

Financial Statements

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

June 30, 2013

# INDEPENDENT AUDITORS' REPORT

To the Members of  
**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

We have audited the accompanying financial statements of **Mothers Against Drunk Driving (MADD Canada) - Les mères contre l'alcool au volant (MADD Canada)**, which comprise the statement of financial position as at June 30, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

## REPORT ON THE FINANCIAL STATEMENTS

### **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.

### **Auditors' 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 auditors' judgment, 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 auditors consider 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 audit opinion.

**Basis for qualified opinion**

In common with many charitable organizations, the organization derives revenue from the general public as donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amount recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, assets and net assets.

**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 **Mothers Against Drunk Driving (MADD Canada) - Les mères contre l'alcool au volant (MADD Canada)** as at June 30, 2013 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.

**Comparative information**

Without modifying our opinion, we draw attention to note 2 to the financial statements, which describes that **Mothers Against Drunk Driving (MADD Canada) - Les mères contre l'alcool au volant (MADD Canada)** adopted Canadian accounting standards for not-for-profit organizations on July 1, 2012 with a transition date of July 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at June 30, 2012 and July 1, 2011, and the statements of operations, changes in net assets and cash flows for the year ended June 30, 2012 and related disclosures. The comparative information was audited by another auditor who expressed an unmodified opinion on the comparative information on September 10, 2013.

**REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

As required by the Canada Not-for-profit Corporations Act, we report that, in our opinion, Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Toronto, Canada,  
September 10, 2013.

*Ernst + Young LLP*

Chartered Accountants  
Licensed Public Accountants

# INDEPENDENT AUDITOR'S REPORT

To the Members of  
**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

I have audited the accompanying comparative financial statements of **Mothers Against Drunk Driving (MADD Canada) - Les mères contre l'alcool au volant (MADD Canada)**, which comprise the statements of financial position as at June 30, 2012 and July 1, 2011, the statements of operations, changes in net assets and cash flows for the year ended June 30, 2012, and the summary of significant accounting policies and other explanatory information, including note 2, which explains how the transition from pre-changeover Canadian generally accepted accounting principles to Canadian accounting standards for not-for-profit organizations affected the entity's reported financial position, results of operations and cash flows.

## **Management's responsibility 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 the financial statements that are free from material misstatement, whether due to fraud or error.

## **Auditors' responsibility**

My responsibility is to express an opinion on the comparative information in these accompanying financial statements based on my audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that I 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 judgment, 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 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Opinion**

In my opinion, the comparative information in these accompanying financial statements presents fairly, in all material respects, the financial position of **Mothers Against Drunk Driving (MADD Canada) - Les mères contre l'alcool au volant (MADD Canada)** as at June 30, 2012 and July 1, 2011, and the results of its operations and its cash flows for the year ended June 30, 2012, in accordance with Canadian accounting standards for not-for-profit organizations.

**Other matter**

The statement of financial position as at June 30, 2013, and the statements of operations, changes in net assets, and cash flows for the year ended June 30, 2013, and the summary of significant accounting policies and other explanatory information, are audited by another auditor who expressed an unmodified opinion on September 10, 2013.

Toronto, Canada,  
September 10, 2013.

*James F. Hyland*

*Professional Corporation*

James F. Hyland Professional Corporation  
Chartered Accountant

Authorized to practice public accounting by  
The Institute of Chartered Accountants of Ontario

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**STATEMENT OF FINANCIAL POSITION**

As at

	June 30, 2013 \$	June 30, 2012 \$	July 1, 2011 \$
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	3,418,664	2,835,254	1,971,529
Accounts receivable	237,873	251,626	222,110
Other [note 3]	468,443	421,216	438,807
<b>Total current assets</b>	<b>4,124,980</b>	3,508,096	2,632,446
<b>Non-current assets</b>			
Investments [note 4]	1,011,374	1,498,442	1,475,609
Victim bursary investments [note 5]	371,663	361,048	360,907
Capital assets [note 6]	22,199	31,852	40,933
<b>Total non-current assets</b>	<b>1,405,236</b>	1,891,342	1,877,449
<b>Total assets</b>	<b>5,530,216</b>	5,399,438	4,509,895
<b>LIABILITIES AND NET ASSETS</b>			
<b>Current liabilities</b>			
Accounts payable and accrued liabilities	298,909	616,616	343,230
Deferred contributions [note 7]	1,675,791	1,524,486	1,142,058
<b>Total liabilities</b>	<b>1,974,700</b>	2,141,102	1,485,288
[Commitments note 9]			
<b>NET ASSETS</b>			
Internally restricted victim bursary [note 5]	371,663	361,048	360,907
Unrestricted - National	2,042,800	1,920,199	1,599,052
Unrestricted - Chapters	1,141,053	977,089	1,064,648
<b>Total net assets</b>	<b>3,555,516</b>	3,258,336	3,024,607
<b>Total liabilities and net assets</b>	<b>5,530,216</b>	5,399,438	4,509,895

