

**Alzheimer Society  
of Dufferin County  
Financial Statements  
For the year ended March 31, 2016**

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**Financial Statements**  
For the year ended March 31, 2016

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**Contents**

<b>Independent Auditor's Report</b>	<b>2</b>
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8
<b>Supplementary Financial Information</b>	
Unaudited Schedule of Operations	13



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## Independent Auditor's Report

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### To the Members of Alzheimer Society of Dufferin County

We have audited the accompanying financial statements of Alzheimer Society of Dufferin County, which comprise the statement of financial position as at March 31, 2016 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2016, 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 organization'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 organization'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.

### Basis for Qualified Opinion

In common with many not-for-profit organizations, Alzheimer Society of Dufferin County derives revenue from donations and other 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 Dufferin County. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2016 and 2015, current assets as at March 31, 2016 and 2015, and net assets as at April 1 and March 31 for both the 2016 and 2015 years. Our audit opinion on the financial statements for the year ended March 31, 2015 was modified accordingly because of the possible effects of this limitation in scope.



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As discussed in Note 3 to the financial statements, Alzheimer Society of Dufferin County expenses capital asset purchases which constitutes a departure from Canadian accounting standards for not-for-profit organizations. This is a result of a decision taken by management to comply with the reporting requirements of the funding agency. This caused us to modify our audit opinion on the financial statements.

#### **Qualified Opinion**

In our opinion, except for the possible effects of the matters described in the Basis of Qualified Opinion paragraphs, the financial statements present fairly, in all material respects, the financial position of Alzheimer Society of Dufferin County as at March 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted standards for not-for-profit organizations.

#### **Unaudited Information**

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedule on page 13 of the organization's financial statements.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario  
June 20, 2016

**Alzheimer Society of Dufferin County  
Statements of Financial Position**

March 31	2016	2015
		(restated) (Note 9)
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 196,430	\$ 181,734
Accounts receivable (Note 2)	21,186	30,350
Prepaid expenses	4,618	3,730
	222,234	215,814
Duca shares	249	249
	\$ 222,483	\$ 216,063

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities	\$ 27,854	\$ 36,398
Program funding payable (Note 4)	54,521	36,458
Deferred contributions (Note 5)	28,042	53,083
	110,417	125,939
<b>Net assets (Page 5)</b>		
Internally restricted (Note 6)	38,000	18,000
Unrestricted	74,066	72,124
	112,066	90,124
	\$ 222,483	\$ 216,063

On behalf of the Board:

\_\_\_\_\_, Director

\_\_\_\_\_, Director

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## Alzheimer Society of Dufferin County Statement of Changes in Net Assets

**For the year ended March 31**

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	Internally Restricted	Unrestricted	2016	2015 <small>(restated) (Note 9)</small>
<b>Net assets, beginning of year</b>	\$ 18,000	\$ 72,124	\$ 90,124	\$ 50,604
Excess of revenues over expenses (Page 6)	-	21,942	21,942	39,520
Internal transfers (Note 6)	20,000	(20,000)	-	-
<b>Net assets, end of year</b>	\$ 38,000	\$ 74,066	\$ 112,066	\$ 90,124

The accompanying notes are an integral part of these financial statements.

## Alzheimer Society of Dufferin County Schedule of Operations

For the year ended March 31	2016	2015
<b>Revenues</b>		
Central West Local Health Integration Network (CSS)	\$ 1,077,096	\$ 1,016,378
Other funding and grants	81,790	81,403
Donations and fundraising	51,120	72,019
Contributions from Alzheimer Society of Ontario	7,486	9,000
Rent	2,760	2,990
Other income	195	205
Investment income	-	4
	<b>1,220,447</b>	<b>1,181,999</b>
<b>Expenses</b>		
Contracted out services	706,806	639,943
Employee salaries	326,139	328,701
Building and grounds	53,217	51,682
Office, general and administrative	41,104	36,441
Professional services and fees	34,653	40,918
Employee benefits	29,292	25,952
Travel	4,226	5,511
Events	2,194	3,599
Equipment	874	9,732
	<b>1,198,505</b>	<b>1,142,479</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 21,942</b>	<b>\$ 39,520</b>

The accompanying notes are an integral part of these financial statements.

## Alzheimer Society of Dufferin County Statement of Cash Flows

For the year ended March 31	2016	2015
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 21,942	\$ 39,520
Changes in non-cash working capital balances		
Accounts receivable	9,164	(6,640)
Prepaid expenses	(888)	(16)
Accounts payable and accrued liabilities	(8,544)	(103,722)
Program funding payable	18,063	(1,628)
Deferred contributions	(25,041)	8,318
	(7,246)	(103,688)
	14,696	(64,168)
<b>Investing activities</b>		
Purchase of DUCA shares	-	(4)
	14,696	(64,172)
<b>Increase (decrease) in cash during the year</b>	<b>14,696</b>	<b>(64,172)</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>181,734</b>	<b>245,906</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 196,430</b>	<b>\$ 181,734</b>

The accompanying notes are an integral part of these financial statements.



