

Institute for Advancements in Mental Health

Financial Statements

March 31, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE DIRECTORS OF INSTITUTE FOR ADVANCEMENTS IN MENTAL HEALTH

Qualified Opinion

I have audited the accompanying financial statements of Institute for Advancements in Mental Health, which comprise the statement of financial position as at March 31, 2022 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 Institute for Advancements in Mental Health, as at March 31, 2022, 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, Institute for Advancements in Mental 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, assets and net assets.

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.

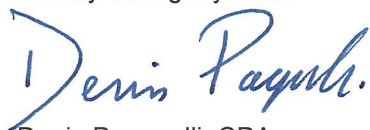
Auditor's Responsibilities for the Audit of the Financial Statements

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, 2022
Toronto, Canada

Institute for Advancements in Mental Health

Statement of Financial Position

March 31, 2022

	2022	2021
Assets		
Current assets		
Cash (note 11)	\$ 544,184	\$ 335,960
Amounts receivable	17,629	66,553
HST rebate receivable	25,004	30,684
Prepaid expense	36,214	25,268
Investments (note 4)	346,152	441,905
	989,183	900,370
Capital assets (note 3)	17,525	22,725
Investments (note 4)	343,475	197,054
	\$ 1,330,183	\$ 1,120,149
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities	\$ 175,614	\$ 127,951
Government remittances payable	31,588	9,896
Deferred contributions (note 14)	107,426	91,007
	314,628	228,854
Canada Emergency Business Account loan (note 13)	40,000	40,000
	354,628	268,854
Net assets		
Externally restricted (schedule 2)	75,000	75,000
Internally restricted (schedule 2)	565,540	565,540
Restricted Research and Innovation Fund	—	—
Unrestricted Operating Fund	335,015	210,755
	975,555	851,295
Commitment (note 8)		
Subsequent event (note 17)		
	\$ 1,330,183	\$ 1,120,149

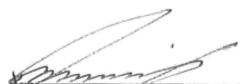
See accompanying notes to financial statements.

Approved on behalf of the board:



Director

Chris Damaren, Board Chair



Director

Ted Meighen, Treasurer

Denis Paganelli, CPA, CA

Institute for Advancements in Mental Health

Statement of Operations and Changes in Net Assets

Year ended March 31, 2022

	Operating Fund	Research & Innovation Fund	Designated Fund	Total 2022	Total 2021
Revenue					
Contributions					
Donations – individuals	\$ 156,517	\$ 8,514	\$ –	\$ 165,031	\$ 107,036
Donations – major gifts	175,880	–	–	175,880	82,532
Donations – third party and other	86,959	–	–	86,959	92,000
Bequests	227,595	10,000	–	237,595	572,034
Events (note 6)	33,600	510	–	34,110	44,805
Gaming (note 6)	149,221	–	–	149,221	144,228
Grants					
Provincial government (note 7)	581,262	–	–	581,262	604,562
Corporate	56,224	6,000	–	62,224	98,974
Foundations and other agencies	237,311	–	–	237,311	305,921
Canada Emergency Wage Subsidy	79,580	–	–	79,580	272,398
Canada Emergency Rent Subsidy	17,244	–	–	17,244	9,424
Fees for services	46,530	–	–	46,530	65,250
Investment income	1,279	–	–	1,279	8,416
Sundry	559	–	–	559	623
	1,849,761	25,024	–	1,874,785	2,408,203
Expense					
Program – (schedule 1)	910,166	–	–	910,166	893,769
Research & Innovation– (schedule 1)	–	145,208	–	145,208	224,458
Fundraising – (schedule 1)	344,226	–	–	344,226	347,322
Gaming – (schedule 1)	75,966	–	–	75,966	76,765
Administration – (schedule 1)	274,959	–	–	274,959	328,246
	1,605,317	145,208	–	1,750,525	1,870,560
Net revenue (expense) for the year	244,444	(120,184)	–	124,260	537,643
Net assets, beginning of year	210,755	–	640,540	851,295	313,652
Interfund transfers (note 5)	(120,184)	120,184	–	–	–
Net assets, end of year	\$ 335,015	\$ –	\$ 640,540	\$ 975,555	\$ 851,295

See accompanying notes to financial statements.

