

RISE ASSET DEVELOPMENT
(Formerly known as Rotman CAMH Social
Enterprise Development)

REPORT AND FINANCIAL STATEMENTS
APRIL 30, 2015

INDEPENDENT AUDITORS' REPORT

*To the Board of Directors,
Rise Asset Development
(Formerly known as Rotman CAMH Social Enterprise Development)*

We have audited the accompanying financial statements of Rise Asset Development, which comprise the statement of financial position as at April 30, 2015, and the statements of operations and changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

Auditors' Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our modified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the organization derives revenues from fees and other activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to fees and other revenues, net revenue, assets and net assets.

Qualified Opinion

In our opinion, except for the effect of the potential adjustments, if any, which we might have determined to be necessary, had we been able to satisfy ourselves concerning the completeness of the receipts referred to in the preceding paragraph, the financial statements present fairly, in all material respects, the financial position of Rise Asset Development as at April 30, 2015, and its financial performance and its cash flows for the year then ended, in accordance with Canadian accounting standards for not-for-profit organizations.

Gilmore & Company LLP

Mississauga, Ontario
August 31, 2015

Chartered Professional Accountants
Licensed Public Accountants

RISE ASSET DEVELOPMENT

(Formerly known as Rotman CAMH Social Enterprise Development)

(Incorporated under the Business Corporations Act - Canada and continued under Section 211 of the Canada Non-for-profit Corporations Act)

STATEMENT OF FINANCIAL POSITION

As at April 30,

	2015	2014
ASSETS		
Current		
Cash	\$ 154,333	\$ 268,576
Short-term investments (Note 3)	205,707	209,886
Receivables	22,782	1,426
HST Rebate	10,701	8,731
Loans receivable (Note 4)	88,347	55,288
Prepaid expenses	4,563	-
	486,433	543,907
Loans receivable (long-term) (Note 4)	154,139	99,700
	\$ 640,572	\$ 643,607
LIABILITIES		
Current		
Accounts payable and accrued liabilities	\$ 96,304	\$ 27,250
Deferred contributions (Note 5)	83,847	110,331
Loan payable (Note 6)	100,000	-
	280,151	137,581
NET ASSETS		
Unrestricted net assets	360,421	506,026
	\$ 640,572	\$ 643,607

On behalf of the Board

_____ Director

_____ Director

RISE ASSET DEVELOPMENT
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STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
For the year ended April 30,

	2015	2014
Revenue		
Government funding <i>(Note 7)</i>	\$ 416,894	\$ 167,775
Funding <i>(Note 8)</i>	202,100	500,000
Interest from investments	3,824	5,383
Interest from loans receivable	6,804	3,107
Other revenue	16,908	792
	646,530	677,057
Expenses		
Administrative expenses <i>(Schedule A)</i>	144,849	167,707
Program expenses <i>(Schedule B)</i>	647,286	488,261
	792,135	655,968
(Deficiency) excess of revenues over expenses	(145,605)	21,089
Unrestricted net assets, beginning of year	506,026	484,937
Unrestricted net assets, end of year	\$ 360,421	\$ 506,026

RISE ASSET DEVELOPMENT*(Formerly known as Rotman CAMH Social Enterprise Development)***SCHEDULE OF ADMINISTRATIVE EXPENSES***Schedule A**For the year ended April 30,*

	2015	2014
Audit and legal	\$ 11,188	\$ 18,879
Bookkeeping	8,528	8,061
Insurance	5,060	2,530
Office and general	9,797	15,411
Rent and occupancy costs	14,000	20,548
Salaries and benefits	96,276	102,278
	\$ 144,849	\$ 167,707

SCHEDULE OF PROGRAM EXPENSES*Schedule B**For the year ended April 30,*

	2015	2014
Bad debts	\$ 8,257	\$ 6,490
Consultants	221,991	50,939
Delivery	15,089	20,938
Marketing and promotion	9,878	5,256
Mentor training	201	595
Professional development	1,327	1,208
Program costs	67,619	24,125
Salaries and benefits	319,844	370,671
Symposium and event costs	3,080	8,039
	\$ 647,286	\$ 488,261

RISE ASSET DEVELOPMENT*(Formerly known as Rotman CAMH Social Enterprise Development)***STATEMENT OF CASH FLOWS***For the year ended April 30,*