See accompanying notes

On behalf of the Board:



Director



Director

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**STATEMENT OF OPERATIONS**

Year ended June 30

	2013	2012
	\$	\$
<b>REVENUE</b>		
Gifts-in-kind <i>[notes 11 and 13]</i>	10,806,963	5,653,030
Donations	3,881,336	4,342,728
Corporate gifts	2,589,344	2,421,360
Government grants	228,751	203,180
Nevada	105,263	114,584
School Assembly Program fees	46,375	112,650
Foundation grants	83,246	80,073
Interest	64,020	60,331
Property tax rebate and other	17,077	29,431
	<b>17,822,375</b>	<b>13,017,367</b>
<b>EXPENSES</b>		
Program		
Public education, public awareness and research <i>[notes 8 and 13]</i>	13,350,650	8,519,469
Youth	1,396,120	1,237,182
Victim services	543,811	553,438
	<b>15,290,581</b>	<b>10,310,089</b>
Public outreach campaigns (fundraising) <i>[note 8]</i>	1,824,304	2,067,342
General and administration	410,310	406,207
	<b>17,525,195</b>	<b>12,783,638</b>
<b>Excess of revenue over expenses</b>	<b>297,180</b>	<b>233,729</b>

*See accompanying notes*

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**STATEMENT OF CHANGES IN NET ASSETS**

Year ended June 30

	<b>Internally restricted victim bursary \$</b>	<b>Unrestricted National \$</b>	<b>Unrestricted Chapters \$</b>	<b>Total 2013 \$</b>	<b>Total 2012 \$</b>
<b>Net assets, beginning of year</b>	<b>361,048</b>	<b>1,920,199</b>	<b>977,089</b>	<b>3,258,336</b>	3,024,607
Excess of revenue over expenses <i>[note 5]</i>	<b>10,615</b>	<b>122,601</b>	<b>163,964</b>	<b>297,180</b>	233,729
<b>Net assets, end of year</b>	<b>371,663</b>	<b>2,042,800</b>	<b>1,141,053</b>	<b>3,555,516</b>	<b>3,258,336</b>

*See accompanying notes*

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**STATEMENT OF CASH FLOWS**

Year ended June 30

	2013	2012
	\$	\$
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	297,180	233,729
Add (deduct) non-cash items		
Amortization	17,428	35,376
Gain on disposal of capital assets	—	(13,600)
	<b>314,608</b>	<b>255,505</b>
Changes in non-cash working capital balances related to operations		
Accounts receivable	13,753	(29,516)
Other assets	(47,227)	17,591
Accounts payable and accrued liabilities	(317,707)	273,386
Deferred contributions	151,305	382,428
<b>Cash provided by operating activities</b>	<b>114,732</b>	<b>899,394</b>
<b>INVESTING ACTIVITIES</b>		
Net change in investments	487,068	(22,833)
Net change in victim bursary investments	(10,615)	(141)
Purchase of capital assets	(7,775)	(30,195)
Proceeds on disposal of capital assets	—	17,500
<b>Cash provided by (used in) investing activities</b>	<b>468,678</b>	<b>(35,669)</b>
<b>Net increase in cash during the year</b>	<b>583,410</b>	<b>863,725</b>
Cash, beginning of year	2,835,254	1,971,529
<b>Cash, end of year</b>	<b>3,418,664</b>	<b>2,835,254</b>

*See accompanying notes*

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

**1. ORGANIZATION**

Mothers Against Drunk Driving (MADD Canada) - Les mères contre l'alcool au volant (MADD Canada) is a national grassroots organization founded in 1990, whose mission is to stop impaired driving and to support victims of this violent crime. MADD Canada's primary objectives include offering support services to victims, heightening awareness of the dangers of impaired driving and saving lives and preventing injuries on our roads and waterways. The organization has an extensive network of chapters, community leaders, members and volunteers promoting the mission of MADD Canada.