Institute for Advancements in Mental Health

Statement of Cash Flows

Year Ended March 31, 2022

	2022	2021
Cash provided by (used in):		
Operating activities		
Net revenue (expense) for the year	\$ 124,260	\$ 537,643
Adjustment for items not affecting cash		
Net Investment income/expense maintained/paid in investments	1,748	(8,416)
Amortization of capital assets	5,200	5,200
	131,208	534,427
Net change in non-cash working capital balances related to operations	129,432	(56,843)
	260,640	477,584
Investing activities		
Transfers from investment accounts	643,009	30,000
Transfers to Investment accounts	(685,425)	(264,244)
Purchase of capital assets	—	—
	(42,416)	(234,244)
Financing activities		
Canada Emergency Business Account loan received	—	40,000
	—	40,000
Increase (decrease) in cash during the year	218,224	283,340
Cash, beginning of year	335,960	52,620
Cash, end of year	\$ 544,184	\$ 335,960

See accompanying notes to financial statements.

Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2022

1. Purpose of the organization (see note 17)

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 objects of Incorporation remain the same. The organization is incorporated without share capital under the laws of the Province of Ontario and is a registered charity under the Income Tax Act. 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.

Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

(a) Fund accounting (continued)

- The Bill Jefferies Research Fund reports resources that are to be used to fund and support both psychosocial and biomedical research projects related to schizophrenia including grants received from external sources.

(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.

Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

(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.

3. Capital assets

Details of capital assets are as follows:

	2022		2021	
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 12,881	\$ 11,469	\$ 1,412	\$ 3,926
Leasehold improvements	26,856	10,743	16,113	18,799
	\$ 39,737	\$ 22,212	\$ 17,525	\$ 22,725

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:

	2022	2021
Canadian Fixed Income Securities maturing between December 29, 2021 and February 12, 2024 Interest rates varying from 2.28% to 3.05%	\$ —	\$ 248,188
Canadian money market mutual funds	—	381,455
CCL Private Client Fixed Income Funds	496,634	—
CCL Private Client Canadian Income Funds	91,935	—
CCL Private Client Global Equity Funds	87,914	—
Cash on hand to be invested	13,144	9,316
	689,627	638,959
Less: investments maturing in next fiscal year and CCL Fixed Income Private Client Short Term Bond Funds	(346,152)	(441,905)
Investments maturing after next fiscal year	\$ 343,475	\$ 197,054

Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2022

5. Interfund transfers

During the year transfers of \$120,184 (2021 - \$53,654) from the Operating Fund were made to support the activities of the Research & Innovation Fund. Also, in fiscal 2021 the Board approved a transfer of \$565,540 from the Operating Fund to the Development Fund.

6. Events and gaming revenue and expenses

Events revenue

	2022	2021
Golf event	\$ 33,600	\$ 43,375
Yogathon	—	1,430
Other fundraising events	510	—
	\$ 34,110	\$ 44,805

Gaming revenue

	2022	2021
Nevada	\$ 149,221	\$ 144,228
Total Events and Gaming revenue	\$ 149,221	\$ 189,033

Events expense

	2022	2021
Golf event	\$ 15,000	\$ 3,798
Yogathon	—	(50)
Other fundraising events	6,798	—
	\$ 21,798	\$ 3,748

Gaming expense

	2022	2021
Nevada	\$ 68,890	\$ 78,880
Total Events and Gaming expense	\$ 90,688	\$ 82,628

Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2022

7. Grants – Provincial Government

Details of the organization's funding are as follows:

	2022	2021
Ontario Health	\$ 260,400	\$ 260,405
Ontario Health Toronto	208,045	208,035
Ontario Health West	92,817	92,822
Ontario Health enhancement	20,000	43,300
	<u>\$ 581,262</u>	<u>\$ 604,562</u>

8. Lease commitment

The organization has leased office space to March 31, 2028. A lease amending agreement has also been signed with the landlord. The minimum rent payments required over the next five years are:

Fiscal Year	Amount
2023	\$ 60,042
2024	60,205
2025	61,028
2026	81,638
2027	83,512
	<u>\$ 346,425</u>

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 2022 pension expense was \$33,030 (2021-\$37,492).

