

Alzheimer Society of Windsor and Essex County

Financial Statements

For the year ended March 31, 2017

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Independent Auditor's Report

To the Board of Directors of Alzheimer Society of Windsor and Essex County

We have audited the accompanying financial statements of Alzheimer Society of Windsor and Essex County, which comprise the statement of financial position as at March 31, 2017, the statements of operations, changes in net assets 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 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 charitable organizations, the entity derives revenue from donations and cash receipts, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenues other than grants, excess of revenue over expenses, assets and net assets.

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 Windsor and Essex County as at March 31, 2017 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Ontario
June 05, 2017

Alzheimer Society of Windsor and Essex County

Statement of Financial Position

March 31, 2017 2016

Assets

Current

Cash and bank	\$ 104,975	\$ 93,432
Cash and bank - restricted (Note 2)	7,626	4,908
Short-term investments - capital and stabilization (Note 3)	356,840	354,290
Accounts receivable	33,343	38,774
HST recoverable and other receivables	12,246	15,202
Prepaid expenses	11,257	5,863

526,287 512,469

Capital assets (Note 4)

800,053 824,997

\$1,326,340 \$ 1,337,466

Liabilities and Net Assets

Current

Accounts payable and accrued liabilities	\$ 143,664	\$ 174,929
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Deferred contributions (Note 5)

732,095 765,667

875,759 940,596

Net Assets

Invested in capital assets	216,261	206,746
Internally restricted - stabilization	234,320	190,124

450,581 396,870

\$1,326,340 \$ 1,337,466

On behalf of the Board:

Gay Wray Director

Karen Trace Director

Alzheimer Society of Windsor and Essex County

Statement of Operations

For the year ended March 31, 2017 2016

	Other Funds	Ministry of Health Fund	Total	Total
Revenue				
Government funding (Note 6)	\$ -	\$1,610,189	\$1,610,189	\$1,599,719
User fees	-	392,210	392,210	397,828
Donations and bequests	230,182	-	230,182	208,548
Special events	186,548	-	186,548	163,983
Other	6,084	51,865	57,949	57,806
Amortized contributions (Note 5)	37,531	-	37,531	34,632
Interest	-	2,626	2,626	4,505
	460,345	2,056,890	2,517,235	2,467,021
Expenses				
Salaries and subcontracting- program	31,766	1,189,146	1,220,912	1,241,783
Salaries- administration	-	263,963	263,963	301,525
Employee benefits	7,611	336,563	344,174	351,100
Program support	934	222,324	223,258	200,687
Occupancy	-	96,771	96,771	89,088
Automotive and travel	1,068	57,106	58,174	62,946
Office printing and materials	1,484	37,969	39,453	40,751
Amortization of capital assets	37,531	-	37,531	34,632
Telephone	-	24,383	24,383	25,120
Special events	42,918	35,324	78,242	23,787
Public relations	8,398	13,629	22,027	21,912
Professional fees	-	14,183	14,183	18,173
Meetings, training and conferences	115	15,106	15,221	14,763
Lease of equipment	-	15,070	15,070	13,700
Research	-	5,004	5,004	5,004
Interest and bank charges	-	5,158	5,158	4,920
	131,825	2,331,699	2,463,524	2,449,891
Excess of revenue over expenses (expenses over revenue) before fund transfer	328,520	(274,809)	53,711	17,130
Fund transfer	(274,809)	274,809	-	-
Excess of revenue over expenses	\$ 53,711	\$ -	\$ 53,711	\$ 17,130

Alzheimer Society of Windsor and Essex County

Statement of Changes in Net Assets

For the year ended March 31, 2017 2016

		General and Ministry of Health Fund	Invested in Capital Assets	Stabilization Fund	Total	Total
Balance, beginning of year	\$	-	\$ 206,746	\$ 190,124	\$ 396,870	\$ 379,741
Excess of revenues over expenditures		38,724	14,987	-	53,711	17,130
Interfund transfers		(38,724)	(5,472)	44,196	-	-
Balance, end of year	\$	-	\$ 216,261	\$ 234,320	\$ 450,581	\$ 396,871

Net Assets invested in capital assets consist of:

	2017	2016
Capital assets	\$ 800,053	\$ 824,997
Investments - capital account	148,303	147,416
Deferred contributions	(732,095)	(765,667)
	<u>\$ 216,261</u>	<u>\$ 206,746</u>

Alzheimer Society of Windsor and Essex County

Statement of Cash Flows

For the year ended March 31,	2017	2016
Cash from operations		
Excess revenue over expenses	\$ 53,711	\$ 17,129
Items not requiring an outlay of cash		
Amortization - capital assets	37,531	34,632
Amortization - deferred capital contributions	<u>(37,531)</u>	<u>(34,632)</u>
	53,711	17,129
Changes in non-cash working capital		
Accounts receivable	5,431	(12,456)
HST recoverable and other receivables	2,956	(1,452)
Prepaid expenses	(5,394)	392
Accounts payable and accrued liabilities	<u>(31,269)</u>	<u>57,323</u>
	<u>25,435</u>	<u>60,936</u>
Cash from financing		
Net receipts from deferred capital contributions	3,964	4,001
Purchase of capital assets	<u>(12,588)</u>	<u>(42,508)</u>
	<u>(8,624)</u>	<u>(38,507)</u>
Increase in cash during the year	16,811	22,429
Cash and cash equivalents, beginning of year	<u>452,630</u>	<u>430,201</u>
Cash and cash equivalents, end of year	<u>\$ 469,441</u>	<u>\$ 452,630</u>

