

**Alzheimer Society
of Dufferin County
Financial Statements
For the year ended March 31, 2014**

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Financial Statements
For the year ended March 31, 2014

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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, 2014 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2014, 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, 2014, current assets and net assets as at March 31, 2014.



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As discussed in Note 4 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, 2014 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.

BDO Canada LLP

Chartered Accountants, Licensed Public Accountants

Orangeville, Ontario
June 17, 2014

**Alzheimer Society of Dufferin County
Statements of Financial Position**

March 31	2014	2013
Assets		
Current		
Cash and cash equivalents (Note 2)	\$ 245,906	\$ 149,126
Accounts receivable (Note 3)	23,710	70,524
Prepaid expenses	3,714	4,392
	273,330	224,042
Duca shares	245	234
	\$ 273,575	\$ 224,276

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 140,120	\$ 65,964
Program funding payable (Note 5)	51,589	90,489
Deferred contributions (Note 6)	44,765	29,667
	236,474	186,120
Net assets (Page 5)		
Unrestricted	37,101	38,156
	\$ 273,575	\$ 224,276

On behalf of the Board:


 _____, Director


 _____, Director

Alzheimer Society of Dufferin County Statement of Changes in Net Assets

For the year ended March 31

	Unrestricted	
	2014	2013
Balance, beginning of year	\$ 38,156	\$ 42,447
Deficiency of revenues over expenses (Page 6)	(1,055)	(4,291)
Balance, end of year	\$ 37,101	\$ 38,156

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	2014	2013
Revenues		
Central West Local Health Integration Network (CSS)	\$ 921,465	\$ 798,789
Paymaster funding - Headwaters Health Care	-	97,500
Donations	40,290	47,450
Other funding and grants	13,897	35,748
Rent	8,127	19,477
Contributions from Alzheimer Society of Ontario	8,750	9,000
Other income	295	8,145
Investment income	666	1,922
	<u>993,490</u>	<u>1,018,031</u>
Expenses		
Contracted out services	579,879	543,139
Employee salaries	273,348	268,308
Office, general and administrative	55,665	113,139
Building and grounds	53,929	51,060
Employee benefits	18,895	26,959
Equipment	3,796	9,952
Events	3,213	5,059
Travel	5,820	4,706
	<u>994,545</u>	<u>1,022,322</u>
Deficiency of revenues over expenses for the year	\$ (1,055)	\$ (4,291)

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	2014	2013
Cash provided by (used in)		
Operating activities		
Deficiency of revenues over expenses	\$ (1,055)	\$ (4,291)
Changes in non-cash working capital balances		
Accounts receivable	46,814	(26,989)
Prepaid expenses	678	(889)
Accounts payable and accrued liabilities	74,156	41,375
Program funding payable	(38,900)	(41,148)
Deferred contributions	15,098	5,818
	<u>97,846</u>	<u>(21,833)</u>
	96,791	(26,124)
Investing activities		
Sale (purchase) of DUCA shares	(11)	40
Increase (decrease) in cash during the year	96,780	(26,084)
Cash and cash equivalents, beginning of year	<u>149,126</u>	<u>175,210</u>
Cash and cash equivalents, end of year	\$ 245,906	\$ 149,126
Represented by		
Cash and bank	\$ 245,906	\$ 94,087
Short term investments	-	55,039
	<u>\$ 245,906</u>	<u>\$ 149,126</u>

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

Alzheimer Society of Dufferin County

Notes to Financial Statements

March 31, 2014

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 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 measured at fair value are expensed, while transaction costs of financial instruments measured at cost or amortized cost are charged to the financial instrument.

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, 2014

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, 2014

2. Cash and Cash Equivalents

	2014	2013
Cash and bank	\$ 245,906	\$ 94,087
Guaranteed Investment Certificates, Duca Financial Services Credit Union Ltd., annual yield to maturity of 0.40% to 1.60%	-	55,039
	\$ 245,906	\$ 149,126

3. Accounts Receivable

	2014	2013
Trade	\$ 14,004	\$ 46,324
Government remittances	9,706	24,200
	\$ 23,710	\$ 70,524

4. 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 \$3,796 (2013 - \$9,952).

5. Program Funding Payable

	2014	2013
Balance, beginning of year	\$ 90,489	\$ 131,637
Add: surplus funding for the year	14,578	36,928
Less: repayment of prior surplus	(53,478)	(78,076)
	\$ 51,589	\$ 90,489

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2014

6. 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>2014</u>	<u>2013</u>
Balance, beginning of year	\$ 29,667	\$ 23,849
Add: amounts received during the year	37,500	12,240
Less: amounts recognized as revenue during the year	<u>(22,402)</u>	<u>(6,422)</u>
Balance, end of year	<u>\$ 44,765</u>	<u>\$ 29,667</u>

7. Commitment

The organization has a lease with respect to its building, which expires March 2016. The minimum lease payments for the next two years are as follows:

2015	\$ 22,632
2016	22,632

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, 2014

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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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, 2014 and the statements of operations, changes in net assets and cash flows for the year ended March 31, 2014, and a summary of significant accounting policies and other explanatory information, and have issued our report thereon dated June 17, 2014 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 17, 2014

Alzheimer Society of Dufferin County Statement of Operations

For the year ended March 31	2014	2013
Revenues		
Central West Local Health Integration Network (CSS)	\$ 936,043	\$ 835,717
Paymaster funding	-	97,500
Donations	40,290	47,450
Other funding and grants	13,897	35,748
Rent	8,127	19,477
Proceeds from Alzheimer Society of Ontario	8,750	9,000
Other income	295	8,145
Investment income	666	1,922
	<u>1,008,068</u>	<u>1,054,959</u>
Expenses		
Contracted out services	579,879	543,139
Employee salaries	273,348	268,308
Office, general and administrative	55,665	113,139
Building and grounds	53,929	51,060
Employee benefits	18,895	26,959
Equipment	3,796	9,952
Events	3,213	5,059
Travel	5,820	4,706
	<u>994,545</u>	<u>1,022,322</u>
Excess of revenues over expenses before undernoted	13,523	32,637
Recoveries and transfers	<u>14,578</u>	<u>36,928</u>
Deficiency of revenues over expenses for the year	<u>\$ (1,055)</u>	<u>\$ (4,291)</u>

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