

ALZHEIMER SOCIETY OF THUNDER BAY

Financial Statements

Year Ended March 31, 2017

ALZHEIMER SOCIETY OF THUNDER BAY

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Year Ended March 31, 2017

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Alzheimer Society of Thunder Bay

We have audited the accompanying financial statements of Alzheimer Society of Thunder Bay, which comprise the statement of financial position as at March 31, 2017 and the statements of revenues and expenditures, changes in net assets and cash flow 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 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 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.

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Independent Auditor's Report to the Directors of Alzheimer Society of Thunder Bay *(continued)*

Basis for Qualified Opinion

In common with many not-for-profit organizations, Alzheimer Society of Thunder Bay derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of Alzheimer Society of Thunder Bay. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2017, current assets and net assets as at March 31, 2017.

As disclosed in Note 2, the Organization does not capitalize tangible capital assets on the statement of financial position and does not amortize them accordingly as recommended by the Canadian Institute of Chartered Professional Accountants. In this respect, the financial statements are not in accordance with the Canadian generally accepted accounting principles.

Qualified Opinion

In our opinion, except for the possible 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 Alzheimer Society of Thunder Bay as at March 31, 2017 and the results of its operations and its cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Thunder Bay, ON
June 27, 2017



Professional Corporation
Chartered Professional Accountants
Authorized to practise public accounting by the
Chartered Professional Accountants of Ontario

ALZHEIMER SOCIETY OF THUNDER BAY

Statement of Financial Position

March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 147,454	\$ 119,272
Short Term Investments (Note 3)	-	41,175
Accounts receivable	36,736	81,660
Prepaid expenses	11,392	10,831
	\$ 195,582	\$ 252,938
 LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 40,082	\$ 48,134
Alzheimer Society of Ontario - Research (Note 4)	20,285	20,135
Government remittances payable	-	9,003
Deferred revenue (Note 5)	11,558	79,927
	71,925	157,199
 NET ASSETS	 123,657	 95,739
	\$ 195,582	\$ 252,938

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

ALZHEIMER SOCIETY OF THUNDER BAY**Statement of Revenues and Expenditures****Year Ended March 31, 2017**

	2017	2016
REVENUE		
Northwest LHIN- Base Funding	\$ 246,806	\$ 246,806
Northwest LHIN - One Time Funding	4,220	50,000
Public education - St. Joseph's Care Group	100,000	100,000
Fundraising	172,347	87,430
Donations	137,331	102,408
Grant funding	82,429	72,164
Memberships	240	795
Other income	37,548	31,146
Investment income	343	508
	<u>781,264</u>	<u>691,257</u>
EXPENSES		
Advertising and promotion	1,373	3,482
Bank and credit card charges	6,734	6,146
Fundraising	82,661	37,940
Harmonized sales tax	21,775	18,548
Insurance	2,670	2,756
Office	21,758	22,673
Professional Fees	20,350	20,750
Professional development	5,404	8,950
Research	150	185
Rent	41,495	41,495
Service delivery	36,385	32,957
Telephone	5,601	5,914
Travel	12,236	9,645
Wages and benefits	494,754	478,536
	<u>753,346</u>	<u>689,977</u>
EXCESS OF REVENUE OVER EXPENSES FROM OPERATIONS BEFORE ADDITIONAL ITEMS	27,918	1,280
OTHER INCOME		
Gain on disposal of investments	-	5
EXCESS OF REVENUE OVER EXPENSES	\$ 27,918	\$ 1,285

See notes to financial statements

ALZHEIMER SOCIETY OF THUNDER BAY

Statement of Changes in Net Assets

Year Ended March 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 95,739	\$ 94,454
Excess of revenue over expenses	<u>27,918</u>	<u>1,285</u>
NET ASSETS - END OF YEAR	<u>\$ 123,657</u>	<u>\$ 95,739</u>

ALZHEIMER SOCIETY OF THUNDER BAY**Statement of Cash Flow****Year Ended March 31, 2017**

	2017	2016
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 27,918	\$ 1,285
Changes in non-cash working capital:		
Accounts receivable	44,924	(54,195)
Accounts payable and accrued liabilities	(8,052)	(5,174)
Deferred revenue	(68,369)	75,927
Prepaid expenses	(561)	(1,003)
Alzheimer Society of Ontario - Research	150	185
Government remittances payable	(9,003)	1,021
	(40,911)	16,761
Cash flow from (used by) operating activities	(12,993)	18,046
INVESTING ACTIVITY		
Short Term Investments	41,175	(526)
INCREASE IN CASH FLOW	28,182	17,520
Cash - beginning of year	119,272	101,752
CASH - END OF YEAR	\$ 147,454	\$ 119,272

See notes to financial statements

1. PURPOSE OF THE ORGANIZATION

Alzheimer Society of Thunder Bay is incorporated without share capital under the Business Corporation Act of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.

