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

March 31, 2010

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**Millard, DesLauriers & Shoemaker LLP**

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**Chartered Accountants**

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

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# Mood Disorders Association of Ontario & Toronto

## Financial Information

March 31, 2010

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# Millard, DesLauriers & Shoemaker LLP

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Chartered Accountants, Licensed Public Accountants

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Toronto, Ontario  
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## Auditors' Report

Tel : (416) 599-7255  
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To the Board of Directors of  
Mood Disorders Association of Ontario & Toronto

We have audited the balance sheet of Mood Disorders Association of Ontario & Toronto as at March 31, 2010 and the statements of general operations and fund balance, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of the association's management. Our responsibility is to express an opinion on these financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many associations, 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 equity.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the donations and memberships referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Association as at March 31, 2010 and the results of its general operations and the changes in its fund balances and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Millard, DesLauriers & Shoemaker LLP*

Toronto, Canada  
May 23, 2010

Chartered Accountants, Licensed Public Accountants

# Mood Disorders Association of Ontario & Toronto

## Statement of Financial Position

As at March 31

	Our Sisters' Place				2010 Total	2009 Total
	Reserve Fund	Special Projects Fund	Reserve Fund	General Fund		
<b>Assets</b>						
<b>Current</b>						
Cash and cash equivalents	\$ 7,224	\$ 79,854	\$ 274,243	\$ 16,904	\$ 378,225	\$ 197,013
Accounts receivable	-	-	-	102,098	102,098	77,626
Prepaid expenses	-	-	-	9,067	9,067	57,584
	<u>7,224</u>	<u>79,854</u>	<u>274,243</u>	<u>128,069</u>	<u>489,390</u>	<u>332,223</u>
Marketable securities	-	-	7,475	-	7,475	4,940
Equipment (Note 6)	-	-	-	6,274	6,274	8,851
	<u>\$ 7,224</u>	<u>\$ 79,854</u>	<u>\$ 281,718</u>	<u>\$ 134,343</u>	<u>\$ 503,139</u>	<u>\$ 346,014</u>
<b>Liabilities</b>						
<b>Current</b>						
Accounts payable and accrued liabilities	\$ -	\$ -	\$ -	\$ 19,159	\$ 19,159	\$ 10,412
Deferred revenue	-	-	-	95,503	95,503	11,774
	<u>-</u>	<u>-</u>	<u>-</u>	<u>114,662</u>	<u>114,662</u>	<u>22,186</u>
<b>Members' Equity</b>						
Unrestricted	-	-	-	19,681	19,681	4,410
Internally restricted	7,224	79,854	281,718	-	368,796	319,418
	<u>7,224</u>	<u>79,854</u>	<u>281,718</u>	<u>19,681</u>	<u>388,477</u>	<u>323,828</u>
	<u>\$ 7,224</u>	<u>\$ 79,854</u>	<u>\$ 281,718</u>	<u>\$ 134,343</u>	<u>\$ 503,139</u>	<u>\$ 346,014</u>

Approved on behalf of the Board:

Director

Director

# Mood Disorders Association of Ontario & Toronto

## Statement of General Operations and Fund Balance

For the Year Ended March 31

2010

2009

### Revenue

Grants - Ministry of Health	\$ 458,229	\$ 448,138
Grant - City of Toronto	15,610	15,300
Grant - Foundations	10,000	-
Membership fees	2,115	4,988
Donations	39,024	52,059
Corporate donations and sponsorships	183,850	104,547
Sales of books	4,388	7,924
Other (Note 8)	610,762	592,292
	1,323,978	1,225,248

### Expenses

Advertising and promotion	12,629	6,666
Amortization	5,072	5,684
Books and tapes	1,967	1,284
Conferences and education	970	7,820
Consulting	2,802	23,507
Fundraising (Note 9)	246,040	234,122
Meetings	22,884	19,710
Moving lives forward	12,000	12,000
Office expenses	96,911	92,514
Peer support	20,830	10,821
Postage and courier	11,311	11,807
Professional fees	17,468	16,682
Programs	57,785	176,570
Rent	107,837	113,789
Salaries and contract labour	548,976	424,592
Social recreational programs	18,001	-
Telephone and internet	21,829	16,278
Touched by Fire	33,395	31,722
	1,238,707	1,205,568

Excess of revenue over expenses for the year	85,271	19,680
Balance, beginning of the year	4,410	4,056
Allocation (to) reserve fund	(70,000)	(30,000)
Allocation from special projects fund	-	10,674
Balance, end of the year	\$ 19,681	\$ 4,410

# Mood Disorders Association of Ontario & Toronto

## Statement of Changes in Fund Balances

For the Year Ended March 31

2010

2009

### Reserve Fund

Revenue		
Investment income	\$ 843	\$ 3,590
Provision for increase (decrease) of marketable securities	2,535	(7,800)
Excess of revenue over expenses (expenses over revenue)	3,378	(4,210)
Allocation from General Fund	70,000	30,000
	73,378	25,790
Balance, beginning of the year	208,340	182,550
Balance, end of the year	\$ 281,718	\$ 208,340

