

**ALZHEIMER SOCIETY OF  
PETERBOROUGH, KAWARTHA LAKES,  
NORTHUMBERLAND & HALIBURTON**

**FINANCIAL STATEMENTS**

**MARCH 31, 2014**

**ALZHEIMER SOCIETY OF  
PETERBOROUGH, KAWARTHA LAKES,  
NORTHUMBERLAND & HALIBURTON**

**FINANCIAL STATEMENTS**

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**TABLE OF CONTENTS**

	Page Number
<b>INDEPENDENT AUDITORS' REPORT</b>	
<b>FINANCIAL STATEMENTS</b>	
Statement of Financial Position	1
Statement of Changes in Fund Balances	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 9
Schedules to the Financial Statements	10 - 11

**INDEPENDENT AUDITORS' REPORT****To the Directors of Alzheimer Society of Peterborough, Kawartha Lakes,  
Northumberland & Haliburton***Report on the Financial Statements*

We have audited the accompanying financial statements of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton, which comprise the statement of financial position as at March 31, 2014, the statements of changes in fund balances, operations and cash flows 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 controls as management determines are 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 auditor considers internal controls 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 controls. 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 most not-for-profit organizations, Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton derives revenue from fundraising and donations, the completeness of which is not susceptible of satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Organization and we were not able to determine whether any adjustments might be necessary to the revenues, excess (deficiency) of revenue over expenditures, assets and fund balances.

*Qualified Opinion*

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton as at March 31, 2014 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

*Collins Barrow Kawarthas LLP*Chartered Professional Accountants  
Peterborough, Ontario  
June 18, 2014

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## STATEMENT OF FINANCIAL POSITION As at March 31, 2014

	2014	2013
	\$	\$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	160,607	129,253
Accounts receivable	12,185	12,194
Prepaid expenses	-	770
	172,792	142,217
<b>Investments</b> (note 3)	513,526	358,670
<b>Capital Assets</b> (note 4)	9,315	16,135
	695,633	517,022
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued	44,709	39,201
Government remittances payable	14,784	14,568
Deferred revenue	-	16,312
	59,493	70,081
<b>Fund balances</b>		
Externally restricted (note 5)	15,610	15,280
Internally restricted (note 5)	611,215	415,526
Equity in capital assets	9,315	16,135
	636,140	446,941
	695,633	517,022

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

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## STATEMENT OF CHANGES IN FUND BALANCES For the Year Ended March 31, 2014

	Operating Fund 2014 \$	Equity in Capital Assets 2014 \$	Externally Restricted Funds 2014 \$	Internally Restricted Funds 2014 \$	Total 2014 \$	Total 2013 \$
<b>Fund balances</b>						
- beginning of year	-	16,135	15,280	415,526	446,941	452,067
Excess (deficiency) of revenue over expenditure for the year	-	(6,820)	330	195,689	189,199	(5,126)
<b>Fund balances</b>						
- end of year	-	9,315	15,610	611,215	636,140	446,941

The accompanying notes are an integral part of these financial statements

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## STATEMENT OF OPERATIONS For the Year Ended March 31, 2014

	Budget 2014 \$ (Note 10)	Total 2014 \$	Total 2013 \$
<b>Revenue</b>			
Grants			
Local Health Integration Network	413,916	442,836	413,916
Alzheimer Society of Ontario	9,000	18,000	18,000
Alzheimer Society of Ontario - Secondment	-	-	18,742
First Link	224,964	224,963	204,076
Other grants	-	2,724	10,093
Donations (Schedule 1)	145,755	322,985	105,137
Fundraising activities - net (Schedule 2)	107,150	105,827	97,988
Investment income	-	7,781	7,547
	900,785	1,125,116	875,499
<b>Expenditures</b>			
Salaries and benefits	510,571	511,788	512,444
Direct service costs (Schedule 3)	29,150	58,299	35,546
Public awareness (Schedule 4)	5,000	7,602	4,504
Research and awards	800	800	800
Facilities	57,500	57,294	56,042
Office (Schedule 5)	55,300	62,080	59,269
Amortization	7,500	6,820	7,646
First Link program costs	224,964	231,234	204,374
<b>Total expenditures</b>	890,785	935,917	880,625
<b>Excess (deficiency) of revenue over expenditures for the year</b>	10,000	189,199	(5,126)

