

Financial Statements

**Centre for Addiction and Mental Health**

March 31, 2010

## AUDITORS' REPORT

To the Trustees of the  
**Centre for Addiction and Mental Health**

We have audited the balance sheet of the **Centre for Addiction and Mental Health** ["CAMH"] as at March 31, 2010 and the statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of CAMH's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of CAMH as at March 31, 2010 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Corporations Act (Ontario), we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
May 17, 2010.

*Ernst & Young LLP*

Chartered Accountants  
Licensed Public Accountants

Centre for Addiction and Mental Health

**BALANCE SHEET**

As at March 31

	2010 \$	2009 \$
<b>ASSETS</b>		
<b>Current</b>		
Cash [note 3]	29,858,070	41,775,828
Cash held in trust [note 4]	73,742	87,030
Accounts receivable [note 5]	20,178,853	9,888,223
Inventories	1,459,767	871,685
Prepaid expenses	1,467,066	1,493,702
<b>Total current assets</b>	<b>53,037,498</b>	<b>54,116,468</b>
Long-term receivable [notes 5 and 6]	27,270,960	—
Investments [note 3]	55,894,812	62,056,942
Capital assets, net [note 6]	140,240,742	92,696,624
	<b>276,444,012</b>	<b>208,870,034</b>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	52,963,756	54,029,438
Patients' trust accounts [note 4]	73,742	87,030
<b>Total current liabilities</b>	<b>53,037,498</b>	<b>54,116,468</b>
Deferred contributions related to research funds [note 8[a]]	16,931,926	18,267,048
Other deferred contributions [note 8[b]]	1,633,715	1,655,802
Long-term payable [note 6]	27,270,960	—
Deferred capital contributions [note 7]	128,542,721	86,764,277
<b>Total liabilities</b>	<b>227,416,820</b>	<b>160,803,595</b>
Commitments and contingencies [notes 11 and 12]		
<b>Net assets</b>		
Internally restricted [note 13]	49,000,565	48,039,812
Unrestricted	—	—
Endowment	26,627	26,627
<b>Total net assets</b>	<b>49,027,192</b>	<b>48,066,439</b>
	<b>276,444,012</b>	<b>208,870,034</b>

See accompanying notes

Approved by the Board:



Gordon Bell, Trustee



T. Daniel Burns, Trustee

## Centre for Addiction and Mental Health

### STATEMENT OF OPERATIONS

Year ended March 31

	2010	2009
	\$	\$
<b>REVENUE</b>		
Ministry of Health and Long-Term Care/Toronto Central		
Local Health Integration Network	252,264,727	249,544,328
Patient revenue	1,143,561	892,769
Donations and other grants	25,035,464	25,373,202
Ancillary and other	19,176,545	16,612,606
Amortization of deferred capital contributions	4,729,580	3,925,232
Investment income <i>[note 3]</i>	572,393	1,744,319
	<b>302,922,270</b>	<b>298,092,456</b>
<b>EXPENSES</b>		
Salaries, wages and employee benefits <i>[notes 8[a] and 9]</i>	231,517,826	221,239,955
Supplies and other <i>[notes 6 and 8[a]]</i>	53,517,317	60,808,468
Depreciation	7,941,243	6,049,334
Rent	4,128,788	4,052,494
Drugs and medical supplies	3,498,102	3,721,777
Medical and surgical <i>[note 8[a]]</i>	975,192	788,235
	<b>301,578,468</b>	<b>296,660,263</b>
<b>Excess of revenue over expenses for the year</b>	<b>1,343,802</b>	<b>1,432,193</b>

*See accompanying notes*

Centre for Addiction and Mental Health

STATEMENT OF CHANGES IN NET ASSETS

Year ended March 31

	2010			2009	
	Internally restricted \$	Unrestricted \$	Endowment \$	Total \$	Total \$
<b>Net assets, beginning of year</b>	48,039,812	—	26,627	48,066,439	46,634,246
Excess of revenue over expenses for the year	—	1,343,802	—	1,343,802	1,432,193
Net change in unrealized loss on available for sale investments	—	(383,049)	—	(383,049)	—
Interfund transfer <i>[note 13]</i>	960,753	(960,753)	—	—	—
<b>Net assets, end of year</b>	<b>49,000,565</b>	<b>—</b>	<b>26,627</b>	<b>49,027,192</b>	<b>48,066,439</b>