Alzheimer Society of Windsor and Essex County

Notes to Financial Statements

March 31, 2017

1. Significant accounting policies

Nature of association	The Alzheimer Society of Windsor Essex County is a charitable organization (as defined in The Income Tax Act) to receive and administer gifts, bequests and grants for charitable purposes. It provides services to those affected by Alzheimer's disease and related dementia. It provides the following services: Day Away Program, In-Home Respite Care, Public Education, Caregiver Education, and Caregiver Support Services.				
Basis of accounting	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.				
Fund accounting	<p>The association follows the restricted fund method of accounting for contributions.</p> <p>The General Fund accounts for the association's program delivery and administrative activities.</p> <p>The Ministry of Health Fund is used to report contributions from the Ministry of Health, which are used to provide information and support to individuals affected by Alzheimer disease.</p> <p>Invested in capital assets reports the assets, liabilities, revenues and expenses related to the Society's capital assets.</p> <p>The Stabilization Fund reports the assets internally restricted by the Society for future contingencies as determined by the Board of Directors.</p>				
Capital assets	<p>Purchased capital assets are recorded at cost. The minimum threshold for the capitalization of capital assets is \$3,000. Amortization expense is reported in the Capital Asset Fund provided as follows:</p> <table><tr><td>Building</td><td>25 years straight-line basis</td></tr><tr><td>Furniture and equipment</td><td>20% diminishing balance basis</td></tr></table> <p>One half the rate is used in the year of acquisition.</p>	Building	25 years straight-line basis	Furniture and equipment	20% diminishing balance basis
Building	25 years straight-line basis				
Furniture and equipment	20% diminishing balance basis				
Financial instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, all 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 are charged to the financial instrument for those measured at amortized cost.				

Alzheimer Society of Windsor and Essex County

Notes to Financial Statements

March 31, 2017

1. Significant accounting policies (continued)

Use of estimates

The preparation of financial statements in accordance 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 at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue recognition

The Society follows the deferral method of accounting for contributions, which include donations and Ministry of Health funding.

Unrestricted contributions are recognized as revenue as received.

Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets that are amortized.

Contributed services

Volunteers contributed the vast majority of the fundraising services provided by the Society. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

Alzheimer Society of Windsor and Essex County

Notes to Financial Statements

March 31, 2017

1. Significant accounting policies (continued)

Allocation of expenses

The Society engages in health promotion, education and in home and day away community services through funding provided by the Ministry of Health and Long-Term Care. The costs of these programs and services include the costs of personnel, premises, supplies and other expenses that are directly related to the provision of these programs and services. The Society also incurs a number of the general support expenses that are common to the administration of the organization and its programs and services.

Personnel costs (salaries and benefits) are allocated across the programs and services based on a percentage of the total salary for each staff position. The percentage is determined based on the estimated time spent on the various programs and services.

The Ministry of Health Fund includes an allocation of salaries and benefits related to administration and to programs and services funded by the Ministry of Health and Long-Term Care.

The General Fund includes an allocation of salaries and benefits related to fundraising and to programs and services which are not funded by the Ministry of Health and Long-Term Care.

The organization also allocated some of its general support to expenses to the Ministry of Health programs and services.

Alzheimer Society of Windsor and Essex County

Notes to Financial Statements

March 31, 2017

2. Cash and bank

The use of funds in the bingo and lottery accounts \$7,626 (2016 - \$ 4,908) are externally restricted by regulatory bodies and as such are presented as externally restricted in the financial statements.

3. Short-term investments

Included in short-term investments - capital and stabilization - are the following guaranteed investment certificates and savings accounts:

	2017	2016
<i>Stabilization Fund</i>		
Savings account	\$ 102,555	\$ 101,738
WFCU GIC - 0.50%; maturing October 2017	48,107	-
WFCU GIC - 0.50%; maturing November 2017	32,372	-
WFCU GIC - 0.50%; maturing June 2017	25,503	-
WFCU GIC - 0.85%; matured October 2016	-	47,700
WFCU GIC - 0.50%; matured November 2016	-	32,211
WFCU GIC - 1.10%; matured June 2016	-	25,225
	208,537	206,874
<i>Capital Fund</i>		
Savings accounts	148,303	147,416
	\$ 356,840	\$ 354,290

4. Capital assets

	Cost	Accumulated Amortization	2017	2016
Building	\$ 783,889	\$ 214,828	\$ 569,061	\$ 600,417
Land	200,000	-	200,000	200,000
Furniture and equipment	176,348	145,356	30,992	24,580
	\$1,160,237	\$ 360,184	\$ 800,053	\$ 824,997

Alzheimer Society of Windsor and Essex County

Notes to Financial Statements

March 31, 2017

5. Deferred capital contributions

Deferred capital contributions represent externally restricted contributions received for the purchase of capital assets. The amortization of deferred capital contributions is recorded as revenue in the combined statement of operations

	2017	2016
Deferred capital contributions, beginning of year	\$ 765,667	\$ 796,300
Add: Restricted contributions	3,959	3,999
Less: Amortization for the year	(37,531)	(34,632)
Deferred capital contributions, end of year	<u>\$ 732,095</u>	<u>\$ 765,667</u>

6. Economic dependence

The Society is dependent on the funding received from the Ministry of Health and Long-Term Care. During the year 64% (2016 - 65%) of revenue was received from the Ministry of Health and Long-Term Care.

7. Financial instruments risk

Liquidity risk

Liquidity risk is the risk that the organization encounters difficulty in meeting its obligations 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.

This risk is reduced due to considerable sums invested in term deposits. Trade accounts payable and accrued liabilities are generally repaid within 30 days.

The organization manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

8. Comparatives

The comparative figures have been restated to conform to the current year's presentation.