The accompanying notes are an integral part of these financial statements

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## STATEMENT OF CASH FLOWS For the Year Ended March 31, 2014

	2014	2013
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess (deficiency) of revenue over expenditures for the year	189,199	(5,126)
Non-cash charges to operations		
Amortization	6,820	7,646
	196,019	2,520
Changes in non-cash working capital items		
Decrease in accounts receivable	9	2,257
(Increase)/decrease in prepaid expenses	770	(770)
Increase in accounts payable and accrued	5,508	13,195
Increase/(decrease) in government remittances payable	216	(5,543)
Increase/(decrease) in deferred revenue	(16,312)	15,812
Net Increase in cash from operating activities	186,210	27,471
<b>Investing activities</b>		
(Increase)/decrease in investments	(154,856)	17,023
<b>Increase in cash</b>	31,354	44,494
<b>Cash - beginning of year</b>	129,253	84,759
<b>Cash - end of year</b>	160,607	129,253

The accompanying notes are an integral part of these financial statements

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

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### 1. NATURE OF OPERATIONS

Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton was incorporated on August 18, 1983 under the Ontario Business Corporation Act as a not-for-profit organization without share capital. The objectives of the organization are to promote public education, family support, advocacy and support of research for Alzheimer disease.

### 2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton are the representation of management prepared in accordance with accounting policies set out below to comply with Canadian Accounting Standards for Not-for-Profit Organizations.

#### (a) *Recognition of Revenues and Expenses*

The Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton uses the deferral method of accounting.

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 can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned.

Fundraising and donations are recognized as revenue when received.

Expenditures are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenditures in the period the goods or services acquired and a legal liability is incurred.

#### (b) *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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts receivable, accounts payable, useful lives of capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (c) Fund accounting

Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton reports on a fund accounting basis. The funds maintained are as follows:

##### (i) Operating Fund

Operating fund includes results of day-to-day operating transactions and all unrestricted contributions.

##### (ii) Internally Restricted Funds

Internally restricted funds represent funds that have been designated by the Board of Directors for use in meeting future requirements of the organization. These include:

The Operating reserve, which has been designated for the use in funding future deficits in the operating fund; and

The Capital Campaign fund, which has been designated for the purchase of capital assets.

##### (iii) Externally Restricted Fund

Externally restricted fund represents funds designated by the donor for restricted use within the organization. This is comprised of the Burgess Estate fund, which is to be used for future education and research expenditures.

##### (iv) Equity in Capital Assets

Equity in capital assets includes the organization's assets, revenue and expenditures related to capital assets.

#### (d) Capital Assets

Capital assets are recorded at cost and amortized at the following rates:

Furniture and fixtures	· 20% declining balance
Computer equipment	· 30% declining balance
Computer software	· 30% declining balance
Leasehold improvements	- straight line over life of lease

#### (e) Income taxes

As a registered charitable organization under the Federal and Provincial Income Tax Acts, the organization is exempt from income taxes and is prohibited from distributing any of its earnings to or for the personal benefit of the members.

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

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### 2. SIGNIFICANT ACCOUNTING POLICIES, continued

#### (f) *Financial Instruments*

##### (i) Measurement

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in the active market, which is subsequently measured at fair value. Changes in fair value are recognized in the excess (deficiency) of revenues over expenditures.

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

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

##### (ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

#### (g) *Contributed services*

Volunteers contribute significant time to assist the organization in carrying out its programs and administration. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

### 3. INVESTMENTS

The investments consist of interest bearing GIC investments. These investments earn interest in the range of 1.75% to 3.01% and are due between fiscal 2015 and 2019. Investments are recorded at market value of \$513,526 (2013 - \$358,670). The cost is \$502,890.

