

**Alzheimer Society  
of Dufferin County  
Financial Statements  
For the year ended March 31, 2019**

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Financial Statements  
For the year ended March 31, 2019**

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## Independent Auditor's Report

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

### **Qualified Opinion**

We have audited the financial statements of Alzheimer Society of Dufferin County ("the organization"), which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the organization as at March 31, 2019, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

### **Basis for Qualified Opinion**

In common with many charitable organizations, the organization 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 the organization. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2019 and 2018, current assets as at March 31, 2019 and 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 years. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

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. As a result, we were unable to determine whether any adjustments might be necessary to tangible capital assets, amortization, excess of revenue over expenses and net assets. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

## **Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the organization's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario  
June 28, 2019

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## Alzheimer Society of Dufferin County Statement of Financial Position

<u>March 31</u>	<u>2019</u>	<u>2018</u>
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### **Assets**

#### **Current**

Cash	\$ 218,849	\$ 175,855
Accounts receivable (Note 2)	11,526	9,966
Prepaid expenses	4,947	4,490
	<hr/>	<hr/>
	235,322	190,311
Credit union shares	261	257
	<hr/>	<hr/>
	\$ 235,583	\$ 190,568

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### **Liabilities and Net Assets**

#### **Current**

Accounts payable and accrued liabilities	\$ 23,330	\$ 29,349
Program funding payable (Note 4)	2,349	2,025
Deferred contributions (Note 5)	-	9,724
	<hr/>	<hr/>
	25,679	41,098

#### **Net assets (Page 6)**

Internally restricted (Note 6)	68,446	24,446
Unrestricted	141,458	125,024
	<hr/>	<hr/>
	209,904	149,470
	<hr/>	<hr/>
	\$ 235,583	\$ 190,568

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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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	<b>Internally Restricted</b>	<b>Unrestricted</b>	<b>2019</b>	<b>2018</b>
<b>Net assets, beginning of year</b>	\$ 24,446	\$ 125,024	\$ 149,470	\$ 118,051
Excess of revenues over expenses (Page 7)	-	60,434	60,434	31,419
Internal transfers (Note 6)	44,000	(44,000)	-	-
<b>Net assets, end of year</b>	<b>\$ 68,446</b>	<b>\$ 141,458</b>	<b>\$ 209,904</b>	<b>\$ 149,470</b>

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**Alzheimer Society of Dufferin County**  
**Statement of Operations**

<u>For the year ended March 31</u>	<u>2019</u>	<u>2018</u>
<b>Revenues</b>		
Central West Local Health Integration Network (CSS)	\$ 895,810	\$ 835,468
Other funding and grants	9,945	6,493
Donations and fundraising	112,393	91,327
Contributions from Alzheimer Society of Ontario	6,990	5,755
Rent	12,435	10,354
Other income	<u>145</u>	<u>302</u>
	<b>1,037,718</b>	<b>949,699</b>
<b>Expenses</b>		
Contracted out services	464,522	468,498
Employee salaries	331,811	310,194
Building and grounds	71,530	54,805
Office, general and administrative	34,915	37,049
Professional services and fees	11,813	13,918
Employee benefits	25,111	26,356
Travel	4,844	3,862
Events	11,797	2,661
Equipment	<u>20,941</u>	<u>937</u>
	<b>977,284</b>	<b>918,280</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 60,434</b>	<b>\$ 31,419</b>
<b>Comprised of:</b>		
<b>Unrestricted</b>	<b>\$ 60,434</b>	<b>\$ 31,419</b>

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**Alzheimer Society of Dufferin County**  
**Statement of Cash Flows**

