

ALZHEIMER SOCIETY OF NOVA SCOTIA
Financial Statements
Year Ended March 31, 2017

ALZHEIMER SOCIETY OF NOVA SCOTIA**Index to Financial Statements****Year Ended March 31, 2017**

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alzheimer Society of Nova Scotia

We have audited the accompanying financial statements of Alzheimer Society of Nova Scotia, which comprise the balance sheet 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.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Alzheimer Society of Nova Scotia derives revenue from donations and 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 Nova Scotia. Therefore, we were not able to determine whether any adjustments might be necessary to donations and 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.

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 Nova Scotia 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.

Halifax, NS
June 13, 2017


Chartered Professional Accountants,
Licensed Public Accountants

ALZHEIMER SOCIETY OF NOVA SCOTIA
Statement of Revenues and Expenditures
Year Ended March 31, 2017

	2017	2016
REVENUES		
Revenue Development		
Memorials, donations and bequests	\$ 449,275	\$ 1,097,586
Fund development, events and annual drives	425,319	433,811
Support and Education		
Educational programs	34,647	36,881
Department of Health and Wellness Funding (Note 6)	507,455	177,603
ASC revenue collected (Note 9)	170,578	154,901
United Way / Canada Helps	23,617	17,752
Administration revenue	26,079	25,474
	1,636,970	1,944,008
EXPENSES		
Revenue development	456,242	431,075
Support services	410,176	383,363
Information and resource services	69,337	55,747
Educational programs	329,419	280,586
Community outreach	113,336	93,084
Research	76,751	85,818
ASC operating assessment (Note 9)	44,270	61,814
Administration	141,982	120,450
	1,641,513	1,511,937
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	(4,543)	432,071
Other income		
Gain on disposal of investments	12,619	401
Unrealized gain (loss) on investments (Note 11)	84,759	(13,151)
	97,378	(12,750)
EXCESS OF REVENUES OVER EXPENSES	\$ 92,835	\$ 419,321

ALZHEIMER SOCIETY OF NOVA SCOTIA**Balance Sheet****March 31, 2017**

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 85,096	\$ -
Accounts receivable	483,330	144,619
Inventory	7,197	7,123
Prepaid expenses	42,020	34,542
Due from ASC / Health Partners (Note 9)	35,275	7,386
Due from United Way	6,164	6,160
	659,082	199,830
FURNITURE AND EQUIPMENT (Note 3)	16,430	21,128
INVESTMENTS (Note 4)	1,125,367	1,113,305
	\$ 1,800,879	\$ 1,334,263
LIABILITIES		
CURRENT		
Bank indebtedness	\$ -	\$ 17,427
Accounts payable	43,863	62,570
Deferred revenue (Note 5)	534,589	124,674
	578,452	204,671
NET ASSETS		
General fund	1,222,427	1,129,592
	\$ 1,800,879	\$ 1,334,263

ON BEHALF OF THE BOARD_____
Director_____
Director

See notes to financial statements

ALZHEIMER SOCIETY OF NOVA SCOTIA**Statement of Changes in Net Assets****Year Ended March 31, 2017**

	2017	2016
Net Assets - Beginning of Year	\$ 1,129,592	\$ 710,271
Excess of revenues over expenses	92,835	419,321
Net Assets - End of Year	\$ 1,222,427	\$ 1,129,592

ALZHEIMER SOCIETY OF NOVA SCOTIA
Statement of Cash Flow
Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Cash receipts	\$ 1,645,140	\$ 1,918,661
Cash paid to suppliers and employees	(1,652,475)	(1,482,722)
Cash flow from (used by) operating activities	(7,335)	435,939
INVESTING ACTIVITIES		
Net transfer (to) from investments	100,055	(448,930)
Proceeds on sales of gifted investments	9,803	41,011
Cash flow from (used by) investing activities	109,858	(407,919)
INCREASE IN CASH FLOW	102,523	28,020
Deficiency - beginning of year	(17,427)	(45,447)
CASH (DEFICIENCY) - END OF YEAR	\$ 85,096	\$ (17,427)

ALZHEIMER SOCIETY OF NOVA SCOTIA**Notes to Financial Statements****Year Ended March 31, 2017**

1. PURPOSE OF THE SOCIETY

The Alzheimer Society of Nova Scotia is a voluntary, not-for-profit charitable organization registered under the Societies Act of Nova Scotia in February, 1983. The purpose of the Society is to work towards alleviating the personal and social consequences of Alzheimer Disease and related dementias and to promote the research for the causes and cures.