*See accompanying notes*

## Centre for Addiction and Mental Health

### STATEMENT OF CASH FLOWS

Year ended March 31

	2010 \$	2009 \$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	1,343,802	1,432,193
Add (deduct) items not affecting cash		
Depreciation	7,941,243	6,049,334
Amortization of deferred capital contributions	(4,729,580)	(3,925,232)
	4,555,465	3,556,295
Net change in non-cash working capital balances	2,200,914	(23,674)
Net change in deferred contributions		
related to research funds	(1,335,122)	(1,140,009)
Net change in other deferred contributions	(22,087)	(1,994,659)
<b>Cash provided by (used in) operating activities</b>	<b>5,399,170</b>	<b>397,953</b>
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(29,106,119)	(17,979,277)
Proceeds from sale of capital assets	13,361	—
Withdrawals from (purchases of) investments, net	5,779,081	(14,474,374)
<b>Cash used in investing activities</b>	<b>(23,313,677)</b>	<b>(32,453,651)</b>
<b>FINANCING ACTIVITIES</b>		
Contributions restricted for capital purposes	5,996,749	24,308,226
<b>Cash provided by financing activities</b>	<b>5,996,749</b>	<b>24,308,226</b>
<b>Net decrease in cash during the year</b>	<b>(11,917,758)</b>	<b>(7,747,472)</b>
Cash, beginning of year	41,775,828	49,523,300
<b>Cash, end of year</b>	<b>29,858,070</b>	<b>41,775,828</b>

*See accompanying notes*

## Centre for Addiction and Mental Health

# NOTES TO FINANCIAL STATEMENTS

March 31, 2010

## 1. INCORPORATION

The Centre for Addiction and Mental Health ["CAMH"] is a hospital located on four primary sites in Toronto, with regional programs throughout the Province of Ontario. CAMH is dedicated to providing clinical care, research, education and policy and health promotion in connection with addiction and mental health. CAMH was incorporated by Letters Patent of Amalgamation under the Corporations Act (Ontario) without share capital on January 23, 1998. CAMH is also a charitable organization registered under the Income Tax Act (Canada) and, as such, is exempt from income taxes. The operations of CAMH are subject to the provisions of the Public Hospital Act (Ontario).

## 2. SIGNIFICANT ACCOUNTING POLICIES

### Basis of presentation

These financial statements include the assets, liabilities and activities of CAMH. These financial statements do not include the activities of the Centre for Addiction and Mental Health Foundation [the "Foundation"], a non-controlled affiliated entity [note 10]. Management has prepared the financial statements in accordance with Canadian generally accepted accounting principles.

### Use of estimates

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

In particular, the amount of revenue recognized from the Ministry of Health and Long-Term Care [the "MOH-LTC"] and the Toronto Central Local Health Integration Network [the "TC-LHIN"] is a significant estimate. CAMH entered into a Hospital Service Accountability Agreement [the "H-SAA"] between CAMH and the TC-LHIN that sets out the rights and obligations of the parties in respect of funding provided to CAMH by the TC-LHIN and the MOH-LTC covering fiscal 2009 and 2010.

## Centre for Addiction and Mental Health

# NOTES TO FINANCIAL STATEMENTS

March 31, 2010

The H-SAA sets out certain performance standards and obligations that establish acceptable results for CAMH's performance in a number of areas. If CAMH does not meet its performance standards or obligations, the TC-LHIN and/or the MOH-LTC have the right to adjust funding received by CAMH. The TC-LHIN and the MOH-LTC are not required to communicate certain funding adjustments until after the submission of year-end data. Since this data is not submitted until after the completion of the financial statements, the amount of funding received during the year from the TC-LHIN and the MOH-LTC may be increased or decreased subsequent to year end. The amount of revenue recognized in these financial statements represents management's best estimate of amounts that have been earned during the year.

### Revenue recognition

CAMH follows the deferral method of accounting for contributions, which include donations and government grants. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions, for purposes other than endowment, are deferred and recognized in the year in which the related expenses are recognized.

Endowment contributions are recognized as direct increases in net assets.

Contributions externally restricted for capital assets are recorded as deferred capital contributions and are amortized to operations on the same basis as the related asset is depreciated, except for restricted contributions for the purchase of land, which are recorded as increases in net assets.

Ancillary and patient care revenue is recognized when services are provided.