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

### 4. CAPITAL ASSETS

Capital assets consist of the following:

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2014 \$	2013 \$
Furniture and fixtures	42,058	34,763	7,295	9,119
Computer equipment	31,883	30,449	1,434	2,049
Leasehold improvements	27,150	27,150	-	4,130
Computer software	3,485	2,899	586	837
	104,576	95,261	9,315	16,135

### 5. INTERNALLY AND EXTERNALLY RESTRICTED FUNDS

The restricted funds consists of the following:

	2014 \$	2013 \$
<b>Internally Restricted</b>		
Operating reserve	92,000	282,690
Capital campaign	519,215	132,836
	611,215	415,526
<b>Externally Restricted</b>		
Burgess Estate Fund	15,610	15,280

### 6. ECONOMIC DEPENDENCE

The organization's major source of revenue is the operating grant from the Ministry of Health and Long Term Care via the Local Health Integration Network. The nature and extent of this revenue is of such significance as to affect the viability of the organization and, accordingly, it can be said that the organization is economically dependent on these funds.

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

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### 7. CHARITABLE REMAINDER TRUSTS

The organization has been named the residual beneficiary under charitable remainder trust agreements for principal amounts totalling \$30,000 (2013 - \$30,000). The income from the trusts are paid to the donors during their lifetimes and the principal amounts pass to the organization on the death of the donors.

### 8. 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) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

These risks are generally outside the control of the organization but are mitigated by the organization's investment policies.

### 9. COMMITMENTS

The organization has entered into lease agreements for premises. Future lease obligations are as follows:

2015	\$23,707
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### 10. BUDGET FIGURES

Budget figures are not subject to audit.

### 11. COMPARATIVE FIGURES

Certain comparative figures were restated, where required, to conform with the current year presentation.

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## SCHEDULES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

### Schedule 1 - Donations

	Budget 2014 (Note 10) \$	Actual 2014 \$	Actual 2013 \$
Memorial	65,000	58,091	53,645
General	49,500	37,884	46,461
Bequests	31,255	227,010	5,031
	145,755	322,985	105,137

### Schedule 2 - Fundraising Activities - Net

	Budget 2014 (Note 10) \$	Actual 2014 \$	Actual 2013 \$
Fundraising activities	109,500	125,373	109,715
Cost of fundraising	(2,350)	(19,546)	(11,727)
	107,150	105,827	97,988

### Schedule 3 - Direct Service Costs

	Budget 2014 (Note 10) \$	Actual 2014 \$	Actual 2013 \$
Caregivers and staff - travel	20,500	19,327	22,710
Training and education	2,600	3,736	2,472
Client services	4,000	32,275	7,505
Volunteers	2,050	2,961	2,859
	29,150	58,299	35,546

The accompanying notes are an integral part of these financial statements

# ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

## SCHEDULES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2014

### Schedule 4 - Public Awareness

	Budget 2014 (Note 10) \$	Actual 2014 \$	Actual 2013 \$
Literature and library expense	1,000	510	1,887
Newsletter distribution	2,500	3,297	-
Meetings	1,250	1,846	939
Seminars, conferences and workshops	250	1,949	1,678
	5,000	7,602	4,504

### Schedule 5 - Office

	Budget 2014 (Note 10) \$	Actual 2014 \$	Actual 2013 \$
Telephone	7,000	5,707	6,815
Postage and printing	3,700	4,015	2,936
Office supplies	7,000	12,346	14,455
Computer internet and equipment maintenance	14,000	12,631	10,781
Courier and freight	100	323	47
Bank charges	3,200	2,387	2,913
Insurance	2,400	2,352	2,306
Professional services	9,000	10,134	10,208
Miscellaneous	1,000	1,839	1,001
Office cleaning	7,400	9,792	7,338
Association fees	500	554	469
	55,300	62,080	59,269

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