The Alzheimer Society of Nova Scotia has united with the other provincial societies and the national society through a Federation Agreement signed in November 2008 to increase cooperation in programs directed towards research, education, awareness, communications and development.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESBasis of presentation

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

Cash and cash equivalents

Cash and cash equivalents consist of cash on hand and bank deposits.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Furniture and equipment

Furniture and equipment is stated at cost or deemed cost less accumulated amortization. Furniture and equipment is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Equipment	30%
Furniture	20%
Leasehold improvements	20%

The society regularly reviews its furniture and equipment to eliminate obsolete items.

Investments

Investments consist of marketable securities and guaranteed investment certificates. Investments for which there are quoted prices in an active market are carried at fair value. Guaranteed investment certificates are recorded at their cost plus accrued interest. Unrealized gains or losses are reported as part of net income.

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ALZHEIMER SOCIETY OF NOVA SCOTIA
Notes to Financial Statements
Year Ended March 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Donated goods

Donated goods and services are recorded at their fair market value at the time of the donation. During the year \$1,808 in goods were donated [2016 - \$2,279].

Revenue recognition

The Society follows the deferral method of accounting for restricted 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.

Endowment contributions are recognized as direct increases in net assets.

Internally restricted funds

Funds designated as internally restricted shall be recognized as income in the general fund in the year received and then transferred from the general fund to the investment fund. The investment fund is to be used to help expand programs and services across Nova Scotia.

Measurement uncertainty

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. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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ALZHEIMER SOCIETY OF NOVA SCOTIA
Notes to Financial Statements
Year Ended March 31, 2017

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Allocation of expenses

The Society engages in revenue development, support services, information and resource services, educational programs, community outreach, research and administration programs. The costs of each program include the costs of payroll and human resources and other expenses that are directly related to providing the program. The Society also incurs a number of general support expenses that are common to the administration of the Society and each of its programs.

The policy for allocating expenditures is based on the percentage of personnel's time that are required in each program area. Expenditures that are directly related to a specific program are recorded directly to that program.

3. FURNITURE AND EQUIPMENT

	Cost	Accumulated amortization	2017 Net book value	2016 Net book value
Equipment	\$ 74,475	\$ 71,164	\$ 3,311	\$ 4,729
Furniture	30,236	25,020	5,216	6,520
Leasehold improvements	23,252	15,349	7,903	9,879
	<u>\$ 127,963</u>	<u>\$ 111,533</u>	<u>\$ 16,430</u>	<u>\$ 21,128</u>

4. INVESTMENTS

	2017	2016
Seamark Investment Fund	\$ 1,054,257	\$ 1,042,833
Guaranteed Investment Certificates	71,110	70,472
	<u>\$ 1,125,367</u>	<u>\$ 1,113,305</u>

Included in the investments are externally restricted amounts of \$463,537 [2016 - \$0] and internally restricted amounts of \$13,385 [2016 - \$13,265].

5. DEFERRED REVENUE

Deferred revenue consist of contributions which are designated by the contributor to fund future expenses. These contributions will be recognized as revenue when the designated disbursements are made.