### Investments and investment income

Publicly-traded securities, which are classified as available for sale, are valued based on the latest bid prices. Short-term securities are valued based on cost plus accrued income, which approximates fair value. Transactions are recorded on a trade-date basis and transaction costs are expensed as incurred.

Unrestricted interest and realized gains (losses) are recorded as investment income in the statement of operations. Restricted interest and realized gains (losses) are recognized as revenue in the year in which the related expenses are recognized. The change in unrealized gains and losses is recorded in the statement of changes in net assets.

## Centre for Addiction and Mental Health

# NOTES TO FINANCIAL STATEMENTS

March 31, 2010

### **Inventories**

Inventories are valued at the lower of average cost and replacement cost.

### **Financial instruments**

CAMH has chosen to apply The Canadian Institute of Chartered Accountants' ["CICA"] Handbook Section 3861: *Financial Instruments – Disclosure and Presentation* in place of Section 3862: *Financial Instruments – Disclosures* and Section 3863: *Financial Instruments – Presentation*.

### **Capital assets**

Purchased capital assets are recorded at cost less accumulated depreciation. Contributed capital assets are recorded at fair value at the date of contribution and are depreciated. Depreciation is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	20 - 40 years
Equipment and furniture	5 - 15 years

### **Contributed materials and services**

Because of the difficulty in determining the fair value of volunteers' services, contributed services are not recognized in the financial statements. Contributed materials are also not recognized in these financial statements.

### **Employee benefit plans**

Contributions to multi-employer defined benefit pension plans are expensed when due.

### **Changes in accounting policies**

Effective April 1, 2009, CAMH has adopted retroactively those revisions to the 4400 series and certain other sections to amend or improve those parts of the CICA Handbook related to not-for-profit organizations that impact its financial statements. The revisions that have been adopted together with their impact are set out below.

## Centre for Addiction and Mental Health

### NOTES TO FINANCIAL STATEMENTS

March 31, 2010

The adoption of Section 1540, *Cash Flow Statements*, required the presentation of investing and financing activities in separate sections as well as other supplementary disclosures and reclassifications of certain numbers in the statement of cash flows.

As a result of adopting the changes to the recommendations in Section 4400, *Financial Statement Presentation for Not-For-Profit Organizations*, that eliminate the requirement to separately disclose the amount of net assets invested in capital assets and suggest that the amount may be included in internally restricted net assets, CAMH has reclassified the prior year financial statements to include the amount of net assets invested in capital assets as at April 1, 2008 of \$26,889,924 and as at April 1, 2009 of \$27,630,477 in internally restricted net assets.

### 3. INVESTMENTS

Investments consist of the following:

	2010	2009
	\$	\$
Cash	5,979,101	62,056,942
Short-term notes	12,499,413	—
Bonds	37,416,298	—
	<b>55,894,812</b>	62,056,942

An amount of cash equal to deferred contributions related to research funds [note 8[a]], other deferred contributions [note 8[b]], unspent deferred capital contributions [note 7], endowment net assets and internally restricted net assets, excluding the amount related to internally funded capital assets, has been recorded as investments.

Investment income includes \$282,310 of interest income related to short-term investments and bonds. The change in the unrealized loss related to these investments of \$383,049 is recorded in the statement of changes in net assets.

As at March 31, 2010, bonds have an average term to maturity of 2.37 years and an average yield of 1.88% based on market values and short-term notes have an average term to maturity of 0.31 years and an average yield of 0.46%.

Investments are exposed to credit and interest rate price risks. To manage credit risk, the Hospital has established an investment policy with limits related to the credit rating of issuers.

## Centre for Addiction and Mental Health

### NOTES TO FINANCIAL STATEMENTS

March 31, 2010

#### 4. CASH HELD IN TRUST

CAMH manages the monies of its patients or former patients received from the Ministry of the Attorney General pursuant to a custodial and trust arrangement. The cash held in trust is offset by a corresponding liability.

