

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

MOOD DISORDERS SOCIETY OF CANADA
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YEAR ENDED MARCH 31, 2018

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INDEPENDENT AUDITOR'S REPORT

To the Members of: Mood Disorders Society of Canada

We have audited the accompanying consolidated financial statements of Mood Disorders Society of Canada, which comprise the consolidated statement of financial position as at March 31, 2018 and the consolidated statements of operations and changes in net assets and consolidated 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 consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated 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 consolidated financial statements.

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

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives part of its revenue from the general public in the form of donations, 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 adjustment might be necessary to such revenues, shortfall of revenues over expenses, assets or net assets.

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Mood Disorders Society of Canada as at March 31, 2018, and the results of its consolidated operations and consolidated cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Handwritten signature in black ink, appearing to read "RLB LLP".

Guelph, Ontario
August 20, 2018

Chartered Professional Accountants
Licensed Public Accountants

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 372,121	\$ 197,692
Accounts receivable	63,181	75,826
Grant receivable	0	16,250
Prepaid expenses	<u>27,878</u>	<u>14,886</u>
	<u>\$ 463,180</u>	<u>\$ 304,654</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 89,285	\$ 111,676
Grant repayable	1,866	0
Deferred revenue (note 4)	<u>326,000</u>	<u>83,645</u>
	417,151	195,321
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>46,029</u>	<u>109,333</u>
	<u>\$ 463,180</u>	<u>\$ 304,654</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
REVENUE		
Grants and contributions	\$ 1,892,941	\$ 1,330,967
Donations	282,314	277,271
Other income	101,675	119,765
	<u>2,276,930</u>	<u>1,728,003</u>
EXPENSES		
Advocacy and fundraising	316,898	148,699
Insurance	5,775	4,509
Interest and bank charges	5,100	4,162
Legal and accounting fees	24,515	33,862
Project costs	99,773	48,682
Office and meeting expenses	46,868	175,122
Personnel	865,571	713,227
Communications	22,185	30,072
Project management and consulting costs	704,602	384,523
Rent	106,147	51,941
Travel	90,290	148,594
	<u>2,287,724</u>	<u>1,743,393</u>
SHORTFALL FROM OPERATIONS	(10,794)	(15,390)
DISBURSEMENT TO CDRIN INC.	<u>(52,510)</u>	<u>(80,133)</u>
SHORTFALL OF REVENUE OVER EXPENSES for the year	(63,304)	(95,523)
NET ASSETS, beginning of year	<u>109,333</u>	<u>204,856</u>
NET ASSETS, end of year	<u>\$ 46,029</u>	<u>\$ 109,333</u>

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2018

	2018	2017
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Shortfall of revenue over expenses	\$ (63,304)	\$ (95,523)
Items not requiring an outlay of cash		
Changes in non-cash working capital		
Accounts receivable	12,645	42,410
Grant repayable	16,250	(16,250)
Prepaid expenses	(12,992)	(9,886)
Accounts payable and accrued liabilities	(22,391)	80,501
Grant repayable	1,866	(8,020)
Deferred revenue	<u>242,355</u>	<u>(164,092)</u>
NET INCREASE (DECREASE) IN CASH	174,429	(170,860)
NET CASH, beginning of year	<u>197,692</u>	<u>368,552</u>
NET CASH, end of year	<u><u>\$ 372,121</u></u>	<u><u>\$ 197,692</u></u>

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

1. NATURE AND PURPOSE OF THE ORGANIZATION

The Mood Disorders Society of Canada (the "Society") is a Registered Charity which assists Canadians affected by depression, bipolar disorder and other related disorders through advocacy at all levels of Government, public awareness and research into causes and cures. The Society was incorporated on January 16, 2001 as a not for profit corporation and is exempt from income taxes under section 149 (1)(f) of the Income Tax Act.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The consolidated financial statements, which include The Mood Disorders Society of Canada (the "Society"), Transition to Communities ("TTC"), and APEC Digital Hub for Mental Health ("APEC") entities, have been prepared in accordance with Canadian accounting standards for not for profit organizations and reflect the following policies:

(a) CAPITAL ASSETS

Capital assets in excess of \$10,000 are recorded at cost and amortized on the basis of their estimated useful life.

(b) REVENUE RECOGNITION

The Society follows the deferral method of accounting for government grants and other contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue if the amount to be received can be reasonably estimated and collection is reasonably assured. Donations are recognized as collected.

(c) USE OF ESTIMATES

The preparation of financial statements in conformity with Canadian accounting standards for not for profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the consolidated financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

(d) FINANCIAL INSTRUMENTS

Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in net surplus.

Financial assets measured at amortized cost include cash, accounts receivable and grant receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and grant repayable.

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2018

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) **FINANCIAL INSTRUMENTS (continued)**

Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net surplus. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net surplus.

Transaction costs

The Society recognizes its transaction costs in net income in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. FINANCIAL INSTRUMENTS

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from the financial instruments.

The extent of the Society's exposure to these risks did not change in 2018 compared to the previous period.

4. DEFERRED REVENUE

Deferred revenue, which consists of sponsorships and unexpended portions of government grant revenue received that relates to future periods less related expenditures, is as follows:

	2018
Balance, beginning of the year	\$ 83,645
Less amount recognized as revenue in the year	(83,645)
Plus amount received related to the following year	<u>326,000</u>
Balance, end of year	<u>\$ 326,000</u>

5. COMMITMENTS

The organization has three operating leases for premises. Future minimum lease payments are as follows:

2019	\$ 69,720
2020	<u>34,789</u>
	<u>\$ 104,509</u>