	2015	2014
Cash provided by (used in):		
Operating activities		
(Deficiency) excess of revenues over expenses	\$ (145,605)	\$ 21,089
Net changes in non-cash working capital amounts:		
Receivables	(21,356)	5,710
HST Rebate	(1,970)	(1,625)
Prepaid expenses	(4,563)	986
Accounts payable and accrued liabilities	69,054	(103,556)
Deferred contributions	(26,484)	64,872
Loan payable	100,000	-
	(30,924)	(12,524)
Investing activities		
Short-term investments	4,179	266,973
Loans receivable (current)	(33,059)	(37,336)
Loans receivable (long-term)	(54,439)	(82,857)
	(83,319)	146,780
Net (decrease) increase in cash during the year	(114,243)	134,256
Cash, beginning of the year	268,576	134,320
Cash, end of the year	\$ 154,333	\$ 268,576

RISE ASSET DEVELOPMENT
(Formerly known as Rotman CAMH Social Enterprise Development)

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

Organization and purpose

Rise Asset Development ("Rise") was incorporated without share capital by letters patent on May 22, 2009 under the Canada Corporations Act and continued under Section 211 of the Canada Not-for-profit Corporations Act effective September 15, 2014. Rise obtained the status of a registered charity on May 1, 2010. The name of the Organization has been officially changed from Rotman CAMH Social Enterprise Development to Rise Asset Development effective December 4, 2014.

The purpose of Rise is to:

- 1) Relieve need amongst hard to employ persons recovering from a mental illnesses and addiction by providing training, mentoring, support services and micro-loans to assist them in obtaining self-employment or employment, and evaluating effectiveness.
- 2) Train and educate advisors and mentors on how to support persons with mental health and addiction issues and assist them in becoming self-employed or employed in the community.
- 3) Educate and increase public understanding of issues surrounding mental health and addiction and the supports needed to promote the self-sustainability of persons with mental health and addiction issues in the community.

Rise is a non-profit organization within the meaning of the Income Tax Act (Canada) and is exempt from income taxes.

1. *Summary of significant accounting policies*

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Revenue recognition

Rise follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Interest income is recorded on the accrual basis.

RISE ASSET DEVELOPMENT

(Formerly known as Rotman CAMH Social Enterprise Development)

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

1. Summary of significant accounting policies - continued

Short-term investments

Short-term investments are stated at cost, due to their held to maturity nature, and consist of term deposits. Interest revenue is accrued at year end and included in receivables.

Use of estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reported period. Actual results could differ from those estimates. On an ongoing basis, management reviews its estimates, and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

Financial instruments

Rise initially measures its financial assets and liabilities at fair value. Rise subsequently measures all its financial assets and financial liabilities at amortized cost. The organization has not designated any financial asset or financial liability to be measured at fair value.

2. Financial instruments

The significant financial risks to which Rise is exposed are as follows:

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. Rise is exposed to credit risk from participants of the microfinancing program. Rise monitors the credit risk and credit rating of these participants on a regular basis and maintains an allowance where collectability is doubtful.

RISE ASSET DEVELOPMENT
(Formerly known as Rotman CAMH Social Enterprise Development)

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

3. Short-term investments

Short-term investments consist of two term deposits in the amount of \$28,857 and \$156,317, respectively, and a GIC in the amount of \$20,533. These short-term investments will mature on November 19, 2015, April 14, 2016 and March 26, 2016, respectively. Interest on these short investments is variable and bearing rates of 1.1%, 0.9% and 0.85%, respectively, per annum on date of purchase.

Under the terms of Micro Loan Program agreement between Rise and Alterna Savings and Credit Union Limited ("Alterna"), Alterna will administer loans on Rise's behalf to eligible participants in the program. Rise must maintain, in a separate account, deposits equivalent to no less than one hundred percent (100%) of the principal amount of loans issued by Alterna under the Program at all times. At April 30, 2015, the principal amount of loans issued was \$14,800. Security was a GIC in the amount of \$20,533.

4. Loans receivable

Rise provides micro-financing to men and women living with mental illness and addictions who are interested in pursuing self-employment. Interest rate charged on loans receivable was Royal Bank of Canada's prime rate (April 30, 2015 - 3%) plus 0.5% with all loans secured by the assets of the business.

Loans receivable (current)	\$	89,393
Less: allowance for doubtful loans		(1,046)
		<hr/>
		88,347
Loans receivable (long-term)		154,139
		<hr/>
	\$	242,486
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RISE ASSET DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS

April 30, 2015

4. Loans receivable (continued)

The following table summarizes the loans receivable for future years:

2016 -	\$	88,347
2017 -		73,170
2018 -		43,367
2019 -		15,337
2020 and thereafter -		22,265
	\$	242,486

5. Deferred contributions

Deferred contributions consists of unspent resources received or receivable from Citi Foundation through United Way Worldwide.