#### 5. ACCOUNTS RECEIVABLE

Accounts receivable consist of the following:

	2010	2009
	\$	\$
MOH-LTC/TC-LHIN		
Redevelopment <i>[note 6]</i>	31,069,484	3,208,198
Other	761,474	1,140,879
Patients	232,876	216,871
Research related	1,741,046	2,291,872
Centre for Addiction and Mental Health Foundation <i>[note 10]</i>		
Redevelopment <i>[note 6]</i>	7,008,124	—
Other capital projects	2,433,667	—
Other	956,832	175,514
Other	3,246,310	2,854,889
	47,449,813	9,888,223
Less long-term portion <i>[note 6]</i>	27,270,960	—
	20,178,853	9,888,223

## Centre for Addiction and Mental Health

### NOTES TO FINANCIAL STATEMENTS

March 31, 2010

#### 6. CAPITAL ASSETS

Capital assets consist of the following:

	<b>2010</b>		
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>
	\$	\$	\$
Land	9,485,465	—	9,485,465
Buildings	37,185,459	13,318,894	23,866,565
Equipment and furniture	58,269,430	47,247,587	11,021,843
Site redevelopment			
Buildings	34,098,103	3,662,565	30,435,538
Equipment and furniture	1,883,777	614,187	1,269,590
Construction in progress	64,161,741	—	64,161,741
	<b>205,083,975</b>	<b>64,843,233</b>	<b>140,240,742</b>
	<b>2009</b>		
	<b>Cost</b>	<b>Accumulated depreciation</b>	<b>Net book value</b>
	\$	\$	\$
Land	9,485,465	—	9,485,465
Buildings	37,073,603	11,642,469	25,431,134
Equipment and furniture	53,872,210	43,903,999	9,968,211
Site redevelopment			
Buildings	34,098,103	1,164,783	32,933,320
Equipment and furniture	1,883,777	188,378	1,695,399
Construction in progress	13,183,095	—	13,183,095
	<b>149,596,253</b>	<b>56,899,629</b>	<b>92,696,624</b>

CAMH is undertaking a multi-phase project to transform the Queen Street site from a traditional psychiatric hospital into a world-class centre for mental health and addiction care, research, education and health promotion and prevention, centered on the concept of an urban village [the "Project"]. CAMH intends to consolidate a substantial part of its operations from its four main sites into a new redeveloped site which will serve as the central hub for CAMH's programs, services and resources.

## Centre for Addiction and Mental Health

### NOTES TO FINANCIAL STATEMENTS

March 31, 2010

Phase 1A of the Project, which involved the construction of four buildings, alternate milieu and day treatment facilities for clients, had an approved budget of approximately \$35.2 million and was completed slightly below budget with a total cost of \$34.7 million. The buildings were substantially completed on March 14, 2008 and occupied on April 7, 2008. This phase of the Project was funded by the MOH-LTC and the Foundation.

Phase 1B of the Project involves the preparation for and construction of three additional buildings, the decommissioning and demolition of the Administration Building, and construction of service tunnels, roads and municipal infrastructure. The total project budget for Phase 1B of the Project is \$330.5 million. The MOH-LTC has approved a maximum grant of \$290.9 million. Additional funding of \$30.2 million will be received from the Foundation; the balance is to be funded by CAMH through internally generated funds.

The projects related to the preparation for Phase 1B, including the leasing of offsite space to relocate staff and site work, are substantially complete. Costs of \$20.1 million have been incurred to date, of which \$17.4 million have been capitalized and \$2.7 million have been expensed. Costs of \$1.4 million incurred in fiscal 2010 [2009 - \$1.3 million] are included in the statement of operations, together with grant revenue of \$1.3 million [2009 - \$1.1 million] from the MOH-LTC related to their commitment to fund these costs. Costs of \$4.2 million are to be incurred over the next four years related primarily to the leasing of space during the construction period.

In December 2009, CAMH entered into a project agreement with a third party construction company, CHS Partnership ["Project Co"], to design, build, finance and maintain [for a 30-year term] the buildings constructed as part of Phase 1B of the Project. The total costs related to the construction of the buildings payable to Project Co are \$243.4 million. Additional estimated costs of \$60.2 million will be incurred for planning and design, furniture and equipment and Infrastructure Ontario consulting expenses.

During construction, CAMH retains title to the capital assets being constructed by Project Co. As a result, CAMH records the value of the construction in progress based on the percentage of completion as certified periodically by the architect. As at March 31, 2010, the buildings are approximately 9% complete with costs totalling \$24.1 million being recorded as construction in progress. CAMH has recorded a long term obligation to Project Co equal to this amount. CAMH has incurred a further \$21.2 million of costs to date which are also included in construction in progress. Of these costs, \$3.2 million are payable upon substantial completion of the buildings and have also been included in long-term payables. A long-term receivable and deferred capital contributions equal to the long-term payable of \$27.3 million have been recorded, representing amounts receivable from the MOH-LTC and the Foundation in connection with the funding of these costs.