MADD Canada is incorporated under the Canada Not-for-profit Corporations Act, is registered as a charitable organization under the Income Tax Act (Canada) and, as such, is exempt from income taxes and is able to issue donation receipts for income tax purposes.

**2. SIGNIFICANT ACCOUNTING POLICIES**

These financial statements are prepared in accordance with Part III of the Canadian Institute of Chartered Accountants' ["CICA"] Handbook – Accounting, which sets out generally accepted accounting principles for not-for-profit organizations in Canada and includes the significant accounting policies summarized below.

[a] Basis of presentation

These financial statements represent the financial activities of MADD Canada's national office, chapters and community leaders.

[b] Financial instruments

Investments in fixed-income securities and other financial instruments, including accounts receivable and accounts payable and accrued liabilities, are initially recorded at fair value and are subsequently measured at amortized cost using the straight-line method, less any provision for impairment.

[c] Other assets

Costs directly related to the development of future School Assembly Program presentations are presented as other assets when MADD Canada can reliably demonstrate that there is a future economic benefit associated with these costs. These costs are expensed over their useful life, which is the period over which the presentations occur. Such costs are expensed immediately when there is insufficient evidence that the costs are recoverable.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

[d] Capital assets

Purchased capital assets are recorded at acquisition cost. Donated capital assets are recorded at their fair value at acquisition date when this value can be reasonably estimated. Capital assets are being amortized over their estimated useful lives on a straight-line basis. The annual amortization rates are as follows:

School Assembly Program equipment	2 years
Equipment	2 years
Computer hardware	2 years
Furniture	2 years

The estimated useful lives of assets are reviewed by management and adjusted if necessary.

[e] Revenue recognition

MADD Canada follows the deferral method of accounting for contributions, which include grants and donations. Grants and bequests are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Other donations are recorded when received since pledges are not legally enforceable claims. Unrestricted contributions are recognized as revenue when initially recorded in the accounts. Externally restricted contributions are deferred when initially recorded in the accounts and recognized as revenue in the year in which the related expenses are recognized.

Revenue from the School Assembly Program is recognized as presentations occur.

Investment income, which includes interest and realized gains and losses on disposal, is recognized on an accrual basis in the statement of operations.

[f] Allocation of expenses

MADD Canada classifies expenses by function. The cost of each function includes amounts for personnel, premises and other expenses. Where an expenditure directly benefits more than one function, it is attributed on a reasonable basis. Certain materials acquired to assist recipients in delivering MADD Canada's message have been allocated from public outreach campaigns (fundraising) to public education, public awareness and research.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

The functions are:

- [i] Public education, public awareness and research

MADD Canada's public education, public awareness and research programs offer a diverse range of campaigns, materials and services which support MADD Canada's mission to stop impaired driving and to support victims of this violent crime. Programs such as Campaign 911 and Project Red Ribbon raise awareness about impaired driving and educate the public on how they can help reduce the incidents of impaired driving crashes. MADD Canada produces publications which inform about the state of impaired driving in Canada, examine the effectiveness of Canadian laws and legislation and support policy positions.

- [ii] Victim services

Thousands of Canadians are personally affected each year by impaired driving and MADD Canada reaches out to victims. Support includes assisting impaired driving victims and their families and friends, Victim Services Volunteer Training and the Annual Conference for Victims of Impaired Driving and Candlelight Vigil of Hope and Remembrance.

- [iii] Youth programs

MADD Canada is committed to working with youth to help make our roads safer and reaches out to high school and elementary students and their families, teachers and mentors, primarily through the School Assembly Program, in targeting its message.

- [iv] Public outreach campaigns (fundraising)

Public outreach campaigns include contacting the public by mail and by phone, while raising funds to further MADD Canada's mission. These campaigns inform the public of ways to prevent impaired driving and available victim services as well as inform about the programs that MADD Canada offers, including youth education.

- [v] General and administrative

General and administrative expenses are incurred to operate MADD Canada, support its programs in a cost-effective manner and maximize opportunities to further MADD Canada's mission.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

[vi] Contributed materials and services

MADD Canada records contributed materials and services when a fair value can be reasonably estimated and when the materials and services are used in the normal course of operations and would otherwise have been purchased.

MADD Canada benefits from the services of over 7,500 volunteers. Accomplishing the objectives of the organization would not be possible without their dedication. Because of the difficulty in determining their fair market value, contributed services are not recorded in the financial statements.

