
**Mood Disorders Association
of Ontario and Toronto
Annual Financial Statements**

March 31, 2015

Millard, DesLauriers & Shoemaker LLP

Chartered Professional Accountants

A member of IAPA•BHD Association with affiliated offices across
Canada and internationally

Mood Disorders Association of Ontario & Toronto

Financial Information

March 31, 2015

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Millard, DesLauriers & Shoemaker LLP

Chartered Professional Accountants, Licensed Public Accountants

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Independent Auditors' Report

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To the Board of Directors of
Mood Disorders Association of Ontario & Toronto

We have audited the accompanying financial statements of Mood Disorders Association of Ontario & Toronto, which comprise the statement of financial position as at March 31, 2015 and the statements of general operations and fund balance, changes in fund balances 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 judgement, 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Millard, DesLauriers & Shoemaker LLP

Chartered Professional Accountants, Licensed Public Accountants

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Association derives revenue from donations and memberships, 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 Association and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and members' equity.

Qualified Opinion

In our opinion, except for the effects of the matter described in the basis for qualified opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Mood Disorders Association of Ontario & Toronto as at March 31, 2015, and its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Millard, DesLauriers & Shoemaker LLP

Toronto, Canada
June 17, 2015

Chartered Professional Accountants, Licensed Public Accountants

Mood Disorders Association of Ontario & Toronto

Statement of Financial Position

For the Year Ended March 31

	MAP Project Fund	General Fund	2015	2014
Assets				
Current				
Cash and cash equivalents (Note 5)	\$ -	\$ 274,393	\$ 274,393	\$ 303,816
Accounts receivable (Note 6)	-	39,676	39,676	47,517
Prepaid expenses	-	16,896	16,896	20,499
	-	330,965	330,965	371,832
MAP website (Note 7)	-	-	-	16,337
Marketable securities	-	19,292	19,292	18,603
Equipment (Note 8)	-	10,490	10,490	2,010
	\$ -	\$ 360,747	\$ 360,747	\$ 408,782
Liabilities				
Current				
Bank indebtedness	\$ -	-	-	25,338
Accounts payable and accrued liabilities	-	74,280	74,280	85,914
Deferred revenue	-	123,163	123,163	129,101
	-	197,443	197,443	240,353
Members' Equity (Deficiency)				
Unrestricted	-	163,304	163,304	191,557
Restricted	-	-	-	(23,128)
	-	163,304	163,304	168,429
	\$ -	\$ 360,747	\$ 360,747	\$ 408,782

Approved on behalf of the Board:



Director



Director

See accompanying notes to the financial statements.

Mood Disorders Association of Ontario & Toronto

Statement of Operations and General Fund Balance

For the Year Ended March 31

2015

2014

Revenue		
Ministry of Health and Long-term Care	\$ 728,077	\$ 543,275
Corporate donations and sponsorships	80,802	61,763
Donations	76,293	36,414
Grant - Foundations	58,784	19,448
Event income	52,094	156,803
Other (Note 9)	45,693	16,902
City of Toronto	16,930	16,565
Other government grants	3,925	21,630
Provision for increase in marketable securities	689	5,629
	<u>1,063,287</u>	<u>878,429</u>
Program Expenses		
Wages and benefits	650,988	424,552
General purchases	160,990	89,315
Communications and marketing	13,552	40,374
Event purchases	-	25,859
	<u>825,530</u>	<u>580,100</u>
Other Expenses		
Rent	111,368	109,830
Office expenses	61,331	67,016
Professional fees	30,944	25,938
Travel	27,218	24,808
Bad debt expense	10,391	-
Telephone	9,516	11,984
Online resources	6,928	5,794
Amortization	4,076	1,838
	<u>261,772</u>	<u>247,208</u>
Excess of revenue over expenses (expenses over revenue)		
for the year	(24,015)	51,121
Transfer to MAP Project Fund	(4,238)	-
General Fund balance, beginning of the year	<u>191,557</u>	<u>140,436</u>
General Fund balance, end of the year	<u>\$ 163,304</u>	<u>\$ 191,557</u>

See accompanying notes to the financial statements.

Mood Disorders Association of Ontario & Toronto

Statement of Changes in Fund Balances

For the Year Ended March 31

2015

2014

MAP Project Fund

Revenue

Sponsorship funding

\$ 14,127 \$ 58,058

Expenses

Amortization

16,337 65,347

Online resources

(21,100) -

(4,763) 65,347

Excess of revenue over expenses (expenses over revenue)

18,890 (7,289)

Transfer from General Operations

4,238 -

Balance, beginning of the year

(23,128) (15,839)

Balance, end of the year

\$ - \$ (23,128)

See accompanying notes to the financial statements.

