

Centre for Addiction and Mental Health Foundation

**Financial statements
March 31, 2025**



**Shape the future
with confidence**

Independent auditor's report

To the Board of Directors of
Centre for Addiction and Mental Health Foundation

Opinion

We have audited the financial statements of **Centre for Addiction and Mental Health Foundation** [the "Foundation"], which comprise the statement of financial position as at March 31, 2025, and the statement of revenue, expenses and changes in fund balances and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2025, and its results of 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 financial statements* section of our report. We are independent of the Foundation in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Annual Report prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

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



Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation'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 Foundation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Foundation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young LLP

Toronto, Canada
June 10, 2025

Chartered Professional Accountants
Licensed Public Accountants



Centre for Addiction and Mental Health Foundation

Statement of financial position

As at March 31

	2025	2024
	\$	\$
Assets		
Current		
Cash	13,658,241	22,939,793
Accounts receivable	221,165	281,552
Prepaid expenses	337,509	227,495
Total current assets	14,216,915	23,448,840
Investments <i>[note 3]</i>	298,596,934	311,044,804
Capital assets, net <i>[note 4]</i>	689,053	576,444
	313,502,902	335,070,088
Liabilities and fund balances		
Current		
Accounts payable and accrued liabilities	1,876,845	2,016,680
Due to the Centre for Addiction and Mental Health <i>[note 10(c)]</i>	15,084,204	37,165,267
Total current liabilities	16,961,049	39,181,947
Commitments <i>[note 11]</i>		
Fund balances		
Unrestricted	73,534,102	51,403,195
Restricted <i>[note 6]</i>	179,517,578	204,050,614
Endowment <i>[note 7]</i>	43,490,173	40,434,332
Total fund balances	296,541,853	295,888,141
	313,502,902	335,070,088

See accompanying notes

On behalf of the Board:


Director


Director

Centre for Addiction and Mental Health Foundation

Statement of revenue, expenses and changes in fund balances

Year ended March 31

	Unrestricted fund		Restricted fund		Endowment fund		Total	
	2025	2024	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$	\$	\$
Revenue								
Donations	16,519,189	13,999,813	65,039,317	77,773,832	—	—	81,558,506	91,773,645
Special events	1,980,471	2,658,143	188,059	194,660	—	—	2,168,530	2,852,803
	18,499,660	16,657,956	65,227,376	77,968,492	—	—	83,727,036	94,626,448
Investment income, net <i>[note 3]</i>	29,044,389	21,822,559	1,142,069	1,345,410	2,009,783	1,399,156	32,196,241	24,567,125
	47,544,049	38,480,515	66,369,445	79,313,902	2,009,783	1,399,156	115,923,277	119,193,573
Expenses								
Fundraising and administration	22,317,847	21,075,079	—	—	—	—	22,317,847	21,075,079
Special events	1,016,736	1,144,244	—	—	—	—	1,016,736	1,144,244
	23,334,583	22,219,323	—	—	—	—	23,334,583	22,219,323
Excess of revenue over expenses before grants	24,209,466	16,261,192	66,369,445	79,313,902	2,009,783	1,399,156	92,588,694	96,974,250
Grants to the Centre for Addiction and Mental Health <i>[note 8[a]]</i>	1,220,048	2,228,265	90,714,934	66,842,925	—	—	91,934,982	69,071,190
Grants to other qualified donees <i>[note 8[b]]</i>	—	—	—	190,205	—	—	—	190,205
Excess (deficiency) of revenue over expenses for the year	22,989,418	14,032,927	(24,345,489)	12,280,772	2,009,783	1,399,156	653,712	27,712,855
Fund balances, beginning of year	51,403,195	37,967,567	204,050,614	191,900,394	40,434,332	38,307,325	295,888,141	268,175,286
Interfund transfers <i>[note 9]</i>	(858,511)	(597,299)	(187,547)	(130,552)	1,046,058	727,851	—	—
Fund balances, end of year	73,534,102	51,403,195	179,517,578	204,050,614	43,490,173	40,434,332	296,541,853	295,888,141