<u>For the year ended March 31</u>	<u>2019</u>	<u>2018</u>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenues over expenses	\$ 60,434	\$ 31,419
Changes in non-cash working capital balances		
Accounts receivable	(1,560)	35,680
Prepaid expenses	(457)	165
Accounts payable and accrued liabilities	(6,019)	5,221
Program funding payable	324	(54,220)
Deferred contributions	<u>(9,724)</u>	<u>(6,687)</u>
	<u>(17,436)</u>	<u>(19,841)</u>
	42,998	11,578
<b>Investing activities</b>		
Purchase of DUCA shares	<u>(4)</u>	-
<b>Increase in cash during the year</b>	<b>42,994</b>	<b>11,578</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>175,855</b>	<b>164,277</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 218,849</b>	<b>\$ 175,855</b>

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## Alzheimer Society of Dufferin County Notes to Financial Statements

**March 31, 2019**

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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 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.

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

**March 31, 2019**

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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, 2019**

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### 2. Accounts Receivable

	<u>2019</u>	<u>2018</u>
Trade	\$ 3,076	\$ 4,524
Government remittances	<u>8,450</u>	<u>5,442</u>
	<b>\$ 11,526</b>	<b>\$ 9,966</b>

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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 equipment and building and improvements. The amounts charged in the current year total \$37,565 (2018 - \$937). The amounts charged to the statement of operations is as follows:

	<u>2019</u>	<u>2018</u>
Equipment	\$ 20,941	\$ 937
Building improvements	<u>16,624</u>	<u>-</u>
	<b>\$ 37,565</b>	<b>\$ 937</b>

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### 4. Program Funding Payable

	<u>2019</u>	<u>2018</u>
Balance, beginning of year	\$ 2,025	\$ 56,245
Add: surplus funding for the year	324	2,025
Less: repayment of prior surplus	-	(56,245)
Balance, end of year	<b>\$ 2,349</b>	<b>\$ 2,025</b>

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## Alzheimer Society of Dufferin County Notes to Financial Statements

**March 31, 2019**

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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:

	<b>2019</b>	<b>2018</b>
Balance, beginning of year	\$ 9,724	\$ 16,411
Add: amounts received during the year	-	5,500
Less: amounts recognized as revenue during the year	<u>(9,724)</u>	<u>(12,187)</u>
 Balance, end of year	 <u>\$ -</u>	 <u>9,724</u>

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### 6. Net Assets-Internally Restricted

Internally restricted funds are as follows:

	<b>2019</b>	<b>2018</b>
Accreditation process	\$ 4,446	\$ 4,446
Office transitions	20,000	20,000
Programming and office upgrades	24,000	-
Emergency situations	<u>20,000</u>	<u>-</u>
 Balance, end of year	 <u>\$ 68,446</u>	 <u>24,446</u>

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### 7. Commitment

The organization has a lease with respect to its building, which expires March 2021. The minimum lease payments for the next two years is as follows:

2020	\$ 27,913	
2021	29,233	

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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, 2019**

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### **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.

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

For the year ended March 31	2019	2018
<b>Revenues</b>		
Central West Local Health Integration Network (CSS)	\$ 896,134	\$ 837,493
Other funding and grants	9,945	6,493
Donations and fundraising	112,393	91,327
Proceeds from Alzheimer Society of Ontario	6,990	5,755
Rent	12,435	10,354
Other income	145	302
	<hr/> <b>1,038,042</b>	<hr/> <b>951,724</b>
<b>Expenses</b>		
Contracted out services	464,522	468,498
Employee salaries	331,811	310,194
Building and grounds	71,530	54,805
Office, general and administrative	34,915	37,049
Professional services and fees	11,813	13,918
Employee benefits	25,111	26,356
Travel	4,844	3,862
Events	11,797	2,661
Equipment	20,941	937
	<hr/> <b>977,284</b>	<hr/> <b>918,280</b>
<b>Excess of revenues over expenses before undernoted</b>	<b>60,758</b>	33,444
<b>Recoveries and transfers</b>	<b>324</b>	2,025
<b>Excess of revenues over expenses for the year</b>	<b>\$ 60,434</b>	<b>\$ 31,419</b>