

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2019

MOOD DISORDERS SOCIETY OF CANADA
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YEAR ENDED MARCH 31, 2019

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INDEPENDENT AUDITOR'S REPORT

To the Members of: Mood Disorders Society of Canada

Qualified Opinion

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, 2019 and the consolidated statements of operations and changes in net assets and cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of Mood Disorders Society of Canada as at March 31, 2019 and results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not for profit organizations.

Basis for Qualified Opinion

In common with many not for profit organizations, the society derives some of its revenues 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 society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenues over expenditures and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the consolidated financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of Mood Disorders Society of Canada in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the consolidated financial statements, management is responsible for assessing the society's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at RLB LLP's website at: www.rlb.ca/additional-auditor-responsibilities-consolidated. This description forms part of our auditor's report.

Handwritten signature of RLB LLP in black ink.

Guelph, Ontario
September 17, 2019

Chartered Professional Accountants
Licensed Public Accountants

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2019

	2019	2018
ASSETS		
CURRENT		
Cash	\$ 615,288	\$ 372,121
Accounts receivable	55,771	63,181
Prepaid expenses	<u>17,958</u>	<u>27,878</u>
	<u>\$ 689,017</u>	<u>\$ 463,180</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 97,939	\$ 89,285
Grant repayable	50,432	1,866
Deferred revenue (note 4)	<u>212,718</u>	<u>326,000</u>
	<u>361,089</u>	<u>417,151</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>327,928</u>	<u>46,029</u>
	<u>\$ 689,017</u>	<u>\$ 463,180</u>

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
REVENUE		
Grants and contributions	\$ 1,905,403	\$ 1,892,941
Donations	343,886	282,314
Other income	203,204	101,675
	<u>2,452,493</u>	<u>2,276,930</u>
EXPENSES		
Salaries	890,733	865,571
Project management and consulting costs	515,814	704,602
Advocacy and fundraising	192,773	316,898
PTS - Project delivery expenses	159,531	0
Rent	110,255	106,147
Travel and meeting expenses	88,013	90,290
Office	85,046	46,868
Legal and accounting fees	38,565	24,515
PTS - Research expenses	31,610	0
Communications	24,258	22,185
Project costs	22,766	99,773
Interest and bank charges	6,961	5,100
Insurance	4,269	5,775
	<u>2,170,594</u>	<u>2,287,724</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES	281,899	(10,794)
DISBURSEMENT TO CDRIN INC.	<u>0</u>	<u>(52,510)</u>
EXCESS (SHORTFALL) OF REVENUE OVER EXPENSES for the year	281,899	(63,304)
NET ASSETS, beginning of year	<u>46,029</u>	<u>109,333</u>
NET ASSETS, end of year	<u>\$ 327,928</u>	<u>\$ 46,029</u>

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2019

	2019	2018
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
Excess (shortfall) of revenue over expenses	\$ 281,899	\$ (63,304)
Items not requiring an outlay of cash		
Changes in non-cash working capital		
Accounts receivable	7,410	12,645
Grant receivable	0	16,250
Prepaid expenses	9,920	(12,992)
Accounts payable and accrued liabilities	8,654	(22,391)
Grant repayable	48,566	1,866
Deferred revenue	<u>(113,282)</u>	<u>242,355</u>
NET INCREASE IN CASH	243,167	174,429
NET CASH, beginning of year	<u>372,121</u>	<u>197,692</u>
NET CASH, end of year	<u><u>\$ 615,288</u></u>	<u><u>\$ 372,121</u></u>

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ENDED MARCH 31, 2019

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 Mood Disorders Society of Canada, Transition to Communities and APEC Digital Hub for Mental Health 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.

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.

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ENDED MARCH 31, 2019

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 2019 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:

	2019	2018
Balance, beginning of the year	\$ 326,000	\$ 83,645
Less amount recognized as revenue in the year	(246,000)	(83,645)
Plus amount received related to the following year	<u>132,718</u>	<u>326,000</u>
Balance, end of year	<u>\$ 212,718</u>	<u>\$ 326,000</u>