See accompanying notes

Centre for Addiction and Mental Health Foundation

Statement of cash flows

Year ended March 31

	2025	2024
	\$	\$
Operating activities		
Excess of revenue over expenses for the year	653,712	27,712,855
Add (deduct) items not involving cash		
Change in fair value of investments	(13,373,654)	(10,002,015)
Reinvested investment income	(16,050,165)	(13,010,831)
Foreign exchange loss on investments	64,312	9,760
Amortization of capital assets	139,185	87,791
Changes in non-cash working capital balances related to operations		
Accounts receivable	60,387	171,270
Prepaid expenses	(110,014)	(62,151)
Accounts payable and accrued liabilities	(139,835)	588,077
Due to the Centre for Addiction and Mental Health	(22,081,063)	29,350,161
Deferred revenue	—	(162,453)
Cash provided by (used in) operating activities	(50,837,135)	34,682,464
Investing activities		
Purchase of investments	(50,881,377)	(78,984,974)
Proceeds from sale of securities	92,688,754	49,801,706
Purchase of capital assets	(251,794)	(411,602)
Cash provided by (used in) investing activities	41,555,583	(29,594,870)
Increase (decrease) in cash during the year	(9,281,552)	5,087,594
Cash, beginning of year	22,939,793	17,852,199
Cash, end of year	13,658,241	22,939,793

See accompanying notes

Centre for Addiction and Mental Health Foundation

Notes to financial statements

March 31, 2025

1. Purpose of the organization

The Centre for Addiction and Mental Health Foundation [the “Foundation”] was incorporated under the laws of Ontario in 1986 and has continued under the *Ontario Not-for-Profit Corporations Act*. The purpose of the Foundation is to raise funds in support of the Centre for Addiction and Mental Health [“CAMH”], either alone or in cooperation or conjunction with others.

The Foundation is a charitable foundation registered under the *Income Tax Act* (Canada) and, as such, is exempt from income taxes and able to issue receipts for income tax purposes that are eligible for a non-refundable tax credit by an individual donor and a tax deduction by a corporate donor.

2. Summary of significant accounting policies

These financial statements are prepared in accordance with Part III of the *CPA Canada Handbook – Accounting*, “Accounting Standards for Not-for-Profit Organizations”, which sets out accounting standards for not-for-profit organizations [“ASNPO”] in Canada and includes the significant accounting policies summarized below.

Fund accounting

The Foundation follows the restricted fund method of accounting for contributions, which include grants, bequests and other donations. The Foundation ensures, as part of its fiduciary responsibility, that all funds received with a restricted purpose are expended in accordance with the purpose intended.

For the purpose of financial reporting, the accounts have been classified into one of three funds.

Unrestricted fund

The unrestricted fund accounts for the Foundation’s general fundraising, granting and administrative activities and represents unrestricted resources available for immediate use. The unrestricted fund is used to support the Foundation’s operations and make grants to CAMH for the highest priority needs of CAMH.

Restricted fund

The restricted fund includes those funds that are to be used for purposes as specified by the donor or as stipulated in the fundraising appeal. The Board of Directors may also internally restrict funds, a restriction that may be reversed by the Board of Directors.

Endowment fund

The endowment fund includes those funds for which either the donor or the Board of Directors requires that the endowment principal be maintained permanently.

Centre for Addiction and Mental Health Foundation

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Revenue recognition

The Foundation follows the restricted fund method of accounting for contributions, which includes bequests and other donations. Contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Contributions to fulfill pledges are recorded when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue in the unrestricted fund. Donor restricted contributions for specific purposes are recognized as revenue of the restricted fund unless the capital is to be maintained permanently, in which case the contributions are recognized as revenue of the endowment fund.

The Foundation recognizes revenue for special events, other than bequests and donations, when earned.

Investment income (loss) consists of income distributions from mutual funds, pooled funds, private equity, alternative funds and fair value changes in investments, net of safekeeping and investment management expenses. Investment income earned on the endowment fund or restricted fund resources that must be spent on donor restricted activities is recognized as revenue of the restricted fund. Investment income subject to donor restrictions stipulating that it be added to the endowment is recognized as revenue of the endowment fund. Unrestricted investment income earned on the endowment fund, restricted fund and unrestricted fund resources is recognized as revenue of the unrestricted fund. Investment losses are allocated in a manner consistent with investment income.

Contributed goods and services

Contributions of capital assets, goods and services that can be reliably valued and are for the use of CAMH are recognized in the financial statements. Other contributed goods and services are not recognized.

Grants

Grants are recorded when approved and the grantee has met all terms and conditions.

Financial instruments

Investments are recorded at fair value and consist of investments in mutual funds, pooled funds, private equity and alternative investments, which the Foundation designates upon purchase to be measured at fair value. Investments in mutual funds and pooled funds are valued at the net asset value per unit reported by each investment fund manager, which represents fair value. Private equity and alternative investments are valued by the investment manager using accepted valuation methods. Transactions are recorded on a trade date basis, and transaction costs are expensed as incurred. When fair value is not determinable, investments are subsequently recorded at cost, net of any provisions for impairment.

Other financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at their fair value and are subsequently measured at cost, net of any provisions for impairment.

