

**Alzheimer Society  
of Dufferin County  
Financial Statements  
For the year ended March 31, 2013**

**Alzheimer Society of Dufferin County**  
**Financial Statements**  
For the year ended March 31, 2013

---

	<u>Contents</u>
Independent Auditor's Report	2
<b>Financial Statements</b>	
Statement of Financial Position	4
Statement of Changes in Net Assets	5
Statement of Operations	6
Statement of Cash Flows	7
Notes to Financial Statements	8



Tel: 519 941 0681  
Fax: 519 941 8272  
www.bdo.ca

BDO Canada LLP  
77 Broadway  
Orangeville ON L9W 1K1 Canada

---

## 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, 2013 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2013, 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 year ended March 31, 2013, current assets and net assets as at March 31, 2013.



Tel: 519 941 0681  
Fax: 519 941 8272  
www.bdo.ca

BDO Canada LLP  
77 Broadway  
Orangeville ON L9W 1K1 Canada

As discussed in Note 5 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, 2013 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.

#### **Comparative Information**

Without modifying our opinion, we draw attention to Note 2 to the financial statements which describes that Alzheimer Society of Dufferin County adopted Canadian accounting standards for not-for-profit organizations on April 1, 2012 with a transition date of April 1, 2011. These standards were applied retrospectively by management to the comparative information in these financial statements, including the financial position as at March 31, 2012 and April 1, 2011 and statements of change in net assets, operations, and cash flows for the year ended March 31, 2012 and related disclosures. We were not engaged to report on the restated comparative information, and as such, it is unaudited.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Orangeville, Ontario  
June 25, 2013

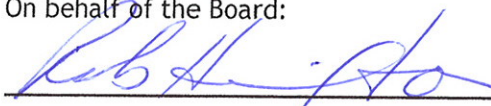
## Alzheimer Society of Dufferin County Statements of Financial Position

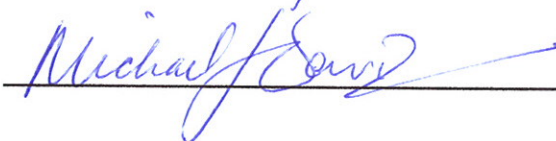
	March 31 2013	March 31 2012 (Unaudited)	April 1 2011 (Unaudited)
<b>Assets</b>			
<b>Current</b>			
Cash and cash equivalents (Note 3)	\$ 149,126	\$ 175,210	\$ 215,011
Accounts receivable (Note 4)	70,524	43,535	44,790
Prepaid expenses	4,392	3,503	2,695
	224,042	222,248	262,496
 Duca shares	 234	 274	 239
	\$ 224,276	\$ 222,522	\$ 262,735

### Liabilities and Net Assets

<b>Current</b>			
Accounts payable and accrued liabilities	\$ 65,964	\$ 24,589	\$ 48,578
Program funding payable (Note 6)	90,489	131,637	112,518
Deferred contributions (Note 7)	29,667	23,849	50,107
	186,120	180,075	211,203
 <b>Net assets (Page 5)</b>			
Unrestricted	38,156	42,447	51,532
	\$ 224,276	\$ 222,522	\$ 262,735

On behalf of the Board:

  
\_\_\_\_\_, Director

  
\_\_\_\_\_, Director

---

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

For the year ended March 31

---

	<u>Unrestricted</u>	
	<u>2013</u>	<u>2012</u>
		(Unaudited)
Balance, beginning of year	\$ 42,447	\$ 51,532
Deficiency of revenues over expenses (Page 6)	<u>(4,291)</u>	<u>(9,085)</u>
Balance, end of year	<u>\$ 38,156</u>	<u>\$ 42,447</u>