The primary purpose of Alzheimer Society of Thunder Bay is to alleviate the personal and social consequences of Alzheimer's disease and other dementias; promote research about the disease; and provide information, education and support to all persons with Alzheimer's disease and other dementias and their partners in care.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

Cash and cash equivalents

The organization's policy is to disclose cash on hand and on deposit with financial institutions under cash and cash equivalents.

Property and equipment

Property and equipment are expensed in the year they are purchased. Management feels that the fair value of tangible assets in total are immaterial.

Revenue recognition

The organization 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 when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

Other recoveries are recognized as revenue when the amount is measurable and collection is reasonably assured.

Interest is recognized as revenue in the period in which it is earned.

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2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period.

Significant estimates and assumptions are used to evaluate the carrying value and valuation allowances for accounts receivable and to estimate the useful lives of property and equipment. Estimates and assumptions are reviewed periodically and the effects of revisions are reflected in the financial statements in the period they are determined to be necessary. Actual results could differ from those reported. Management believes that the estimates are reasonable.

Financial instrumentsMeasurement of financial instruments:

The organization initially measures its financial assets and liabilities at fair value. It subsequently measures all its financial assets and financial liabilities at amortized cost.

Financial assets measured at amortized cost include cash and accounts receivable.

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

Impairment:

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. The amount of the write-down is recognized in net income. 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.

Contributed services

A number of people have contributed significant amounts of time to the activities of the Society without compensation. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.

3. SHORT TERM INVESTMENTS

	<u>2017</u>	<u>2016</u>
CIBC bonus rate, non-redeemable GIC matured January 23, 2017 @ 0.700%.	\$ -	\$ 25,743
CIBC flexible, redeemable GIC matured January 23, 2017 @ 0.600%.	-	15,432
	<u>\$ -</u>	<u>\$ 41,175</u>

4. DUE TO ALZHEIMER SOCIETY OF ONTARIO - RESEARCH

The amount owed to Alzheimer Society of Ontario is made up of donations received by the society that are specifically marked for research purposes. The donations are restricted for this purpose only and can not be used for any other intended purposes. Because no research is performed locally, these funds must be forwarded to the Alzheimer Society of Ontario.

	<u>2017</u>	<u>2016</u>
Due to Alzheimer Society of Ontario - Research		
Balance, beginning of year	\$ 20,135	\$ 19,950
Donations received during the year	150	185
Amounts forwarded to Alzheimer Society of Ontario	-	-
Balance, end of year	<u>\$ 20,285</u>	<u>\$ 20,135</u>

5. DEFERRED REVENUE

	Ontario Trillium Foundation	Other Programs	<u>2017</u>	<u>2016</u>
Balance - beginning of the year	\$ 67,500	\$ 12,427	\$ 79,927	\$ 4,000
Revenue recognized in the year	(62,459)	(10,910)	(73,369)	(4,923)
Revenue deferred in the year	-	5,000	5,000	80,850
Balance - end of the year	<u>\$ 5,041</u>	<u>\$ 6,517</u>	<u>\$ 11,558</u>	<u>\$ 79,927</u>

The deferred funding represents restricted funding received that is related to projects to be completed in the subsequent years.

6. CONTINGENT LIABILITY

The organization is contingently liable to its funding agencies for any expenditures that it may have made in contravention of the contract agreements with these agencies and any surpluses may be subject to recovery, depending on the terms and conditions of the relevant contract agreements. The actual amount of any contingent liability is currently not determinable.

7. FINANCIAL INSTRUMENTS

The organization, as part of its operations, carries a number of financial instruments. It is management's opinion that the organization is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. In seeking to minimize the risks from interest rate fluctuations, the organization manages exposure through its normal operating and financing activities. The organization is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

8. ECONOMIC DEPENDENCE

Approximately 33% (2016 - 43%) of the organization's revenue is received from the North West Local Health Integration Network. The continuation of this organization is dependent on this funding or its replacement under similar terms.

9. COMMITMENTS

The organization has entered into a lease agreement for a photocopier, expiring February 2020.

The future minimum lease payments total \$26,437 and include the following payments over the next four years:

2018	\$	6,750
2019		6,750
2020		<u>6,187</u>
	\$	<u>19,687</u>

The organization has entered into a lease with respect to its premises. The lease contains renewal options when the term ends in December 2017. Future minimum lease payments as at year end are as follows:

2018	\$	<u>31,121</u>
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10. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.
