

**MOOD DISORDERS SOCIETY OF CANADA**  
**CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

**MOOD DISORDERS SOCIETY OF CANADA**  
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**YEAR ENDED MARCH 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

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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, 2015 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, excess of revenues over expenditures, 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, 2016, 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 4, 2016

Chartered Professional Accountants  
Licensed Public Accountants

**MOOD DISORDERS SOCIETY OF CANADA**  
**CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 265,839	\$ 446,631
Accounts receivable (note 4)	115,411	131,497
Prepaid expenses	<u>5,000</u>	<u>10,500</u>
	<u>\$ 386,250</u>	<u>\$ 588,628</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 28,000	\$ 259,327
Grant repayable	8,019	70,380
Deferred income	<u>247,737</u>	<u>264,223</u>
	283,756	593,930
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b> (note 4)	<u>102,494</u>	<u>(5,302)</u>
	<u>\$ 386,250</u>	<u>\$ 588,628</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, 2016**

	<b>2016</b>	<b>2015</b>
<b>REVENUE</b>		
Grants and contributions	\$ 1,130,202	\$ 2,443,414
Donations	246,621	173,661
Other income	<u>123,907</u>	<u>50,124</u>
	<u>1,500,730</u>	<u>2,667,199</u>
<b>EXPENSES</b>		
Advocacy and fundraising	173,767	72,118
Conference	10,000	20,008
IT services	0	71,500
Insurance	3,519	6,560
Interest and bank charges	3,923	4,085
Legal and accounting fees	43,832	62,482
Training and mentoring	0	25,779
Office and meeting expenses	121,731	228,572
Personnel	646,666	748,043
Communications	40,614	148,454
Project management and consulting costs	156,225	1,017,371
Rent	10,768	95,388
Equipment	0	3,022
Travel	<u>178,678</u>	<u>388,496</u>
	<u>1,389,723</u>	<u>2,891,878</u>
<b>SURPLUS (DEFICIT) FROM OPERATIONS</b>	111,007	(224,679)
<b>GRANT REPAYABLE</b>	<u>(3,211)</u>	<u>(53,499)</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES for the year</b>	107,796	(278,178)
<b>NET ASSETS, beginning of year</b>	<u>(5,302)</u>	<u>272,876</u>
<b>NET ASSETS, end of year</b>	<u>\$ 102,494</u>	<u>\$ (5,302)</u>

**MOOD DISORDERS SOCIETY OF CANADA**  
**CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

	<b>2016</b>	<b>2015</b>
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
Excess (deficiency) of revenue over expenses	\$ 107,796	\$ (278,178)
Changes in non-cash working capital		
Accounts receivable	16,086	56,850
Prepaid expenses	5,500	(10,500)
Accounts payable and accrued liabilities	(231,327)	122,472
Grant repayable	(62,361)	(36,742)
Deferred revenue	<u>(16,486)</u>	<u>100,223</u>
<b>NET DECREASE IN CASH</b>	(180,792)	(45,875)
<b>NET CASH, beginning of year</b>	<u>446,631</u>	<u>492,506</u>
<b>NET CASH, end of year</b>	<u>\$ 265,839</u>	<u>\$ 446,631</u>

**MOOD DISORDERS SOCIETY OF CANADA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**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") and the Canadian Depression Research and Intervention Network ("CDRIN") 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 and accounts receivable.

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



**MOOD DISORDERS SOCIETY OF CANADA**  
**NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2016**

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**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 2016 compared to the previous period.

**4. PRIOR YEAR RESTATEMENT**

An adjustment has been made to accounts receivable and unrestricted net assets in the prior year, reducing both balances by \$45,000, being the amount of an error in recording a grant receivable in the 2013 fiscal period.