Centre for Addiction and Mental Health Foundation

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Capital assets

Purchased capital assets are recorded at cost less accumulated amortization. Donated capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Equipment and furniture	5 years
Software	4 years

The Foundation reviews the carrying amount of capital assets for impairment whenever events or changes in circumstances indicate the carrying amount of an asset may no longer contribute to the Foundation's ability to provide services. Any impairment results in a write-down of the carrying amount of the asset to the capital asset's fair value or replacement value and an expense in the statement of revenue, expenses and changes in fund balances. An impairment loss is not reversed if the fair value of the related asset subsequently increases.

Foreign currency translation

Revenue and expenses denominated in foreign currencies are translated into Canadian dollars at the transaction date. Investments and other monetary items denominated in foreign currencies are translated at the year-end rate. Translation gains and losses are included in the statement of revenue, expenses and changes in fund balances.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual amounts could differ from those estimates.

3. Investments

Investments consist of the following:

	2025 \$	2024 \$
Cash	339,118	533,394
Canadian Money Market Fund	14,852,880	32,046,301
Canadian Fixed Income Fund	98,147,637	116,002,752
International Fixed Income Fund	22,513,405	23,684,408
Canadian Equity Fund	25,932,023	23,249,165
International Equity Fund	97,472,055	81,849,911
Private Equity	13,138,865	10,696,760
Real Estate Fund	26,200,951	22,982,113
	298,596,934	311,044,804

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Investment income consists of:

	2025 \$	2024 \$
Interest and dividend income	19,996,639	15,626,208
Change in fair value of investments	13,373,654	10,002,015
	33,370,293	25,628,223
Investment management fees	(1,174,052)	(1,061,098)
Investment income, net	32,196,241	24,567,125

4. Capital assets

Capital assets consist of the following:

	2025			2024
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Equipment and furniture	1,451,105	762,052	689,053	576,444
Software	277,754	277,754	—	—
	1,728,859	1,039,806	689,053	576,444

5. Credit facilities

The Foundation has a \$2 million revolving demand facility to finance general operating requirements, which bears interest at the prime rate minus 0.75% per annum. No amounts were drawn on this facility as at March 31, 2025 or 2024.

6. Restricted fund

The categories of the restricted fund balance, identifying the purpose for which they will be used, are as follows:

	2025 \$	2024 \$
Externally restricted		
Redevelopment and related properties	74,266,969	92,111,876
Research	78,046,260	84,874,132
Programs	27,191,057	27,051,314
	179,504,286	204,037,322
Board designated	13,292	13,292
	179,517,578	204,050,614

Centre for Addiction and Mental Health Foundation

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7. Endowment fund

[a] The categories of the endowment fund balance are as follows:

	2025 \$	2024 \$
Funds externally restricted for endowment purposes, income from which must be used for restricted purposes	28,593,644	26,583,861
Externally restricted funds limited for endowment purposes by the Board of Directors	2,669,331	2,481,784
Unrestricted funds restricted for endowment purposes by the Board of Directors	12,227,198	11,368,687
	43,490,173	40,434,332

[b] The Foundation has a policy designed to protect the real value of endowments by limiting the amount of net investment income made available for spending. The amount currently made available for spending is 3.5% [2024 – 3.5%] of the opening endowment fund balance. Further, an administrative fee of 1% [2024 – 1%] of the opening endowment fund balance is allocated to the unrestricted fund.

The preservation of capital [i.e., any excess net investment income earned above the amount made available for spending] is recorded as revenue of the endowment fund for externally endowed funds. For Board endowed unrestricted funds, the preservation of capital is recorded as income of the unrestricted fund and transferred to the endowment fund in the statement of revenue, expenses and changes in fund balances. For Board endowed restricted funds, the preservation of capital is recorded as income of the restricted fund and transferred to the endowment fund in the statement of revenue, expenses and changes in fund balances. In any year, should net investment income be insufficient to fund the spending amount calculated in accordance with the Foundation's policy, the amounts that are made available for spending are funded by a transfer from the endowment fund.

[c] The preservation of capital and spending allocation, calculated in accordance with the Foundation's endowment fund policy, is as follows:

- For the year ended March 31, 2025, net investment income of \$4,470,793 was earned on endowments, of which, \$3,055,591 was allocated for the preservation of capital. Of this amount, \$2,009,782 related to externally endowed funds and was recorded as investment income in the endowment fund. Capital preservation of \$858,262 and \$187,547 related to internally endowed funds was recorded in investment income in the unrestricted fund and restricted funds, respectively, and then transferred to the endowment fund [note 10]. Of the total spending allocation of \$1,415,202, \$397,904 was recorded in the unrestricted fund and \$1,017,298 was recorded in the restricted fund.