**3. OTHER ASSETS**

Other assets consist of amounts incurred that provide economic benefits in future periods. They consist of:

	<b>June 30, 2013</b>	<b>June 30, 2012</b>	<b>July 1, 2011</b>
	\$	\$	\$
Development costs of next year's School			
Assembly Program presentation	<b>368,544</b>	313,567	326,000
Insurance, rent and other	<b>99,899</b>	107,649	112,807
	<b>468,443</b>	421,216	438,807

**4. INVESTMENTS**

Investments consist of guaranteed investment certificates that mature from August 2013 to December 2015. The interest rates vary from 0.80% to 2.71% [2012 - 0.85% to 2.71%]. MADD Canada does not intend to liquidate its investments for the 12 months subsequent to year-end.

**5. VICTIM BURSARY INVESTMENTS**

MADD Canada's Board of Directors internally restricted an amount of net assets for the formation of a scholarship program for victims whose parent, sibling or legal guardian has died as a result of an impaired driving crash. These internally restricted amounts, and investment income generated by the investments held for this amount, are not available for other purposes without approval of the Board of Directors.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

Victim bursary investments are comprised of cash held in a premium interest account at a Canadian chartered bank yielding prime less 2% (2013 - 1%) [2012 - Province of Ontario bond yielding 3.47%].

**6. CAPITAL ASSETS**

Capital assets consist of the following:

	<b>June 30, 2013</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
School Assembly Program equipment	84,383	69,286	15,097
Equipment	52,445	52,445	—
Computer hardware	7,818	7,818	—
Furniture	7,748	646	7,102
	<b>152,394</b>	<b>130,195</b>	<b>22,199</b>
	<b>June 30, 2012</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
School Assembly Program equipment	84,356	54,161	30,195
Equipment	52,445	51,249	1,196
Computer hardware	7,818	7,357	461
	<b>144,619</b>	<b>112,767</b>	<b>31,852</b>
	<b>July 1, 2011</b>		
	<b>Cost</b>	<b>Accumulated amortization</b>	<b>Net book value</b>
	\$	\$	\$
School Assembly Program equipment	130,177	95,311	34,866
Equipment	61,563	57,974	3,589
Computer hardware	7,818	5,340	2,478
	<b>199,558</b>	<b>158,625</b>	<b>40,933</b>

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

**7. DEFERRED CONTRIBUTIONS**

Deferred contributions represent unexpended externally restricted contributions for program expenses in future years. The continuity of deferred contributions is as follows:

	<b>2013</b>	<b>2012</b>
	\$	\$
<b>Balance, beginning of year</b>	<b>1,524,486</b>	1,142,058
Amounts received during the year	<b>1,645,348</b>	1,524,485
Amounts recognized as revenue during the year	<b>(1,494,043)</b>	(1,142,057)
<b>Balance, end of year</b>	<b>1,675,791</b>	1,524,486

Deferred contributions consist of:

	<b>June 30,</b>	<b>June 30,</b>	<b>July 1,</b>
	<b>2013</b>	<b>2012</b>	<b>2011</b>
	\$	\$	\$
LCBO for School Assembly Programs	<b>1,470,140</b>	1,235,400	967,618
Other deferred contributions	<b>205,651</b>	289,086	174,440
	<b>1,675,791</b>	1,524,486	1,142,058

The Liquor Control Board of Ontario ["LCBO"] contribution was made on the condition that it be used in Ontario during the next school year for English and French School Assembly Programs.

Other deferred contributions represent similar externally restricted amounts from government agencies and corporation which had not been spent by year-end.

**8. ALLOCATION OF EXPENSES**

Public outreach campaigns (fundraising), which includes amounts paid to third-party fundraisers and other fundraising costs, reported in the statement of operations of \$1,824,304 [2012 - \$2,067,342] are reported after allocation of \$88,570 [2012 - \$95,789] to the public education, public awareness and research programs. The allocation represents the cost of certain materials which are distributed by MADD Canada and are also included in direct mail campaigns. An important purpose of the materials is to assist recipients in accomplishing the program's objectives.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

**9. COMMITMENTS**

MADD Canada rents office premises for its national office under a lease which expires in September 30, 2015. The minimum annual lease payments are as follows:

	\$
2014	177,242
2015	160,411
2016	42,077
	<u>379,730</u>

**10. FINANCIAL RISK MANAGEMENT POLICY**

MADD Canada manages its exposure to the risks associated with financial instruments that affect its operating and financial performance in accordance with its Risk Management Policy. The objective of the policy is to reduce volatility in cash flows and operating results.