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# Alzheimer Society of Dufferin County

## Notes to Financial Statements

March 31, 2016

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### 1. Summary of Significant Accounting Policies

#### Nature and Purpose of Organization

Alzheimer Society of Dufferin County (the "organization") is a non-profit organization incorporated without share capital under the laws of Ontario. The objectives of the organization are to improve the quality of life of persons afflicted with Alzheimer disease; to establish and maintain, deliver and coordinate support and education programs for persons affected by Alzheimer disease; to promote public awareness and knowledge as well as to encourage support for research. It is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

#### Basis of Accounting

These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

#### Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments measured at fair value are expensed, while transaction costs of financial instruments measured at cost or amortized cost are charged to the financial instrument.

#### Capital Assets

Capital assets are not recorded on the balance sheet. Capital asset purchases in the year are recorded as expenses in the statement of operations.

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## **Alzheimer Society of Dufferin County Notes to Financial Statements**

**March 31, 2016**

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### **1. Summary of Significant Accounting Policies (continued)**

#### **Revenue Recognition**

Alzheimer Society of Dufferin County follows the deferral method of accounting for contributions. Unrestricted contributions are recognized as revenue of the unrestricted fund in the period received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Revenues (donations, sponsorships) received for events/funding in advance of the event date or the related expenditure are deferred and recognized when the event happens.

#### **Contributed Services**

Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

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## Alzheimer Society of Dufferin County Notes to Financial Statements

**March 31, 2016**

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### 2. Accounts Receivable

	2016	2015
Trade	\$ 11,998	\$ 19,678
Government remittances	9,188	10,672
	\$ 21,186	\$ 30,350

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### 3. Capital Assets Charged to the Statement of Operations

The major category of assets charged to the statement of operations is office furniture and equipment. The amounts charged in the current year total \$874 (2015 - \$9,732).

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### 4. Program Funding Payable

	2016	2015
		(restated)
Balance, beginning of year	\$ 36,458	\$ 38,086
Add: surplus funding for the year	17,868	22,076
Less: repayment of prior surplus	-	(23,704)
Add: reconciling item	195	-
	\$ 54,521	\$ 36,458

Subsequent to year end, \$14,408 was recovered from the organization's May 2016 cash flows relating to the 2013-14 fiscal year.

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## Alzheimer Society of Dufferin County Notes to Financial Statements

**March 31, 2016**

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### 5. Deferred Contributions

Deferred contributions represent resources received during the year for events/funding in advance of the event date or the related expenditure. Changes in the deferred contribution balance reported are as follows:

	2016	2015
Balance, beginning of year	\$ 53,083	\$ 44,765
Add: amounts received during the year	47,223	104,239
Less: amounts recognized as revenue during the year	(72,264)	(95,921)
Balance, end of year	\$ 28,042	\$ 53,083

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### 6. Net Assets- Internally Restricted

Internally restricted funds are as follows:

	2016	2015
Accreditation process	\$ 18,000	\$ 18,000
Office transitions	20,000	-
Balance, end of year	\$ 38,000	\$ 18,000

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### 7. Commitment

The organization has a lease with respect to its building, which expires March 2017. The minimum lease payments for the next year is as follows:

2017	\$	24,518
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### 8. Economic Dependence

The organization is economically dependent on the grants it receives from the government.

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## Alzheimer Society of Dufferin County Notes to Financial Statements

**March 31, 2016**

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### 9. Prior Period Adjustment

The organization determined that an unrestricted surplus amount from 2011 was incorrectly set up as program funding payable. The adjustment was applied retrospectively and resulted in a decrease of opening program funding payable by \$13,503 and an increase in opening unrestricted net assets by \$13,503.

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### 10. Financial Instrument Risk

#### Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. Credit risk is the risk that the counterparty to the transaction will not pay. The majority of the organization's receivables are from government sources and the organization works to ensure that amounts that qualify for the HST rebate are correctly accounted for. This risk has not changed from the previous year.

#### Liquidity Risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the organization will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value, which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities and program funding payable. This risk has not changed from the previous year.

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**Alzheimer Society of Dufferin County**  
**Schedule of Operations**  
**(Unaudited)**

<b>For the year ended March 31</b>	<b>2016</b>	<b>2015</b>
<b>Revenues</b>		
Central West Local Health Integration Network (CSS)	\$ 1,094,964	\$ 1,038,454
Other funding and grants	81,790	81,403
Donations and fundraising	51,120	72,019
Proceeds from Alzheimer Society of Ontario	7,486	9,000
Rent	2,760	2,990
Other income	195	205
Investment income	-	4
	<u>1,238,315</u>	<u>1,204,075</u>
<b>Expenses</b>		
Contracted out services	706,806	639,943
Employee salaries	326,139	328,701
Building and grounds	53,217	51,682
Office, general and administrative	41,104	36,441
Professional services and fees	34,653	40,918
Employee benefits	29,292	25,952
Travel	4,226	5,511
Events	2,194	3,599
Equipment	874	9,732
	<u>1,198,505</u>	<u>1,142,479</u>
<b>Excess of revenues over expenses before undernoted</b>	<b>39,810</b>	<b>61,596</b>
<b>Recoveries and transfers</b>	<u><b>17,868</b></u>	<u><b>22,076</b></u>
<b>Excess of revenues over expenses for the year</b>	<u><b>\$ 21,942</b></u>	<u><b>\$ 39,520</b></u>