

MOOD DISORDERS SOCIETY OF CANADA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

MOOD DISORDERS SOCIETY OF CANADA
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YEAR ENDED MARCH 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Members of: Mood Disorders Society of Canada

We have audited the accompanying financial statements of Mood Disorders Society of Canada, which comprise the statement of financial position as at March 31, 2017 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.

Auditor's 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 about whether the financial statements are free from 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 auditor's 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 auditor considers 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 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 cash sources 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, and from cash flows from operations for the years ended March 31, 2016 and 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.

Qualified Opinion

In our opinion, except for the effect of the matter described in the Basis for Qualified Opinion, these financial statements present fairly, in all material respects, the financial position of Mood Disorders Society of Canada as at March 31, 2017 and its financial performance and its 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
June 16, 2017

Chartered Professional Accountants
Licensed Public Accountants

MOOD DISORDERS SOCIETY OF CANADA
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 95,464	\$ 94,338
Accounts receivable (note 3)	59,617	95,566
Prepaid expenses	<u>0</u>	<u>5,000</u>
	<u>\$ 155,081</u>	<u>\$ 194,904</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 80,794	\$ 15,470
Grant repayable	<u>0</u>	<u>4,630</u>
	80,794	20,100
DEFERRED REVENUE (note 4)	<u>5,247</u>	<u>215,466</u>
	<u>86,041</u>	<u>235,566</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>69,040</u>	<u>(40,662)</u>
	<u>\$ 155,081</u>	<u>\$ 194,904</u>

APPROVED ON BEHALF OF THE BOARD:

_____ Director

_____ Director

MOOD DISORDERS SOCIETY OF CANADA
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
REVENUE		
Grants and contributions	\$ 280,389	\$ 563,212
Donations	277,271	246,621
Other income	<u>678,804</u>	<u>293,018</u>
	<u>1,236,464</u>	<u>1,102,851</u>
EXPENSES		
Advocacy and fund raising	148,699	173,767
Interest and bank charges	3,766	3,880
Project management and consulting costs	166,757	182,195
Legal and accounting fees	17,344	28,495
Rent	6,292	6,652
Office and meeting expenses	103,187	112,383
Salaries	577,966	338,600
Phone, facsimile and website	30,072	27,944
Travel and meeting expenses	<u>72,679</u>	<u>121,718</u>
	<u>1,126,762</u>	<u>995,634</u>
EXCESS OF REVENUE OVER EXPENSES for the year	109,702	107,217
UNRESTRICTED NET ASSETS, beginning of year	<u>(40,662)</u>	<u>(147,879)</u>
UNRESTRICTED NET ASSETS, end of year	<u>\$ 69,040</u>	<u>\$ (40,662)</u>

MOOD DISORDERS SOCIETY OF CANADA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2017

	2017	2016
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 109,702	\$ 107,217
Changes in non-cash working capital		
Accounts receivable	35,949	(5,252)
Deferred revenue	(210,219)	503
Prepaid expenses	5,000	5,500
Accounts payable and accrued liabilities	65,324	(60,631)
Grant repayable	<u>(4,630)</u>	<u>(12,071)</u>
NET INCREASE IN CASH	1,126	35,266
NET CASH, beginning of year	<u>94,338</u>	<u>59,072</u>
NET CASH, end of year	<u>\$ 95,464</u>	<u>\$ 94,338</u>

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

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.

Canadian Depression Research and Intervention Network

The Society also operates the project Canadian Depression Research and Intervention Network, beginning April 1, 2012, which is funded by Health Canada. The assets, liabilities and operations of this project are disclosed in separate audited financial statements.

Transitions to Communities

The Society also operates the project Transitions to Communities, beginning April 1, 2016, which is funded by Employment and Social Development Canada. The assets, liabilities and operations of this project are disclosed in separate audited financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements 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 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.

(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 financial statements and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(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 and grant repayable.

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. ACCOUNTS RECEIVABLE

At the year end, the Society had the following receivables:

Receiver General	\$	11,183
APEC Digital Hub		25,000
Other		<u>18,434</u>
	\$	<u>54,617</u>

4. DEFERRED REVENUE

The deferred revenue relates to registration fees and sponsorships received for events to be held subsequent to the year end.

5. 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 their financial instruments.

The extent of the Society's exposure to these risks did not change in 2017 compared to the previous period.