[a] Credit risk

Credit risk arises from the possibility of a party defaulting on its financial obligations. MADD Canada is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, which would cause it to incur a financial loss.

The total amount of cash, receivables and investments corresponds to MADD Canada's maximum exposure to credit risk.

*Cash and investments*

Credit risk associated with cash and investments is minimized by depositing cash with Canadian chartered banks and investing in guaranteed investment certificates, savings investments, bankers' acceptances and Province of Ontario Bonds. An ongoing review is performed to evaluate changes in the status of investments under MADD Canada's investment policy.

*Receivables*

Credit risk associated with receivables is minimal since MADD Canada holds few accounts and other receivables.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

[b] Liquidity risk

Liquidity risk is the risk of being unable to meet cash requirements or fund obligations as they come due.

MADD Canada manages its liquidity risk by constantly monitoring forecasted and actual cash flow and financial liability maturities, and by holding assets that can be readily converted into cash. Accounts payable and accrued liabilities are normally repaid within 30 days. Obligations reported as deferred contributions must be fulfilled within the next fiscal year.

[c] Market risk

MADD Canada is exposed to market risk arising from changes in the fair value of financial instruments due to market price fluctuations. Market risk consists of currency risk and interest rate risk.

*Currency risk*

Currency risk is the risk that fair value of a financial instrument or the related future cash flows will fluctuate due to changes in foreign exchange rates. MADD Canada is not exposed to currency risk.

*Interest rate risk*

Interest rate risk is the risk that the fair value of a financial instrument or the related future cash flows will fluctuate due to changes in market interest rates.

MADD Canada is exposed to interest rate risk with regard to its cash and investments. MADD Canada has no interest-bearing liabilities.

MADD Canada's cash and investments include amounts on deposit with financial institutions that earn interest at the market rate. MADD Canada's investments include guaranteed investment certificates that earn a fixed rate of return.

MADD Canada manages its exposure to interest rate risk by minimizing its capital investment risks while achieving a satisfactory return and maintaining the minimum liquidity necessary to conduct operations on a day-to-day basis. Fluctuations in market rates of interest on cash do not have a significant impact on MADD Canada's results of operations.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

**11. GIFTS-IN-KIND**

Gifts-in-kind include the following:

	<b>2013</b>	<b>2012</b>
	\$	\$
Donated airtime for public service announcements	<b>10,710,445</b>	5,592,343
Use of vehicles	<b>96,518</b>	60,687
	<b>10,806,963</b>	5,653,030

**12. TAX RECEIPTED DONATIONS**

MADD Canada is a member of Imagine Canada and has adopted its Ethical Fundraising and Financial Accountability Code [the "Code"]. All of the standards of the Code are disclosed in the financial statements, except for the disclosure of donations that are receipted for income tax purposes.

The amount of receipted donations for the year ended June 30, 2013 was not available at the time these financial statements were released. For the year ended June 30, 2012, MADD Canada issued donation receipts for income tax purposes in the amount of \$3,955,450.

**13. FIRST-TIME ADOPTION OF ACCOUNTING STANDARDS FOR NOT-FOR-PROFIT ORGANIZATIONS**

These financial statements are the first financial statements which MADD Canada has prepared in accordance with Part III of the CICA Handbook – Accounting, which constitutes generally accepted accounting principles for not-for-profit organizations in Canada.

In connection with the first-time adoption of accounting standards for not-for-profit organizations, MADD Canada changed its method of accounting for donated airtime for public service announcements. Previously, MADD Canada did not recognize the value of donated airtime as information was not available about the value until January 1, 2012. Because information on the value of donated airtime is not available for the six months from July 1, 2011 to December 31, 2011, donated airtime has been recognized effective January 1, 2012.

**Mothers Against Drunk Driving (MADD Canada)**  
**Les mères contre l'alcool au volant (MADD Canada)**

**NOTES TO FINANCIAL STATEMENTS**

June 30, 2013

The following table provides a reconciliation of the excess of revenue over expenses for the year ended June 30, 2012 as previously reported with those computed under GAAP. There was no impact on net assets as at July 1, 2011, the date of transition.

	<b>Excess of revenue over expenses for the year ended June 30, 2012</b>
	\$
Increase (decrease) in:	
Gifts-in-kind revenue	5,592,343
Public education, public awareness and research program expense	(5,592,343)
<b>Excess of revenue over expenses</b>	<b>—</b>

