

**MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
MARCH 31, 2023**

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO
Financial Statements
March 31, 2023

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

We have audited the financial statements of Mood Disorders Association of Ontario & Toronto, which comprise the statement of financial position as at March 31, 2023, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2023, 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 Opinion

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 the organization 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 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 organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization'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 judgment 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 the override of internal control.

INDEPENDENT AUDITOR'S REPORT, continued

- ◆ 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 organization'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 organization'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 organization 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.

Akler Browning LLP

Chartered Professional Accountants
Licensed Public Accountants
Toronto, Canada
June 21, 2023

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO

Statement of Financial Position

March 31, 2023

	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 397,882	\$ 661,349
Accounts receivable	38,576	2,891
HST rebate receivable	3,098	4,680
Prepays	3,637	7,116
Total Current	443,193	676,036
Property and equipment (note 2)	9,614	11,190
Intangible assets (note 3)	14,434	16,149
Total Assets	\$ 467,241	\$ 703,375
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 34,722	\$ 39,680
Deferred revenue (note 5)	231,606	465,017
Total Liabilities	266,328	504,697
Fund Balances		
Net assets	200,913	198,678
Total Liabilities and Fund Balances	\$ 467,241	\$ 703,375

Approved on behalf of the Board:

Joe Li Director
June 21, 2023 Date

Michael Deane Director

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO
Statement of Operations and Changes in Net Assets
Year ended March 31, 2023

	2023	2022
Revenues		
Ontario Health (note 8)	\$ 757,981	\$ 732,646
Federal funding	168,581	-
Donations	108,462	127,828
Ontario Trillium Funding	99,962	50,039
City of Toronto	19,783	19,395
Other (note 6)	13,697	17,038
Corporate donations and sponsorships	7,000	3,820
Total revenues	1,175,466	950,766
Expenditures		
Program Expenses		
Salaries and benefits	864,256	628,124
General purchases	116,912	54,586
Communications and marketing	4,923	7,031
Total program expenses	986,091	689,741
Other Expenses		
Online resources	51,334	32,426
Office and general	44,380	54,993
Rent	40,079	56,076
Professional fees	20,170	20,047
Telephone	19,303	24,314
Amortization	7,968	13,368
Travel	3,906	601
Total other expenses	187,140	201,825
	1,173,231	891,566
Excess of revenues over expenditures for the year	2,235	59,200
Net assets, beginning of year	198,678	139,478
Net assets, end of year	\$ 200,913	\$ 198,678

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO**Statement of Cash Flows**

Year ended March 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Excess of revenues over expenditures for the year	\$ 2,235	\$ 59,200
Adjustment for non-cash item		
Amortization	7,968	13,368
	<u>10,203</u>	<u>72,568</u>
Net change in non-cash working capital items		
Accounts receivable	(35,685)	95,652
HST rebate receivable	1,582	3,697
Prepays	3,479	2,057
Accounts payable and accrued liabilities	(4,958)	10,148
Deferred revenue	(233,411)	146,529
	<u>(268,993)</u>	<u>258,083</u>
Cash (Used in) Provided by Operating Activities	<u>(258,790)</u>	<u>330,651</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property and equipment	-	(9,211)
Purchase of intangible assets	(4,677)	(4,677)
Cash Used in Investing Activities	<u>(4,677)</u>	<u>(13,888)</u>
Net (decrease) increase in cash and cash equivalents	<u>(263,467)</u>	<u>316,763</u>
Cash and cash equivalents, beginning of year	<u>661,349</u>	<u>344,586</u>
Cash and cash equivalents, end of year	<u>\$ 397,882</u>	<u>\$ 661,349</u>

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO

Notes to the Financial Statements

March 31, 2023

NATURE OF OPERATIONS

Mood Disorders Association of Ontario & Toronto ("the Association") is a non-profit organization that operates under the name Hope + Me. The Association 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 Association is a registered charity incorporated in Ontario without share capital.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are detailed as follows:

(a) Cash and cash equivalents

Bank balances, including bank overdrafts with balances that fluctuate from positive to overdrawn, are presented under cash and cash equivalents. Cash equivalents include highly liquid investments that are readily convertible to known amounts of cash and that are subject to an insignificant risk of changes in value. An investment normally qualifies as a cash equivalent when it has a short maturity of approximately three months or less from the date of acquisition.

(b) Property and equipment

Property and equipment are accounted for at cost and amortized over their estimated useful life using the straight-line method at the following duration.