Funding revenue

	2015	2014
Peer Supported Lending 2015 Program	\$ 83,847	\$ -
CAMH Impact Analysis - Phase 1	-	45,459
Rise Mentorship Portal Project	-	64,872
	\$ 83,847	\$ 110,331

6. Loan payable

Rise received the sum of \$100,000 in the form of an interest free loan. In the event Rise secures a gift in the amount of \$100,000 from the Royal Bank of Canada or Bell Canada prior to December 31, 2015, this loan becomes due and payable. In the event, no such gift is secured by Rise by that time, such loan converts to a gift, with no expectation of repayment by Rise.

RISE ASSET DEVELOPMENT
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NOTES TO FINANCIAL STATEMENTS

April 30, 2015

7. Government funding

Rise received funding from the following government agencies during the fiscal year:

	2015	2014
Ontario Ministry of Children and Youth Services	\$ 164,875	\$ 167,775
Minister of Economic Development, Trade and Employment.	252,019	-
	\$ 416,894	\$ 167,775

8. Funding

Rise received funding from the following organizations during the fiscal year:

	2015	2014
RBC Foundation - for the purpose of expanding the Rise Group Training & Lending Program	\$ 75,000	\$ -
Cifi Foundation - for the purposes of funding the Peer Supported Lending Program	127,100	-
The Rotman Family Foundation - for the purpose of funding the Rise Asset Development program	-	500,000
Total funding	\$ 202,100	\$ 500,000

9. Commitment

Rise rents office space from the University of Toronto. Rise will be expected to pay rent and occupancy costs at an estimated rate of \$19,000 for 2016 fiscal year.

RISE ASSET DEVELOPMENT

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NOTES TO FINANCIAL STATEMENTS

April 30, 2015

10. *Contingency*

As of April 30, 2015, Rise has guaranteed loans receivable held by Alterna in the amount of \$7,808 (2014 - \$21,130).

11. *Message from the Executive Director*

Rise is a charity that provides low interest business loans, training and mentorship to men and women with a history of mental health and addiction challenges who are unable to access traditional financing. Rise employs entrepreneurship as a pathway to better health outcomes and quality of life for people with a history of mental health and addictions challenges. Rise supports an individual's recovery and illness management by fostering social inclusion through financial inclusion primarily through four key programs.

Our Small Business Lending Program provides low interest loans to launch or grow a small business or to attend business related events like a trade show. Eligible entrepreneurs can access up to \$10,000 in financing, with average initial financing starting at between \$3,000 and \$4,000. Rise is a character based lender. We look at both the person and the business. Although we do consider credit history in making our lending decisions, we look at more than just a credit score. We consider the individual's commitment to take the necessary steps to get their finances back on track - and enjoy a very competitive default rate!

Our Peer Supported Lending program includes a month long training program that's focused on each learner producing a business plan by the end of the program. Lending groups composed of 3-6 borrowers are formed at the outset of the class. For those who wish to move forward with their completed business plan, low interest financing is offered in small amounts to individuals to start (\$1500 or less). Rise connects the borrowers to business mentors and industry experts in the community, to augment the encouragement members of the group receive from each other. Rise also hosts monthly sessions with the group members and mentor. The support system created through a group is an important resource for each member in the group. When an entrepreneur faces questions or challenges with their business, she is connected to like-minded entrepreneurs for support.

RISE ASSET DEVELOPMENT

(Formerly known as Rotman CAMH Social Enterprise Development)

NOTES TO FINANCIAL STATEMENTS

April 30, 2015

11. *Message from the Executive Director (continued)*

With funding from the Government of Ontario, we also offer a Youth Small Business Program that is human-centred, creative and inter-active, based on the Rotman DesignWorks methodology. The course is held over three months in Toronto, with classes in the evening and, once again, it is focused on the production of a business plan. Over the course of this past year, we offered six additional cohorts of the class in four new Ontario communities - London, Ottawa, Kingston and Windsor -- supporting the creation of 35 new jobs by youth with histories of mental health and addiction challenges.

Our volunteer driven Mentorship Program wraps around all of our other programming. It is designed to provide Rise entrepreneurs with additional support and guidance as they design and implement their business plans, as well as grow their businesses, while working to decrease stigma.

The innovative Rise program - that brings together a world-class business school together with a world-class mental health organization - has the potential to lift up entire communities in its ability to transform the person while supporting the creation and growth of businesses. This is because it is as much about equity, fairness and inclusion as it is about loans and mentors. While there are employment supports for those with serious mental illness, the options can be limited. Once the Rise program works to remove barriers, clients start a variety of businesses that include professional service, artisanal craft and various goods and services businesses - often aligned with the entrepreneur's personal passions. Rise represents a unique opportunity to support better health outcomes for individuals with a history of mental health and addiction challenges, while at the same time encouraging business growth. Small loans have big impact but only with your support!

Jodi Butts, Executive Director