### Special Projects Funds

Revenue	\$ -	\$ -
Expenses	-	-
Excess of expenses over revenue	-	-
Allocation to General Fund	-	(10,674)
	-	(10,674)
Balance, beginning of the year	79,854	90,528
Balance, end of the year	\$ 79,854	\$ 79,854

### Our Sisters' Place Reserve Fund

Revenue	\$ -	\$ -
Expenses	24,000	24,000
Excess of expenses over revenue	(24,000)	(24,000)
Balance, beginning of the year	31,224	55,224
Balance, end of the year	\$ 7,224	\$ 31,224

# Mood Disorders Association of Ontario & Toronto

## Statement of Cash Flows

For the Year Ended March 31

2010

2009

Cash flows from (for) operating activities		
Net income (loss) for the year		
General operations	\$ 85,271	\$ 19,680
Funds	(20,622)	(28,210)
Items not requiring an outlay of cash		
Depreciation and amortization	5,072	5,684
Provision for increase (decrease) of marketable securities	(2,535)	7,800
	-	-
	<u>67,186</u>	<u>4,954</u>
Changes in non-cash working capital balances related to operations		
Accounts receivable	(24,472)	(15,978)
Prepaid expenses	48,517	(32,265)
Accounts payable and accrued liabilities	8,747	(12,907)
Deferred revenue	83,729	(65,728)
	-	-
	<u>183,707</u>	<u>(121,924)</u>
Cash flow from (for) investing activity		
Purchase of plant and equipment	(2,495)	-
Increase (decrease) in cash and cash equivalents for the year		
	181,212	(121,924)
Cash, beginning of the year		
	197,013	318,937
Cash, end of the year		
	<u>\$ 378,225</u>	<u>\$ 197,013</u>

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# Mood Disorders Association of Ontario & Toronto

## Notes to Financial Statements

March 31, 2010

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### 1. Purpose of the Organization

The Mood Disorders Association of Ontario & Toronto ("MDAOT" or the "Association") is a non profit, self-help/mutual aid association created for and composed of individuals who are affected by depression and manic depression, their families and friends. It is the identified needs of the membership which directs program development and decision making at all levels of the Association. The MDAOT encourages and facilitates the free and open exchange of ideas, opinion, viewpoints, and promotes mutual assistance and support amongst MDAOT members.

The Mood Disorders Association of Ontario & Toronto began providing the services of the Depressive and Manic Depressive Association of Ontario on April 1, 1998 and on February 25, 1999 the name of the organization was changed to Mood Disorders Association of Ontario & Toronto.

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### 2. Significant Accounting Policies

#### (a) 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 Reserve Fund and Special Projects Fund report only restricted resources that are to be used to ease unusual financial situations and for special projects. The use of either fund requires a resolution approved by a majority of the Board of Directors.

Our Sisters' Place Reserve Fund supports a community-based support network for women, with a focus on mood disorders associated with hormonal changes throughout the lifespan.

#### (b) 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 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.

#### (c) Equipment Expenditures

Equipment acquired are recorded at cost and amortized over their estimated useful lives on a straight-line basis over 5 years.

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# Mood Disorders Association of Ontario & Toronto

## Notes to Financial Statements

March 31, 2010

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### 2. Significant Accounting Policies (continued)

#### (d) Marketable Securities

Marketable securities are recorded at the lower of cost and market value. In the 2010 fiscal year, a provision for an increase in market value of \$2,535 (2009 - \$7,800 decrease) has been recorded as a charge to the reserve fund.

#### (e) Contributed Services

Volunteers contribute about 14,000 hours per year to assist the Association in carrying out its service delivery activities. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

#### (f) Use of Estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from their estimates.

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### 3. Accounting Changes

#### (a) Changes in Accounting Policies

Effective April 1, 2009, the Association adopted the amendments to CICA Handbook Section 1000, Financial Statement Concepts. These amendments clarified the criteria for recognition of an asset or liability, removing the ability to recognize assets or liabilities solely on the basis of matching of revenue and expenditure items. Adoption of these recommendations had no significant impact on the financial statements for the year ended March 31, 2010.

Effective April 1, 2009, the Association adopted the amendments to CICA Handbook Section 4400, Financial Statement Presentation by Not-for-Profit Organizations. These amendments clarified the criteria for revenue and expenditures to be presented on a gross basis when the not-for-profit organization is acting as principal. Adoption of these recommendations had no impact on the financial statements for the year ended March 31, 2010.

#### (b) Future Accounting Changes

In March 2010, the Accounting Standards Board "(AcSB)" issued an Exposure Draft, Accounting Standards for Not-for-Profit Organizations, which proposed accounting standards for the not-for-profit sector. The AcSB expects that the final standards will be issued late in 2010 and will be effective for fiscal years beginning on or after January 1, 2012. The Association will review the impact of the adoption of these proposed new standards on its financial statements once finalized.