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- For the year ended March 31, 2024, net investment income of \$3,467,764 was earned on endowments, of which, \$2,127,007 was allocated for the preservation of capital. Of this amount, \$1,399,156 related to externally endowed funds and was recorded as investment income in the endowment fund. Capital preservation of \$597,299 and \$130,552 related to internally endowed funds was recorded in investment income in the unrestricted fund and restricted funds, respectively, and then transferred to the endowment fund [note 10]. Of the total spending allocation of \$1,340,757, \$376,999 was recorded in the unrestricted fund and \$963,758 was recorded in the restricted fund.

8. Grants

[a] During the year, the Foundation funded projects at CAMH in the following categories:

	Unrestricted fund		Restricted fund	
	2025	2024	2025	2024
	\$	\$	\$	\$
Education	—	—	118,058	789,440
Programs	124,653	2,224,265	3,118,661	1,778,644
Public awareness	—	—	—	6,148
Research	1,095,395	4,000	25,928,215	20,468,693
Capital and redevelopment	—	—	61,550,000	43,800,000
	1,220,048	2,228,265	90,714,934	66,842,925

[b] There were no amounts granted to other qualified donees during the year [2024 – \$190,205].

9. Interfund transfers

Transfers between funds consist of the following:

	Unrestricted fund		Restricted fund		Endowment fund	
	2025	2024	2025	2024	2025	2024
	\$	\$	\$	\$	\$	\$
Capital preservation on internally endowed funds [note 7(c)]	(858,511)	(597,299)	(187,547)	(130,552)	1,046,058	727,851
	(858,511)	(597,299)	(187,547)	(130,552)	1,046,058	727,851

10. Related party transactions

[a] CAMH is an independent corporation without share capital and has an independent Board of Directors. The Foundation is responsible for all fundraising activities carried out on behalf of CAMH.

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- [b] CAMH provides certain services to the Foundation and pays some expenses on behalf of the Foundation. CAMH also provides payroll processing and charged the Foundation for employee costs in the amount of \$11,324,303 [2024 – \$10,323,450]. The Foundation reimburses CAMH for all direct costs associated with services provided and expenses paid. For the year ended March 31, 2025, the Foundation granted CAMH \$91.9 million [2024 – \$69.1 million] to fund capital projects, research projects and other operating activities.
- [c] The amount due to CAMH is payable on demand, is non-interest bearing and consists of two components: grants that have not been disbursed to CAMH and operating expenses incurred by the Foundation that have not been repaid to CAMH.
- [d] These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by both parties.

11. Commitments

- [a] The Foundation has entered into two fundraising agreements with CAMH. The CAMH Phase 1C Redevelopment Project grant is for \$47 million to support Phase 1C of the redevelopment project and expires March 31, 2033. Cumulatively, the Foundation has granted CAMH \$43.5 million [2024 – \$42 million]. The CAMH Phase 1D Research Building grant is for \$289 million to support Phase 1D of the redevelopment project and expires March 31, 2033. Cumulatively, the Foundation has granted CAMH \$109 million [2024 – \$49 million]. The disbursement of funding under these grant agreements is contingent upon receipt of the pledged funds by the Foundation, and funding may be limited or restructured at any time as a result of changes in the schedule or amount of donations from principal funders.
- [b] The Foundation has outstanding commitments relating to investments in limited partnerships, which are expected to be drawn on over time. As at March 31, 2025, the Board of Directors has outstanding commitments of US\$3.2 million [2024 – US\$3.8 million].

12. Financial instruments

The Foundation is subject to market risk, consisting of currency and interest rate risks, and credit risk with respect to its financial instruments.

Market risk

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the Foundation to a risk of loss. To manage this risk, the Foundation has an investment policy and invests in a diverse portfolio, including pooled funds representing a mix of local and international securities.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation's investments include non-Canadian equities, the value of which fluctuates in part due to changes in foreign exchange rates. To manage this risk, the Foundation has an investment policy that limits its investment in foreign securities outside of the US to 5% of portfolio assets.

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Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect the value of fixed income securities held by the Foundation. The short-term interest-bearing investments held by the Foundation have a limited exposure to interest rate risk due to their short-term maturities. The investment policy establishes limits on duration and concentration of fixed income investments, which are designed to mitigate the risk of interest rate volatility.

Credit risk

The Foundation is exposed to credit risk in connection with its short-term and fixed-income investments because of the risk that one party to the financial instrument may cause a financial loss for the other party by failing to discharge an obligation. To manage this risk, the Foundation has an investment policy, which includes a target mix of investment types and concentration limits designed to achieve the optimum return within reasonable risk tolerances. In addition, the amounts receivable consist solely of Canadian harmonized sales tax, which is recoverable from the Canada Revenue Agency, and the risk is considered to be minimal given that the amount is due from the Canadian government.