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, 2022 was \$32,409 (2021-\$61,460).

Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2022

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, 2022.

13. Canada Emergency Business Account loan

This loan for \$40,000 is provided by the Government of Canada at no interest as long as 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.

	2022	2021
Balance, beginning of year	\$ 91,007	\$ 93,931
Less: amounts recognized as revenue in the year	(91,007)	(93,931)
Add: amounts received related to the following year	107,426	91,007
Balance, end of year	\$ 107,426	\$ 91,007

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.

Institute for Advancements in Mental Health

Notes to Financial Statements

March 31, 2022

16. Covid-19 Impact on Operations

The organization began to see the impact of COVID -19 in March 2020 and as the pandemic carried into this fiscal year, there continued to be both an increasing need for services and a challenging fundraising environment.

This fiscal year the organization continued to be impacted by COVID -19. Our services and supports continued to be provided on a virtual platform. We responded to an increased demand for support and education in both our individual and group programs. Focus continued in moving our organizational vision forward and alignment of our infrastructure to strategic goals for increased efficiency and impact. Our innovation platform contributed solutions that; directly impact individuals living with mental illness and the mental health landscape.

Overall fundraising continued to be a challenge for the organization particularly, continuing to compromise our in-person events and donor stewardship. The ability to increase our revenue to meet the demand for services and the development of needed mental health solutions, resulted in stretching our human resources.

We continued to see the commitment of many loyal and engaged donors, foundations and corporations. We saw new funding partners joining IAM and supporting our work and vision.

As our COVID 19 environment sees lifting of restrictions and a return to a pre covid environment, we look forward to returning to a hybrid model of in office and virtual. We also look forward to reconnecting with many of our supporters and donors through; in person events and face to face meetings. We also welcome the opportunity to continue to further our existing relationships, programs and services and build new partnerships and collaborative opportunities across Canada .

17. Subsequent event

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.

Institute for Advancements in Mental Health

Schedule of Expenses

SCHEDULE 1

For the year ended March 31, 2022

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
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

2021	Program	Fundraising	Gaming	Administration	Research & Innovation	2021 Total
Salaries and benefits	\$ 633,272	\$ 189,097	\$ —	\$ 154,241	\$ 83,057	\$ 1,059,667
Occupancy costs	85,434	10,408	—	8,380	20,815	125,037
Office and administration	15,880	2,968	—	11,003	72	29,923
Insurance	—	—	—	20,378	—	20,378
Interest and bank charges	433	2,147	—	8,128	—	10,708
Computer and web costs	58,301	18,177	—	7,589	992	85,059
Education and recruitment costs	2,675	(749)	—	42	(49)	1,919
Contracted services	20,916	92,143	—	105,045	3,839	221,943
Program and communications	22,598	27,271	—	9,102	81,855	140,826
Travel	(740)	(13)	—	(60)	(1,123)	(1,936)
Events and gaming (note 6)	—	5,863	76,765	—	—	82,628
Scholarships	37,000	—	—	—	—	37,000
Miscellaneous	18,000	10	—	—	—	18,010
Mental Health Innovation Prize	—	—	—	(802)	35,000	34,198
Amortization of capital assets	—	—	—	5,200	—	5,200
	\$ 893,769	\$ 347,322	\$ 76,765	\$ 328,246	\$ 224,458	\$ 1,870,560

See accompanying notes to financial statements

Denis Paganelli, CPA, CA

Institute for Advancements in Mental Health

Schedule of Designated Fund Revenues and Expenses

For the year ended March 31, 2022

SCHEDULE 2

	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	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,000
Bill Jefferies Research Fund	-	-	-	-	-	-	-
	<u>\$ 75,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 75,000</u>
Internally Restricted Funds							
Development Fund	\$ 565,540	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 565,540

See accompanying notes to financial statements.