

**Alzheimer Society
of Dufferin County
Financial Statements
For the year ended March 31, 2018**

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Financial Statements
For the year ended March 31, 2018

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Independent Auditor's Report

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, 2018 and the statement of operations, changes in net assets and cash flows for the year ended March 31, 2018, 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, 2018 and 2017, current assets as at March 31, 2018 and 2017, and net assets as at April 1 and March 31 for both the 2018 and 2017 years.

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, 2018 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

May 30, 2018


Alzheimer Society of Dufferin County Statement of Financial Position


March 31	2018	2017
Assets		
Current		
Cash	\$ 175,855	\$ 164,277
Accounts receivable (Note 2)	9,966	45,646
Prepaid expenses	4,490	4,655
	190,311	214,578
Duca shares	257	257
	\$ 190,568	\$ 214,835

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 29,349	\$ 24,128
Program funding payable (Note 4)	2,025	56,245
Deferred contributions (Note 5)	9,724	16,411
	41,098	96,784
Net assets (Page 5)		
Internally restricted (Note 6)	24,446	24,446
Unrestricted	125,024	93,605
	149,470	118,051
	\$ 190,568	\$ 214,835

On behalf of the Board:


 _____, Director


 _____, Director

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

For the year ended March 31

	Internally Restricted	Unrestricted	2018	2017
Net assets, beginning of year	\$ 24,446	\$ 93,605	\$ 118,051	\$ 112,066
Excess of revenues over expenses (Page 6)	-	31,419	31,419	5,985
Net assets, end of year	\$ 24,446	\$ 125,024	\$ 149,470	\$ 118,051

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

Alzheimer Society of Dufferin County Statement of Operations

For the year ended March 31	2018	2017
Revenues		
Central West Local Health Integration Network (CSS)	\$ 835,468	\$ 955,557
Other funding and grants	6,493	20,029
Donations and fundraising	91,327	84,785
Contributions from Alzheimer Society of Ontario	5,755	11,362
Rent	10,354	2,340
Other income	302	85
Investment income	-	8
	949,699	1,074,166
Expenses		
Contracted out services	468,498	571,355
Employee salaries	310,194	313,622
Building and grounds	54,805	55,359
Office, general and administrative	37,049	44,568
Professional services and fees	13,918	32,514
Employee benefits	26,356	29,029
Travel	3,862	6,044
Events	2,661	5,353
Equipment	937	10,337
	918,280	1,068,181
Excess of revenues over expenses for the year	\$ 31,419	\$ 5,985
Comprised of:		
Internally restricted	\$ -	\$ (13,554)
Unrestricted	31,419	19,539
	\$ 31,419	\$ 5,985

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	2018	2017
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 31,419	\$ 5,985
Changes in non-cash working capital balances		
Accounts receivable	35,680	(24,461)
Prepaid expenses	165	(36)
Accounts payable and accrued liabilities	5,221	(3,726)
Program funding payable	(54,220)	1,724
Deferred contributions	(6,687)	(11,631)
	<u>(19,841)</u>	<u>(38,130)</u>
	11,578	(32,145)
Investing activities		
Purchase of DUCA shares	-	(8)
	<u>11,578</u>	<u>(32,153)</u>
Increase (decrease) in cash during the year	11,578	(32,153)
Cash and cash equivalents, beginning of year	164,277	196,430
Cash and cash equivalents, end of year	\$ 175,855	\$ 164,277

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

Alzheimer Society of Dufferin County

Notes to Financial Statements

March 31, 2018

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 co-ordinate 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 at initial recognition.

In subsequent periods, any bonds and guaranteed investment certificates are designated to be in the fair value category, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value and charged to the financial instrument for those measured at amortized cost.

Financial assets are tested for impairment when indicators of impairment exist. When a significant change in the expected timing or amount of the future cash flows of the financial asset is identified, the carrying amount of the financial asset is reduced and the amount of the write-down is recognized in net income. A previously recognized impairment loss may be reversed to the extent of the improvement.

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.

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2018

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.

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2018

2. Accounts Receivable

	2018	2017
Trade	\$ 4,524	\$ 39,812
Government remittances	5,442	5,834
	\$ 9,966	\$ 45,646

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 \$937 (2016 - \$10,337).

4. Program Funding Payable

	2018	2017
Balance, beginning of year	\$ 56,245	\$ 54,521
Add: surplus funding for the year	2,025	16,302
Less: repayment of prior surplus	(56,245)	(14,578)
Balance, end of year	\$ 2,025	\$ 56,245

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2018

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:

	2018	2017
Balance, beginning of year	\$ 16,411	\$ 28,042
Add: amounts received during the year	5,500	11,727
Less: amounts recognized as revenue during the year	(12,187)	(23,358)
Balance, end of year	\$ 9,724	\$ 16,411

6. Net Assets-Internally Restricted

Internally restricted funds are as follows:

	2018	2017
Accreditation process	\$ 4,446	\$ 4,446
Office transitions	20,000	20,000
Balance, end of year	\$ 24,446	\$ 24,446

7. Commitment

The organization has a lease with respect to its building, which expires March 2019. The minimum lease payments for the next year is as follows:

2019	\$ 52,054
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8. Economic Dependence

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

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2018

9. 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.

Alzheimer Society of Dufferin County
Schedule of Operations
(Unaudited)

For the year ended March 31	2018	2017
Revenues		
Central West Local Health Integration Network (CSS)	\$ 837,493	\$ 971,859
Other funding and grants	6,493	20,029
Donations and fundraising	91,327	84,785
Proceeds from Alzheimer Society of Ontario	5,755	11,362
Rent	10,354	2,340
Other income	302	85
Investment income	-	8
	<u>951,724</u>	<u>1,090,468</u>
Expenses		
Contracted out services	468,498	571,355
Employee salaries	310,194	313,622
Building and grounds	54,805	55,359
Office, general and administrative	37,049	44,568
Professional services and fees	13,918	32,514
Employee benefits	26,356	29,029
Travel	3,862	6,044
Events	2,661	5,353
Equipment	937	10,337
	<u>918,280</u>	<u>1,068,181</u>
Excess of revenues over expenses before undernoted	33,444	22,287
Recoveries and transfers	<u>2,025</u>	<u>16,302</u>
Excess of revenues over expenses for the year	<u>\$ 31,419</u>	<u>\$ 5,985</u>