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	2013	2012
		(Unaudited)
<b>Revenues</b>		
Central West Local Health Integration Network (CSS)	\$ 798,789	\$ 795,238
Paymaster funding	97,500	-
Donations	47,450	50,033
Other funding and grants	35,748	68,357
Rent	19,477	20,542
Proceeds from Alzheimer Society of Ontario	9,000	9,000
Other income	8,145	800
Investment income	1,922	1,908
	<u>1,018,031</u>	<u>945,878</u>
<b>Expenses</b>		
Contracted out services	543,139	572,274
Employee salaries	268,308	203,426
Office, general and administrative	113,139	97,660
Building and grounds	51,060	52,656
Employee benefits	26,959	17,929
Equipment	9,952	1,873
Events	5,059	6,661
Travel	4,706	2,484
	<u>1,022,322</u>	<u>954,963</u>
<b>Deficiency of revenues over expenses for the year</b>	<b>\$ (4,291)</b>	<b>\$ (9,085)</b>

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	2013	2012
		(Unaudited)
Cash provided by (used in)		
Operating activities		
Deficiency of revenues over expenses	\$ (4,291)	\$ (9,085)
Changes in non-cash working capital balances		
Accounts receivable	(26,989)	1,255
Prepaid expenses	(889)	(808)
Accounts payable and accrued liabilities	41,375	(23,989)
Program funding payable	(41,148)	19,119
Deferred contributions	5,818	(26,258)
	(21,833)	(30,681)
	(26,124)	(39,766)
Investing activities		
Sale (purchase) of DUCA shares	40	(35)
Decrease in cash during the year	(26,084)	(39,801)
Cash and cash equivalents, beginning of year	175,210	215,011
Cash and cash equivalents, end of year	\$ 149,126	\$ 175,210
Represented by		
Cash and bank	\$ 94,087	\$ 27,051
Short term investments	55,039	148,159
	\$ 149,126	\$ 175,210

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



---

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

**March 31, 2013**

---

### **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 when acquired or issued. In subsequent periods, all guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other 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 expensed.

#### **Cash and Cash Equivalents**

Cash and cash equivalents consist of cash on hand, bank balances and guaranteed investment certificates with a duration of less than ninety days from the date of acquisition.

#### **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, 2013**

---

### 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.
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 as of the date of the financial statements and the reported amounts of revenue and expenses during the reported period. Actual results could differ materially from those estimates and assumptions as additional information becomes available in the future.
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, 2013**

---

### 2. First-time Adoption of Canadian Accounting Standards for Not-for-Profit Organizations

Effective April 1, 2012, the organization adopted the requirements of the new accounting framework, Canadian accounting standards for not-for-profit organizations (ASNPO) or Part III of the requirements of the Canadian Institute of Chartered Accountants (CICA) Handbook – Accounting. These are the organization’s first financial statements prepared in accordance with this framework and the transitional provisions of Section 1501, First-time Adoption have been applied. Section 1501 requires retrospective application of the accounting standards with certain elective exemptions and mandatory exceptions. The accounting policies set out in Note 1 have been applied in preparing the financial statements for the year ended March 31, 2013, the comparative information presented in these financial statements for the year ended March 31, 2012 and in the preparation of an opening ASNPO statement of financial position at the date of transition of April 1, 2011.

The organization issued financial statements for the year ended March 31, 2012 using generally accepted accounting principles prescribed by the CICA Handbook – Accounting Part V - Pre-changeover Accounting Standards. The adoption of ASNPO resulted in no adjustments to the previously reported assets, liabilities, net assets, excess of revenue over expenses and cash flows of the organization.

---

### 3. Cash and Cash Equivalents

	2013	2012
Cash and bank	\$ 94,087	\$ 27,051
Guaranteed Investment Certificate, Duca Financial Services Credit Union Ltd., annual yield to maturity of 0.80%, due April 2013	55,039	-
Guaranteed Investment Certificates, Duca Financial Services Credit Union Ltd., annual yield to maturity of 0.40% to 1.60%	-	148,159
	\$ 149,126	\$ 175,210

---

---

## Alzheimer Society of Dufferin County Notes to Financial Statements

**March 31, 2013**

---

**4. Accounts Receivable**

	2013	2012
Trade	\$ 46,324	\$ 31,948
Government remittances	24,200	11,587
	\$ 70,524	\$ 43,535