Mood Disorders Association of Ontario & Toronto

Statement of Cash Flows

For the Year Ended March 31

2015

2014

Cash flows from (for) operating activities

Excess of revenue over expenses (expenses over revenue) for the year		
General operations	\$ (24,015)	\$ 51,121
MAP Project Fund	18,890	(7,289)
Items not requiring an outlay of cash:		
Amortization	20,413	67,185
Provision for increase in marketable securities	(689)	(5,629)
	<u>14,599</u>	<u>105,388</u>
Changes in non-cash working capital balances related to operations:		
Accounts receivable	7,841	17,739
Prepaid expenses	3,603	7
Accounts payable and accrued liabilities	(11,634)	(45,268)
Deferred revenue	(5,938)	51,916
	<u>8,471</u>	<u>129,782</u>
Cash flow from investing activities		
Purchase of equipment	(12,556)	-
Increase (decrease) in cash and cash equivalents for the year	(4,085)	129,782
Cash and cash equivalents, beginning of the year	278,478	148,696
Cash and cash equivalents, end of the year	<u>\$ 274,393</u>	<u>\$ 278,478</u>

Cash and cash equivalents are represented on the Statement of Financial Position by:

MAP Project Fund	\$ -	\$ (25,338)
General Fund	274,393	303,816
	<u>\$ 274,393</u>	<u>\$ 278,478</u>

See accompanying notes to the financial statements.

Mood Disorders Association of Ontario & Toronto

Notes to Financial Statements

March 31, 2015

1. Purpose of the Organization

The Mood Disorders Association of Ontario & Toronto ("MDAOT" or the "Association") is a non-profit organization that helps people living with depression, anxiety or bipolar disorder, and their families, recover and heal. The Association provides drop-in peer support groups across Ontario, recovery programs, family and youth clinical support, early intervention for mood disorders and psychosis, awareness and education, and online tools focused on wellness and recovery. The Mood Disorders Association of Ontario and Toronto was incorporated without share capital in Ontario on September 4, 1985.

2. Significant Accounting Policies

(a) Basis of Presentation

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and are in accordance with Canadian generally accepted accounting principles. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of significant accounting policies summarized below.

(b) Fund Description

The General Fund accounts for the Association's program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants.

The MAP Project Fund reports externally restricted resources that are to be used to fund the "My Action Plan" website and related resources.

(c) Revenue Recognition

The Association follows the restricted fund method of accounting for contributions which include donations and government grants.

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred. All other restricted contributions are recognized as revenue of the appropriate internally restricted fund. Contributions received for which related expenses have not been incurred are classified as deferred revenue.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Revenue from donations is recognized on a cash basis, with no accrual being made for amounts pledged but not received.

Mood Disorders Association of Ontario & Toronto

Notes to Financial Statements

March 31, 2015

2. Significant Accounting Policies (continued)

(d) Equipment and MAP Website

Equipment and the MAP website are recorded at cost. Amortization is provided on a basis designed to amortize equipment and the MAP website over their useful lives. The annual amortization rates are as follows:

Office furniture and equipment	-	straight-line over 5 years
Leasehold improvements	-	straight-line over 3 years
MAP website	-	straight-line over 3 years

Long-lived assets are reviewed for impairment at least annually, or whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of an asset exceeds its fair value and is not recoverable. The fair amount of an asset is defined as the estimated undiscounted future cash flows expected to result from the use of the asset. Other factors that may indicate impairment are expected future asset utilization and economic outlook.

(e) Marketable Securities

Marketable securities consist of shares held in a brokerage account. Marketable securities are recorded at the lower of cost and market value. In the 2015 fiscal year, a provision for an increase in market value of \$689 (2014 - increase of \$5,629) has been recorded as revenue of the general operating fund.

(f) Donated Materials and Services

Donations of materials and services, including volunteer services not normally paid for by the Association are not recorded in the accounts, as it would be difficult to determine their fair value.

(g) Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amount of revenues and expenses during the period. Actual results could differ from these estimates.

Significant estimates made by management include allowance for doubtful accounts, and amortization and impairment of equipment and the MAP website.

(h) Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits and Guaranteed Investment Certificates with initial maturity terms of 365 days or less, which are carried at the lower of cost and fair value.

Mood Disorders Association of Ontario & Toronto

Notes to Financial Statements

March 31, 2015

3. Financial Risk Management

The significant financial risks to which the Association is exposed to are credit risk, liquidity risk, market risk, currency risk, interest rate risk, and other price risk. There has been no change in the risk exposure of the Association from the prior period.

(a) Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss or the other party by failing to discharge an obligation. The Association is subject to credit risk through accounts receivable. Accounts receivable are subject to normal industry credit risks.

The Association performs regular credit assessments of its debtors and provides allowances for potentially uncollectible accounts receivable, when considered appropriate.

(b) Liquidity Risk

Liquidity risk is the risk that the Association will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Association's exposure to liquidity risk is dependent on its ability to meet the requirements set out by the funders in order to continue receiving funds from various funders to meet commitments and sustain operations. Cash flow from operations provides a substantial portion of the Association's cash requirements. Additional cash requirements are met with the use of the available operating line of credit. The Association's primary lender is a single federally regulated Canadian financial institution.