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ALZHEIMER SOCIETY OF NOVA SCOTIA
Notes to Financial Statements
Year Ended March 31, 2017

5. DEFERRED REVENUE (continued)

	Opening Balance	Increase	Decrease	2017	2016
Events	\$ 32,277	\$ 18,064	\$ (21,231)	\$ 29,110	\$ 32,277
Dementia Strategy	92,397	457,000	(507,455)	41,942	92,397
Research	-	503,235	(39,698)	463,537	-
	<u>\$ 124,674</u>	<u>\$ 978,299</u>	<u>\$ (568,384)</u>	<u>\$ 534,589</u>	<u>\$ 124,674</u>

6. GOVERNMENT FUNDING

The Society has received funding from the Provincial government totalling \$457,000 for the 2016/17 fiscal year in support of the Dementia Strategy Project. As of March 31, 2017, \$41,942 has been deferred, as the related expenses are expected to be incurred during the 2017/18 fiscal year. The Society is required to report to the government, project specific statistics and data measurements, survey and research results, overall progress and the related expenses. There are no requirements for repayment.

7. INCOME TAXES

The Society is a not-for-profit organization and, as such, is exempt from income taxes. The Society has remained current with their taxation filings which facilitates their tax exempt status.

ALZHEIMER SOCIETY OF NOVA SCOTIA**Notes to Financial Statements****Year Ended March 31, 2017**

8. LEASE COMMITMENTS

1. The Society leases office equipment which requires annual payments of \$4,496. The lease expires August 2018.
2. The Society has committed to a management and database system requiring annual payments of \$31,859 [2016 - \$30,055] to maintain it.
3. The Society through it's long term strategic plan has committed to annual contributions to the Alzheimer's Canada Research Program. The current years contribution was \$60,585 and future year contributions will be determined on an annual basis.
4. The Society leases office space requiring the following minimum annual lease payments. The lease expires August, 2022.

2018	\$	67,870
2019		70,821
2020		70,821
2021		70,821
2022		70,821
Thereafter (5 Months)		<u>29,509</u>
	\$	<u>380,663</u>

9. ALZHEIMER SOCIETY OF CANADA TRANSACTIONS

All funds received by Alzheimer Society of Canada ("ASC") are distributed to the provincial Alzheimer Society in the province and/or territory from which the funds originated. The ASC is funded by the provinces through research and operating assessment fees.

	<u>2017</u>	<u>2016</u>
Revenues		
Memorials, donations and bequests	\$ 43,064	\$ 40,928
Fund Development, events and annual drives	26,197	29,440
Health Partners	36,390	34,614
Direct Marketing (net of expense allocations)	<u>64,927</u>	<u>49,919</u>
	<u>170,578</u>	154,901
Expenditures		
Research Assessments	43,390	60,585
Operating Assessments	<u>44,270</u>	<u>61,814</u>
	<u>87,660</u>	122,399
	<u>\$ 82,918</u>	<u>\$ 32,502</u>

As at year end a net receivable from ASC of \$35,275 [2016 - \$7,386] was recorded as Due From ASC / Health Partners.

ALZHEIMER SOCIETY OF NOVA SCOTIA**Notes to Financial Statements****Year Ended March 31, 2017**

10. ALLOCATION OF EXPENSES

Payroll, human resources and office expenses totalling \$1,202,807 [2016 - \$1,101,335] have been allocated as follows:

	<u>2017</u>	<u>2016</u>
<u>Section heading</u>		
Revenue development	\$ 320,344	\$ 292,059
Support services	395,431	372,947
Information and resource services	20,965	24,337
Educational programs	263,496	229,498
Community outreach	103,719	88,102
Research	16,053	15,733
Administration	82,799	78,659
	<u>\$ 1,202,807</u>	<u>\$ 1,101,335</u>

11. UNREALIZED GAIN (LOSS) ON INVESTMENTS

Unrealized gains and losses on investments are as follows:

	<u>2017</u>	<u>2016</u>
<i>Seamark Investments</i>		
Fair Market Value	\$ 1,054,257	\$ 1,042,832
Cost	890,205	963,539
Total Unrealized Gain	164,052	79,293
Gain Recognized In Prior Years	79,293	92,444
	<u>\$ 84,759</u>	<u>\$ (13,151)</u>