---

**5. 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 \$9,952.

---

**6. Program Funding Payable**

	2013	2012
Balance, beginning of year	\$ 131,637	\$ 112,518
Add: surplus funding for the year	36,928	19,119
Less: repayment of prior surplus	(78,076)	-
	\$ 90,489	\$ 131,637

---

---

## Alzheimer Society of Dufferin County Notes to Financial Statements

**March 31, 2013**

---

### 7. Deferred Contributions

Deferred contributions represent resources received during the year for which expenses have not yet been incurred. Changes in the deferred contribution balance reported are as follows:

	<u>2013</u>	<u>2012</u>
Balance, beginning of year	\$ 23,849	\$ 50,107
Add: amounts received during the year	12,240	-
Less: amounts recognized as revenue during the year	<u>(6,422)</u>	<u>(26,258)</u>
Balance, end of year	<u>\$ 29,667</u>	<u>\$ 23,849</u>

---

### 8. Commitment

The organization has a lease with respect to its building, which expires December 2013. The minimum lease payments for the next year are as follows:

2014	\$ 35,929
------	-----------

---

### 9. 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, 2013**

---

### 10. Comparative Figures

Certain comparative figures have been reclassified to conform with the current year's financial statement presentation.

---

### 11. Financial Instrument Risk

#### Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rate. The organization is exposed to interest rate risk as its fixed income denominated investments mature during the fiscal year. This risk has not changed from the previous year.

#### 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.

---

---

## Auditor's Comments on Supplementary Financial Information

---

To the Board of Directors of  
Alzheimer Society of Dufferin County

### Audit Engagement

We have audited the financial statements of Alzheimer Society of Dufferin County, which comprise the statement of financial position as at March 31, 2013 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2013, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated June 25, 2013 which contained a qualified opinion on those financial statements. The audit was performed to form an opinion on the financial statements as a whole. The supplementary information is presented for the purposes of additional analysis and is not a required part of the financial statements. Such supplementary information is the responsibility of management and was derived from the underlying accounting and other records used to prepare the financial statements.

### Opinion

The supplementary information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such supplementary information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves.

### Restriction on Distribution and Use

The supplementary information is prepared to assist Alzheimer Society of Dufferin County to meet the requirements of the Ministry of Health and Long-Term Care. As a result, the supplementary information may not be suitable for another purpose. Our report is intended solely for Alzheimer Society of Dufferin County and the Ministry of Health and Long-Term Care and should not be distributed to or used by parties other than Alzheimer Society of Dufferin County or the Ministry of Health and Long-Term Care.

*BDO Canada LLP*

Chartered Accountants, Licensed Public Accountants

Orangeville, Ontario  
June 25, 2013

## Alzheimer Society of Dufferin County Statement of Operations

For the year ended March 31	2013	2012
		(Unaudited)
<b>Revenues</b>		
Central West Local Health Integration Network (CSS)	\$ 835,717	\$ 814,357
Paymaster funding	97,500	-
Donations	47,450	50,033
Other funding and grants	35,748	68,357
Rent	19,477	20,542
Proceeds from Alzheimer Society of Ontario	9,000	9,000
Other income	8,145	800
Investment income	1,922	1,908
	<b>1,054,959</b>	<b>964,997</b>
<b>Expenses</b>		
Contracted out services	543,139	572,274
Employee salaries	268,308	203,426
Office, general and administrative	113,139	97,660
Building and grounds	51,060	52,656
Employee benefits	26,959	17,929
Equipment	9,952	1,873
Events	5,059	6,661
Travel	4,706	2,484
	<b>1,022,322</b>	<b>954,963</b>
 Excess of revenues over expenses before undernoted	 32,637	 10,034
Recoveries and transfers	36,928	19,119
<b>Deficiency of revenues over expenses for the year</b>	<b>\$ (4,291)</b>	<b>\$ (9,085)</b>

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