## Centre for Addiction and Mental Health

### NOTES TO FINANCIAL STATEMENTS

March 31, 2010

CAMH has entered into agreements with Project Co to provide certain maintenance and management services for 30 years after the completion of the buildings. The cost of these services, together with financing costs related to the cost of the construction, is \$311.9 million. Most of these costs are expected to be funded by the MOH-LTC, either directly or through CAMH's operating budget.

The first payment of \$4.6 million was made to Project Co in December 2009. The next payment of \$153.7 million will be made to Project Co three months prior to the estimated substantial completion date of April 2012. The payment of the balance of the funds owing to Project Co of \$397.4 million will be made over 30 years. These payments include the remaining amount related to the construction phase and the amount for the maintenance and management services to be provided by Project Co.

In addition to Phase 1A and Phase 1B, CAMH is undertaking a project that will provide state-of-the-art infrastructure and equipment to support research activities. The Canada Foundation for Innovation ["CFI"] will provide funding of approximately \$10.6 million towards the total estimated project cost of \$33.5 million. Of the remaining balance, the Foundation has committed to provide \$20.0 million. The remaining \$2.9 million will be funded internally by CAMH. As at March 31, 2010, CAMH had incurred expenditures of \$3.4 million [2009 - \$337,318] included in construction in progress. As at March 31, 2010, CAMH had received grants from CFI of \$3.0 million and had recorded a receivable from the Foundation of \$1.9 million, representing the Foundation's share of the costs incurred to date. The amounts received and receivable are included in deferred capital contributions [note 7].

#### 7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions represent the unamortized amount of donations and grants received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the statement of operations. The changes in the deferred capital contributions balance are as follows:

	2010	2009
	\$	\$
<b>Balance, beginning of year</b>	<b>86,764,277</b>	63,173,082
Less amortization of deferred capital contributions	<b>(4,729,580)</b>	(3,925,232)
Add contributions restricted for capital purposes [note 6]	<b>46,508,024</b>	27,516,427
<b>Balance, end of year</b>	<b>128,542,721</b>	86,764,277

Centre for Addiction and Mental Health

NOTES TO FINANCIAL STATEMENTS

March 31, 2010

Included in the above balance are contributions of \$16,762,539 [2009 - \$21,698,130] received but not yet used to purchase capital assets [note 3].

8. DEFERRED CONTRIBUTIONS

[a] Deferred contributions related to research funds represent unspent externally restricted grants and donations for research. The changes in the deferred contributions balance related to research funds are as follows:

	2010	2009
	\$	\$
<b>Balance, beginning of year</b>	<b>18,267,048</b>	19,407,057
Amount received during the year	<b>23,369,473</b>	22,648,605
Amount recognized as revenue during the year	<b>(24,704,595)</b>	(23,788,614)
<b>Balance, end of year</b>	<b>16,931,926</b>	18,267,048

The funds were spent in the following areas for research activities:

	2010	2009
	\$	\$
Salaries, wages and employee benefits	<b>13,894,614</b>	13,439,859
Supplies and other	<b>10,286,892</b>	10,037,989
Medical and surgical	<b>523,089</b>	310,766
<b>Amount recognized as revenue during the year</b>	<b>24,704,595</b>	23,788,614

[b] Other deferred contributions represent unspent externally restricted grants and donations for various programs. The changes in the other deferred contributions balance are as follows:

	2010	2009
	\$	\$
<b>Balance, beginning of year</b>	<b>1,655,802</b>	3,650,461
Amount received during the year	<b>1,109,452</b>	1,319,831
Amount recognized as revenue during the year	<b>(1,131,537)</b>	(3,314,490)
<b>Balance, end of year</b>	<b>1,633,717</b>	1,655,802

## **NOTES TO FINANCIAL STATEMENTS**

March 31, 2010

### **9. PENSION PLANS**

Certain employees of CAMH as at March 9, 1998 and all employees joining CAMH since that date are eligible to be members of the Healthcare of Ontario Pension Plan ["HOOPP"], which is a multi-employer, defined benefit, highest consecutive average earnings, contributory pension plan. The Plan is accounted for as a defined contribution plan. CAMH's contributions to HOOPP during the year amounted to \$10,291,900 [2009 - \$9,115,574] and are included in salaries, wages and employee benefits expense in the statement of operations. The most recent valuation for financial reporting purposes completed by HOOPP as of December 31, 2009 disclosed a smoothed asset value of \$32,556 million with going concern actuarial liabilities of \$32,020 million, resulting in a going concern surplus of \$536 million.

