	274,959
	1,643,871	263,287	10,000	1,917,158	1,750,525
Net revenue (expense) for the year	21,288	(145,209)	(10,000)	(133,921)	124,260
Net assets, beginning of year	335,015	–	640,540	975,555	851,295
Interfund transfers (note 5)	(145,209)	145,209	–	–	–
Net assets, end of year	\$ 211,094	\$ –	\$ 630,540	\$ 841,634	\$ 975,555

See accompanying notes to financial statements.

Canadian Institute for Advancements in Mental Health

Statement of Cash Flows

Year Ended March 31, 2023

	2023	2022
Cash provided by (used in):		
Operating activities		
Net revenue (expense) for the year	\$ (133,921)	\$ 124,260
Adjustment for items not affecting cash		
Net Investment income/expense maintained/paid in investments	1,281	1,748
Amortization of capital assets	5,200	5,200
	(127,440)	131,208
Net change in non-cash working capital balances related to operations	(43,237)	129,432
	(170,677)	260,640
Investing activities		
Transfers from investment accounts	100,000	643,009
Transfers to Investment accounts	(40,494)	(685,425)
Purchase of capital assets	(15,435)	–
	44,071	(42,416)
Financing activities		
Canada Emergency Business Account loan received	–	–
	–	–
Increase (decrease) in cash during the year	(126,606)	218,224
Cash, beginning of year	544,184	335,960
Cash, end of year	\$ 417,578	\$ 544,184

See accompanying notes to financial statements.

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2023

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 Research & Innovation Fund accounts for the organization's research and innovation activities. Currently these activities include; participation in psychosocial research initiatives, research and development of new products and services, research that informs our policy and systems change, participatory research which engages individuals and families.

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.

Denis Paganelli, CPA, CA

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2023

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, 2023

3. Capital assets

Details of capital assets are as follows:

			2023	2022
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 12,881	\$ 12,881	\$ –	\$ 1,412
Leasehold improvements	42,291	14,531	27,760	16,113
	\$ 39,737	\$ 22,212	\$ 27,760	\$ 17,525

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:

	2023	2022
CCL Private Client Fixed Income Funds	\$ 466,394	\$ 496,634
CCL Private Client Canadian Equity Funds	77,644	91,935
CCL Private Client Global Equity Funds	86,995	87,914
Cash on hand to be invested	(2,193)	13,144
	628,840	689,627
Less: investments maturing in next fiscal year and CCL Fixed Income Private Client Short Term Bond Funds	(289,485)	(346,152)
Investments maturing after next fiscal year	\$ 339,355	\$ 343,475

5. Interfund transfers

During the year transfers of \$145,209 (2022 - \$120,184) from the Operating Fund were made to support the activities of the Research & Innovation Fund.

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2023

6. Events and gaming revenue and expenses

Events revenue

	2023	2022
Golf event	\$ 108,804	\$ 33,600
Other fundraising events	—	510
	\$ 108,804	\$ 34,110

Gaming revenue

	2023	2022
Nevada	\$ 118,782	\$ 149,221
Total Events and Gaming revenue	\$ 118,782	\$ 149,221

Events expense

	2023	2022
Golf event	\$ 45,171	\$ 15,000
Other fundraising events	11,093	6,798
	\$ 56,264	\$ 21,798

Gaming expense

	2023	2022
Nevada	\$ 76,767	\$ 68,890
Total Events and Gaming expense	\$ 133,031	\$ 90,688

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2023

7. Grants – Provincial Government

Details of the organization's funding are as follows:

	2023	2022
Ontario Health	\$ 260,400	\$ 260,400
Ontario Health Toronto	208,045	208,045
Ontario Health West	92,817	92,817
Ontario Health enhancement	–	20,000
	\$ 561,262	\$ 581,262

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, 2022 to April 30, 2025. The minimum rent payments required over the next five years are:

Fiscal Year	Amount
2024	\$ 60,205
2025	61,028
2026	81,638
2027	83,512
2028	83,512
	\$ 369,895

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 2023 pension expense was \$37,444 (2022-\$33,030).

