

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED FINANCIAL STATEMENTS
FOR THE YEAR ENDED MARCH 31, 2020

MOOD DISORDERS SOCIETY OF CANADA
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YEAR ENDED MARCH 31, 2020

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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, 2020 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, 2020 and the results of its 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, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 years. Our audit opinion on the consolidated financial statements for the year ended March 31, 2019 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.

A handwritten signature in black ink that reads "RLB LLP". The letters are stylized and cursive.

Guelph, Ontario
October 19, 2020

Chartered Professional Accountants
Licensed Public Accountants

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2020

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 403,417	\$ 615,288
Accounts receivable (note 4)	43,413	55,771
Prepaid expenses	<u>0</u>	<u>17,958</u>
	<u>\$ 446,830</u>	<u>\$ 689,017</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 50,418	\$ 97,939
Grant repayable	61,520	50,432
Deferred revenue (note 5)	<u>15,000</u>	<u>212,718</u>
	<u>126,938</u>	<u>361,089</u>
NET ASSETS		
UNRESTRICTED NET ASSETS	<u>319,892</u>	<u>327,928</u>
	<u>\$ 446,830</u>	<u>\$ 689,017</u>

MOOD DISORDERS SOCIETY OF CANADA**CONSOLIDATED STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS****FOR THE YEAR ENDED MARCH 31, 2020**

	2020	2019
REVENUE		
Grants and contributions	\$ 1,010,203	\$ 1,905,403
Donations	331,437	343,886
Other income	42,938	203,204
	<u>1,384,578</u>	<u>2,452,493</u>
EXPENSES		
Salaries	466,338	890,733
Project management and consulting costs	236,356	506,962
Advocacy and fundraising	172,055	192,773
PTS - Project delivery expenses	156,703	159,531
Office	101,879	89,038
Travel and meeting expenses	88,541	86,601
Rent	44,719	110,255
PTS - Research expenses	36,826	31,610
Project costs	27,428	41,576
Communications	25,871	24,258
Legal and accounting fees	25,489	24,615
Interest and bank charges	5,774	6,961
PTS - Travel	2,855	1,412
Insurance	1,780	4,269
	<u>1,392,614</u>	<u>2,170,594</u>
(SHORTFALL) EXCESS OF REVENUE OVER EXPENSES for the year	(8,036)	281,899
NET ASSETS, beginning of year	<u>327,928</u>	<u>46,029</u>
NET ASSETS, end of year	<u>\$ 319,892</u>	<u>\$ 327,928</u>

MOOD DISORDERS SOCIETY OF CANADA
CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31, 2020

	2020	2019
CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES		
(Shortfall) excess of revenue over expenses	\$ (8,036)	\$ 281,899
Items not requiring an outlay of cash		
Changes in non-cash working capital		
Accounts receivable	12,358	7,410
Prepaid expenses	17,958	9,920
Accounts payable and accrued liabilities	(47,521)	8,654
Grant repayable	11,088	48,566
Deferred revenue	<u>(197,718)</u>	<u>(113,282)</u>
NET (DECREASE) INCREASE IN CASH	(211,871)	243,167
NET CASH, beginning of year	<u>615,288</u>	<u>372,121</u>
NET CASH, end of year	<u><u>\$ 403,417</u></u>	<u><u>\$ 615,288</u></u>

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE ENDED MARCH 31, 2020

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.

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.

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) FINANCIAL INSTRUMENTS (continued)

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	\$ 32,856
Other	<u>10,557</u>
	<u>\$ 43,413</u>

4. 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 2020 compared to the previous period.

5. 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:

	2020	2019
Balance, beginning of the year	\$ 212,718	\$ 326,000
Less amount recognized as revenue in the year	(212,718)	(246,000)
Plus amount received related to the following year	<u>15,000</u>	<u>132,718</u>
Balance, end of year	<u>\$ 15,000</u>	<u>\$ 212,718</u>

6. SUBSEQUENT EVENTS - UNCERTAINTY DUE TO COVID-19

In the months leading up to, and subsequent to year end, the impact of the Novel Coronavirus (COVID-19) in Canada and on the global economy increased significantly. This global pandemic has disrupted economic activities and has led to the organization needing to implement operational changes in light of new realities, both fiscally as well as for social distancing and safety reasons. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business operations and the related financial impact cannot be reasonably estimated at this time. Further, the timeline for recovery from COVID-19 and resulting amounts realized on the organization's assets will be determined as it progresses through the recovery period. The capacity and responsiveness of the organization to meet this changing landscape through revenue generations will determine its future success to deliver all programming which may be impacted by the evolving circumstances of the virus.

MOOD DISORDERS SOCIETY OF CANADA
NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
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7. COMPARATIVE FIGURES

Certain figures presented for comparative purposes have been reclassified to conform to the current year's presentation.