Certain employees of CAMH are members of the OPSEU Pension Plan, which is a multi-employer, defined benefit, highest consecutive average earnings, contributory pension plan. The Ontario Public Service Employees Union ["OPSEU"] Pension Plan is also accounted for as a defined contribution plan. CAMH's contributions to the OPSEU Pension Plan during the year amounted to \$2,343,718 [2009 - \$2,250,864] and are included in salaries, wages and employee benefits expense in the statement of operations.

### **10. AFFILIATED ENTITIES**

The Foundation is an independent corporation without share capital that has its own Board of Directors. The Foundation is responsible for all fundraising activities carried out on behalf of CAMH and provides donations to CAMH for capital, research and other operating activities. The accounts of the Foundation are not included in these financial statements.

As at March 31, 2010, the Foundation had net assets of \$41,992,074 [2009 - \$33,719,883]. Grants from the Foundation recognized during the year as revenue, deferred contributions related to research funds, other deferred contributions or deferred capital contributions totalled \$11,022,840 [2009 - \$2,353,429]. These amounts were used to fund capital projects, research projects and other operating activities. At March 31, 2010, there was \$10,398,623 [2009 - \$175,514] receivable from the Foundation included in accounts receivable related to the above-noted contributions, and amounts paid by CAMH on behalf of the Foundation.

## Centre for Addiction and Mental Health

### NOTES TO FINANCIAL STATEMENTS

March 31, 2010

#### 11. CONTINGENCIES

- [a] CAMH participates in the Health Care Insurance Reciprocal of Canada ["HIROC"]. HIROC is a pooling of the public liability insurance risks of its hospital members. All members of the HIROC pool pay annual premiums that are actuarially determined. All members are subject to assessment for losses, if any, experienced by the pool for the years in which they were members. No assessments have been made for the year ended March 31, 2010.
- [b] CAMH is subject to various claims and potential claims related to its operations. Where the potential liability is likely and able to be estimated, management has recorded its best estimate of the potential liability. In other cases, the ultimate outcome of the claims cannot be determined at this time. Any additional losses related to claims will be recorded in the year during which the liability is able to be estimated or adjustments to the amount recorded are determined to be required.

#### 12. LEASE COMMITMENTS

Future minimum annual lease payments for the downtown properties and the community offices are as follows:

	\$
2011	3,999,479
2012	3,557,327
2013	2,618,749
2014	1,565,113
2015	1,189,710
Thereafter	3,465,000
	<hr/> 16,395,378 <hr/>

In addition to minimum rentals, property leases generally provide for the payment of various operating costs.

## Centre for Addiction and Mental Health

### NOTES TO FINANCIAL STATEMENTS

March 31, 2010

#### 13. INTERNALLY RESTRICTED NET ASSETS

Internally restricted net assets consists of the following:

	2010 \$	2009 \$
Internally funded capital assets	28,460,560	27,630,477
Amounts set aside by the Board of Trustees for site redevelopment and information technology	20,540,005	20,409,335
<b>Total internally restricted net assets</b>	<b>49,000,565</b>	<b>48,039,812</b>

#### 14. CAPITAL MANAGEMENT

In managing capital, CAMH focuses on liquid resources available for operations and to finance the Project. CAMH's objective is to have sufficient liquid resources to continue operating and fund capital projects despite adverse financial events and to provide it with the flexibility to take advantage of opportunities that will advance its purposes. In addition, CAMH is required to achieve certain performance measures related to working capital set out in the H-SAA. The need for sufficient liquid resources and achieving the performance measures is considered in the preparation of an annual budget and projections for capital costs, and in the monitoring of cash flows and actual results compared to the budget. As at March 31, 2010, CAMH met its objective of having sufficient liquid resources to meet its current obligations and the performance measures related to working capital set out in the H-SAA.

#### 15. COMPARATIVE FINANCIAL STATEMENTS

The comparative financial statements have been reclassified from statements previously presented to conform to the presentation of the 2010 financial statements.

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