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, 2023 was \$59,301 (2021-\$32,409).

Canadian Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2023

12. 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, 2023.

13. Canada Emergency Business Account loan

This loan for \$40,000 is provided by the Government of Canada at no interest if it is repaid by December 31, 2023. The organization may also keep \$10,000 as a grant if payment is made by December 31, 2023.

14. Deferred contributions

Funding for operating activities.

	2023	2022
Balance, beginning of year	\$ 107,426	\$ 91,007
Less: amounts recognized as revenue in the year	(107,426)	(91,007)
Add: amounts received related to the following year	230,531	107,426
Balance, end of year	\$ 230,531	\$ 107,426

15. 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.

Canadian Institute for Advancements in Mental Health

Schedule of Expenses

SCHEDULE 1

For the year ended March 31, 2023

2023	Program	Fundraising	Gaming	Administration	Research & Innovation	2023 Total
Salaries and benefits	\$ 582,103	\$ 211,216	\$ —	\$ 143,187	\$ 219,438	\$ 1,155,944
Occupancy costs	108,275	5,385	—	720	5,385	119,765
Office and administration	11,013	6,444	—	5,448	1,440	24,345
Insurance	—	477	—	28,536	—	29,013
Investment, interest and bank charges	—	—	—	20,778	—	20,778
Computer and web costs	68,924	13,313	—	354	18,764	101,355
Education and recruitment costs	2,028	2,616	—	43	43	4,730
Contracted services	25,217	91,506	—	110,195	2,100	229,018
Program and communications	6,616	3,656	—	1,649	16,117	28,038
Travel	558	1,379	—	904	—	2,841
Events and gaming (note 6)	—	56,264	76,767	—	—	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
	\$ 857,834	\$ 392,256	\$ 76,767	\$ 317,014	\$ 273,287	\$ 1,917,158

2022	Program	Fundraising	Gaming	Administration	Research & Innovation	2022 Total
Salaries and benefits	\$ 614,505	\$ 171,301	\$ —	\$ 134,351	\$ 86,864	\$ 1,007,021
Occupancy costs	84,741	12,746	—	2,848	38,253	138,588
Office and administration	17,855	3,984	—	2,816	2,616	27,271
Insurance	—	—	—	21,576	—	21,576
Investment, interest and bank charges	—	5,207	—	11,914	—	17,121
Computer and web costs	69,360	26,814	—	1,229	10,836	108,239
Education and recruitment costs	2,286	797	—	837	206	4,126
Contracted services	46,773	102,636	—	92,714	3,525	245,648
Program and communications	12,336	6,009	—	1,319	2,878	22,542
Travel	160	10	—	155	30	355
Events and gaming (note 6)	—	14,722	75,966	—	—	90,688
Scholarships	44,150	—	—	—	—	44,150
Miscellaneous	18,000	—	—	—	—	18,000
Mental Health Innovation Prize	—	—	—	—	—	—
Amortization of capital assets	—	—	—	5,200	—	5,200
	\$ 910,166	\$ 344,226	\$ 75,966	\$ 274,959	\$ 145,208	\$ 1,750,525

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, 2023

	Balance, Beginning of year	Donations received	Events and gaming	Investment Income	Expenses	Interfund transfers (note 5)	Balance, End of year
Externally Restricted Funds							
Thomas Gabriel McGowan Biomedical Research Fund	\$ 75,000	\$ -	\$ -	\$ -	\$ (10,000)	\$ -	\$ 65,000
	\$ 75,000	\$ -	\$ -	\$ -	\$ (10,000)	\$ -	\$ 65,000
Internally Restricted Funds							
Development Fund	\$ 565,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,540

See accompanying notes to financial statements.