

**MOOD DISORDERS SOCIETY OF CANADA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

# **MOOD DISORDERS SOCIETY OF CANADA**

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**YEAR ENDED MARCH 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of: Mood Disorders Society of Canada

### **Qualified Opinion**

We have audited the accompanying financial statements of Mood Disorders Society of Canada, which comprise the statement of financial position as at March 31, 2022 and the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the 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 financial statements present fairly, in all material respects, the financial position of Mood Disorders Society of Canada as at March 31, 2022 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, (deficit) excess of revenue over expenses and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years. Our audit opinion on the financial statements for the year ended March 31, 2021 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 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.

In preparing the 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 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 financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



Guelph, Ontario  
November 28, 2022

Chartered Professional Accountants  
Licensed Public Accountants

**MOOD DISORDERS SOCIETY OF CANADA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT MARCH 31, 2022**

	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 405,852	\$ 784,850
Accounts receivable (note 3)	18,585	14,078
Prepaid expenses	<u>0</u>	<u>4,095</u>
	<b>\$ <u>424,437</u></b>	<b>\$ <u>803,023</u></b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 47,741	\$ 44,375
Deferred revenue (note 4)	<u>32,500</u>	<u>409,329</u>
	<u>80,241</u>	<u>453,704</u>
<b>NET ASSETS</b>		
<b>UNRESTRICTED NET ASSETS</b>	<u>344,196</u>	<u>349,319</u>
	<b>\$ <u>424,437</u></b>	<b>\$ <u>803,023</u></b>

**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, 2022**

	<b>2022</b>	<b>2021</b> (note 7)
<b>REVENUE</b>		
Grants and contributions	\$ 508,003	\$ 313,552
Donations	268,964	241,857
Grants - IVW	124,143	0
Grants - PTS	55,186	253,540
Other income	26,499	58,343
Conference registration fees	16,018	12,759
Government subsidy (note 66)	0	65,977
	<u>998,813</u>	<u>946,028</u>
<b>EXPENSES</b>		
Salaries	461,233	356,893
Project management and consulting costs	219,445	59,807
Advocacy and fundraising	110,856	73,469
IVW - project delivery	56,107	0
Fundraising	31,708	28,305
Office and meeting expenses	30,030	23,643
Phone, facsimile and website	27,068	41,249
IVW - office	21,971	0
Legal and accounting fees	17,217	18,878
PTS - research expenses	14,301	35,164
Interest and bank charges	6,405	3,969
Rent	6,000	6,500
Travel and meeting expenses	1,361	371
PTS - project delivery	234	195,826
PTS - office	0	32,495
	<u>1,003,936</u>	<u>876,569</u>
<b>(DEFICIT) EXCESS OF REVENUE OVER EXPENSES for the year</b>	<b>(5,123)</b>	<b>69,459</b>
<b>UNRESTRICTED NET ASSETS, beginning of year</b>	<u><b>349,319</b></u>	<u><b>279,860</b></u>
<b>UNRESTRICTED NET ASSETS, end of year</b>	<u><u><b>\$ 344,196</b></u></u>	<u><u><b>\$ 349,319</b></u></u>

**MOOD DISORDERS SOCIETY OF CANADA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED MARCH 31, 2022**

	<b>2022</b>	<b>2021</b> (note 7)
<b>CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>		
(Deficit) excess of revenue over expenses	\$ (5,123)	\$ 69,459
Changes in non-cash working capital		
Accounts receivable	(4,507)	11,307
Prepaid expenses	4,095	(4,095)
Accounts payable and accrued liabilities	3,366	(24,209)
Deferred revenue	<u>(376,829)</u>	<u>332,808</u>
<b>NET INCREASE (DECREASE) IN CASH</b>	(378,998)	385,270
<b>NET CASH, beginning of year</b>	<u>784,850</u>	<u>399,580</u>
<b>NET CASH, end of year</b>	<u><u>\$ 405,852</u></u>	<u><u>\$ 784,850</u></u>

**MOOD DISORDERS SOCIETY OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE ENDED MARCH 31, 2022**

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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 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.

**(d) CONTRIBUTED MATERIALS AND SERVICES**

During the year, a number of organizations and individuals donate materials to the Society and a number of volunteers contribute a significant amount of their time. Because of the difficulty in determining the fair value, contributed materials and services are not recorded in the financial statements.



**MOOD DISORDERS SOCIETY OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE ENDED MARCH 31, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

(e) **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.

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:

	<b>2022</b>	<b>2021</b>
Receiver General	\$ 18,585	\$ 4,078
Other	<u>0</u>	<u>10,000</u>
	<u><u>\$ 18,585</u></u>	<u><u>\$ 14,078</u></u>

**4. DEFERRED REVENUE**

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

	<b>2022</b>	<b>2021</b>
Balance, beginning of the year	\$ 409,329	\$ 76,521
Less amount recognized as revenue in the year	(409,329)	(21,334)
Plus amount received related to the following year	<u>32,500</u>	<u>354,142</u>
Balance, end of year	<u><u>\$ 32,500</u></u>	<u><u>\$ 409,329</u></u>

**MOOD DISORDERS SOCIETY OF CANADA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE ENDED MARCH 31, 2022**

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**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 the financial instruments.

The extent of the Society's exposure to these risks did not change in 2022 compared to the previous period.

**6. MATERIAL UNCERTAINTY DUE TO THE NOVEL CORONAVIRUS (COVID-19)**

During the year and subsequent to year end, the Novel Coronavirus (COVID-19) significantly impacted the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, given the dynamic nature of these circumstances, the duration of business disruption and the related financial impact cannot be reasonably estimated at this time. This may impact the timing and amounts realized on the organization's assets and its future ability to deliver all services.

As a result of the pandemic, the organization received \$0 (2021 - \$65,977) in Canada Emergency Wage Subsidy (CEWS) and Temporary Wage Subsidy (TWS), which are recognized as government subsidy revenue. This financial assistance received is outside of the organization's ordinary course of activities.

**7. COMPARATIVE FIGURES**

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