(c) Market Risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

(i) Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rate. The Association is not subject to foreign exchange risk as none of its financial instruments are denominated in foreign currencies.

(ii) Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Association is not exposed to interest rate risk arising from fluctuations in interest rates as its term deposits are at a fixed rate and would not be affected unless reinvested.

Mood Disorders Association of Ontario & Toronto

Notes to Financial Statements

March 31, 2015

3. Financial Risk Management (continued)

(c) Market Risk (continued)

(iii) Other Price Risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Association is not subject to other price risk.

4. Fair Value of Financial Instruments

The Association initially measures its financial assets and liabilities at fair value. The Association subsequently measures all its financial assets and financial liabilities at amortized cost, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in operations.

Financial assets measured at amortized cost consists of accounts receivable. Financial liabilities measured at amortized cost include bank indebtedness and accounts payable and accrued liabilities.

5. Cash and Cash Equivalents

Cash and cash equivalents comprise:

	<u>2015</u>	<u>2014</u>
Cash in bank	\$ 122,143	\$ 227,548
Guaranteed Investment Certificates	<u>152,250</u>	<u>50,930</u>
	<u>\$ 274,393</u>	<u>\$ 278,478</u>

The Guaranteed Investment Certificates (GICs) are held with TD Canada Trust, bear interest at 1.15% and 1.25% (2014 - one GIC bearing interest at 0.80%), and mature on various dates in April 2015.

Mood Disorders Association of Ontario & Toronto

Notes to Financial Statements

March 31, 2015

6. Accounts Receivable

Accounts receivable consist of:

	<u>2015</u>	<u>2014</u>
Accounts receivable	\$ 50,067	\$ 47,517
Allowance for doubtful accounts	<u>10,391</u>	<u>-</u>
	<u>\$ 39,676</u>	<u>\$ 47,517</u>

7. MAP Website

	<u>Cost</u>	<u>2015 Accumulated Amortization</u>	<u>Net Book Value</u>
MAP website	<u>\$ 196,040</u>	<u>\$ 196,040</u>	<u>\$ -</u>

	<u>Cost</u>	<u>2014 Accumulated Amortization</u>	<u>Net Book Value</u>
MAP website	<u>\$ 196,040</u>	<u>\$ 179,703</u>	<u>\$ 16,337</u>

8. Equipment

	<u>Cost</u>	<u>2015 Accumulated Amortization</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 30,447	\$ 20,913	\$ 9,534
Leasehold improvements	1,434	478	956
	<u>\$ 31,881</u>	<u>\$ 21,391</u>	<u>\$ 10,490</u>

	<u>Cost</u>	<u>2014 Accumulated Amortization</u>	<u>Net Book Value</u>
Office furniture and equipment	\$ 53,793	\$ 51,783	\$ 2,010
Leasehold improvements	-	-	-
	<u>\$ 53,793</u>	<u>\$ 51,783</u>	<u>\$ 2,010</u>

Mood Disorders Association of Ontario & Toronto

Notes to Financial Statements

March 31, 2015

9. Other Income

Other income comprises:

	<u>2015</u>	<u>2014</u>
Mental Health Programming: Education Sessions	\$ 41,436	\$ 11,000
Membership fees	-	1,665
Bank interest	2,101	410
Laughing Like Crazy	1,250	660
Miscellaneous	906	3,167
	<u>\$ 45,693</u>	<u>\$ 16,902</u>

10. Economic Dependency

The Association is dependent on the Ontario Ministry of Health and Long-term Care (the "Ministry") for funding of a significant portion of operations. Funding is provided each fiscal year based on an operating budget for the year approved by the Ministry. The Ministry approved funding of \$728,077 (2014 - \$543,275) with respect to the operating budget for the fiscal year ending March 31, 2015.

Current funding policies of the Ontario Ministry of Health require the Association to repay any surplus arising from underspent Ministry grants in the subsequent year. All grants received were spent on approved activities during the year.

11. Commitments

The Association leases its premises and equipment under various operating leases with expiry dates to January 2018. Future minimum annual payments (excluding taxes, insurance and maintenance costs) under the leases are as follows:

2016	\$117,161
2017	110,841
2018	107,207

Mood Disorders Association of Ontario & Toronto

Notes to Financial Statements

March 31, 2015

12. Capital Disclosures

The Association considers its capital to be the balance maintained in its Unrestricted Members' Equity. The primary objective of the Association is to invest its capital in a manner that will allow it to continue as a going concern and comply with its stated objectives. Capital is invested under the direction of the Board of Directors of the Association with the objective of providing a reasonable rate of return, minimizing risk and ensuring adequate liquid investments are on hand for current cash flow requirements. The Association is not subject to any externally imposed requirements of its capital.