Computer equipment	5 years
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(c) Intangible assets

Intangible assets are accounted for at cost and amortized over their estimated useful life using the straight-line method at the following durations:

Website	5 years
Trademarks	5 years

(d) Impairment of long-lived assets

Property and equipment and intangible assets subject to amortization are tested for recoverability 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 the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO

Notes to the Financial Statements

March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(e) Revenue recognition

The Association uses the deferral method of accounting for its revenue contributions, in which restricted contributions related to expenditures of future periods are deferred and recognized as revenue in the period in which the related expenditures are incurred. The annual subsidy is subject to revision upon filing of the Annual Reconciliation Return with the Ministry of Health and Long-term Care.

Sponsorships and other revenues are recorded on an accrual basis as earned.

(f) Contributed services

Volunteers contribute time and the use of their vehicles in support of programs. The Association would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Due to the difficulty of compiling these hours, contributed services are not recognized in the financial statements.

(g) Use of estimates

The preparation of financial statements requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the reported amounts of revenues and expenditures for the period covered. The main estimates relate to the impairment of financial assets.

(h) Financial instruments

Measurement 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 excess of revenues over expenditures in the period incurred.

Financial assets measured at amortized cost include cash and cash equivalents, accounts receivable and HST rebate receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

The Association has not designated any financial asset or financial liability to be measured at fair value.

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO

Notes to the Financial Statements

March 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES, continued

(h) Financial instruments, continued

Impairment

For financial assets measured at amortized cost, the Association determines whether there are indications of possible impairment. When there is an indication of impairment, and the Association determines that a significant adverse change has occurred during the period in the expected timing or amount of future cash flows, a write-down is recognized in excess of revenues over expenditures. A previously recognized impairment loss may be reversed to the extent of the improvement. The carrying amount of the financial asset may not be 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 excess of revenues over expenditures.

2. PROPERTY AND EQUIPMENT

	2023		2022	
	Cost	Accumulated amortization	Net	Net
Computer equipment	\$ 39,950	\$ 30,336	\$ 9,614	\$ 11,190

3. INTANGIBLE ASSETS

	2023		2022	
	Cost	Accumulated amortization	Net	Net
Website and trademark	\$ 29,792	\$ 15,358	\$ 14,434	\$ 16,149

4. BANK INDEBTEDNESS

A credit facility to a maximum of \$50,000 is available to the Association. The line of credit bears interest at the bank's prime lending rate plus 2.50%. As at March 31, 2023, the line of credit balance amounted to \$Nil (2022 - \$Nil).

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO

Notes to the Financial Statements

March 31, 2023

5. DEFERRED REVENUE

	2023	2022
Opening balance	\$ 465,017	\$ 318,488
Current year additions	53,526	236,567
Amounts recognized as revenue	(286,937)	(90,038)
Closing balance	\$ 231,606	\$ 465,017

6. OTHER REVENUE

	2023	2022
Fees for service	\$ 9,930	\$ 15,750
Interest income	3,543	1,013
Miscellaneous	225	275
	\$ 13,698	\$ 17,038

7. LEASE COMMITMENTS

The association's total commitments, under a property lease agreement, exclusive of occupancy costs, are as follows:

2024	\$ 34,228
2025	2,938
	\$ 37,166

8. ECONOMIC DEPENDENCE

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 \$757,981 (2022 - \$732,646) with respect to the operating budget for the fiscal year ending March 31, 2023. The funding agreement expires on March 31, 2027.

MOOD DISORDERS ASSOCIATION OF ONTARIO & TORONTO

Notes to the Financial Statements

March 31, 2023

9. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial transaction will cause a financial loss for the other party by failing to discharge an obligation. The Association's credit risk is mainly relates to its accounts receivables.

(b) Liquidity risk

Liquidity risk is the risk that the Association will encounter difficulty in meeting obligations associated with financial liabilities. The Association's exposure to this risk mainly is in respect to its trade accounts payable and accrued liabilities. The Association expects to meet these obligations as they come due by generating sufficient cash flow from operations.

(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. The Association is mainly exposed to interest rate risk.

(i) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flow of a financial instrument will fluctuate because of changes in market interest rates. Fixed rate instruments subject the association to a fair value risk while floating rate instruments subject the association to cash flow risk. The Association is exposed to this type of risk as a result of its variable rate line of credit and investments in guarantee investment certificates. The exposure to these risks also fluctuates as the debt changes from year to year.