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# Mood Disorders Association of Ontario & Toronto

## Notes to Financial Statements

March 31, 2010

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#### 4. Financial Instruments

In accordance with Section 3855, Financial Instruments - Recognition and Measurement, financial assets are classified into one of the following four categories: held for trading, held to maturity, loans and receivables or available for sale. All financial liabilities are classified into one of the following two categories: held for trading or other financial liabilities. The classification determines the accounting treatment of the instrument. The classification is determined by the organization when the financial instrument is initially recorded, based on the underlying purpose of the instrument.

The financial assets and financial liabilities of the organization are classified and measured as follows:

<u>Financial Asset / Liability</u>	<u>Category</u>	<u>Measurement</u>
Cash and cash equivalents	Held for trading	Fair value
Accounts receivable	Loans and receivables	Amortized cost
Marketable securities	Available for sale	Fair value
Accounts payable and accrued liabilities	Other financial liabilities	Amortized cost

The other amounts noted on the balance sheet are not financial instruments.

The Association has not entered into any derivative transactions. In addition, the Association's contractual arrangements do not have any embedded features.

The fair value of the financial assets approximate their carrying values due to their short term nature. In the Association's opinion, there are no significant credit, market, interest rate or currency risks arising from its financial instruments except for the interest rate risk on the floating rate portion of the Bankers' Acceptance loan as described in Note 6b.

The Association has elected to use the exemption provided by The Canadian Institute of Chartered Accountants ("CICA") permitting not-for-profit organizations not to apply the following sections of the CICA Handbook: Section 3862, Financial Instruments - Disclosures, and Section 3863, Financial Instruments - Presentation. These sections would otherwise have applied to the financial statements of the Association for the year ended March 31, 2010. The Association applies the requirements of Section 3861, Financial Instruments - Disclosure and Presentation.

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# Mood Disorders Association of Ontario & Toronto

## Notes to Financial Statements

March 31, 2010

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### 5. Internally Restricted Funds

During the 1998 fiscal year the Association received a contribution of marketable securities which had a market value of \$42,705 at the date of contribution. At March 31, 2010 these securities had a market value of \$7,475 (2009 - \$4,940). The Board of Directors had approved a motion whereby these funds would be used as initial funding for a Charitable Foundation. During the 2002 fiscal year the board determined that it was not feasible to pursue the establishment of a foundation at the time and they renamed this fund the Reserve Fund whose purpose is to provide a source of alternate funding for unusual financial situations.

Concurrently, the board established a special projects fund with funds received by bequest and fundraising.

The internally restricted amounts are not available for unrestricted purposes without approval of the board of directors.

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### 6. Equipment

	<u>Cost</u>	<u>2010 Accumulated Amortization</u>	<u>Net Book Value</u>	<u>2009 Net Book Value</u>
Office furniture and equipment	\$ 47,095	\$ 40,822	\$ 6,273	\$ 8,851

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### 7. Economic Dependency

The Association is dependent on the Ontario Ministry of Health (the "Ministry") for funding of its operations. Funding is provided each fiscal year based on an operating budget for the year approved by the Ministry. The Ministry approved funding of \$458,229 (2009 - \$448,138) with respect to the operating budget for the fiscal year ending March 31, 2010.

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.

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# Mood Disorders Association of Ontario & Toronto

## Notes to Financial Statements

March 31, 2010

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### 8. Other Income

Other income is comprised as follows:

	<u>2010</u>	<u>2009</u>
Mad About You	\$ 347,860	\$ 353,810
Mood Swings	99,257	129,104
Laughing Like Crazy	11,035	-
Changing Minds	109,834	31,135
Public Awareness Campaign	589	6,122
United Way	15,195	7,765
Property tax rebate	6,245	6,292
Miscellaneous	20,747	58,064
	<u>\$ 610,762</u>	<u>\$ 592,292</u>

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### 9. Fundraising Expense

Fundraising expense is comprised as follows:

	<u>2010</u>	<u>2009</u>
Mad About You	\$ 143,966	\$ 142,468
Mood Swings	67,817	91,654
Laughing Like Crazy	34,257	-
	<u>\$ 246,040</u>	<u>\$ 234,122</u>

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### 10. Commitments

The Association leases its premises and equipment under various operating leases with expiry dates to November 2013. Future minimum annual payments (excluding taxes, insurance and maintenance costs) under the leases are as follows:

2011	\$128,391
2012	128,391
2013	19,515
2014	9,757

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# Mood Disorders Association of Ontario & Toronto

## Notes to Financial Statements

March 31, 2010

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### 11. Capital Disclosures

The Association considers its capital to be the balance maintained in its Unrestricted Net Assets. 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. MDAOT is not subject to any externally imposed requirements of its Capital.

