

**Alzheimer Society
of Dufferin County
Financial Statements
For the year ended March 31, 2017**

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Contents

Independent Auditor's Report	2
Financial Statements	
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
Supplementary Financial Information	
Unaudited Schedule of Operations	13



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, 2017 and the statement of operations, changes in net assets and cash flows for the year ended March 31, 2017, 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 years ended March 31, 2017 and 2016, current assets as at March 31, 2017 and 2016, and net assets as at April 1 and March 31 for both the 2017 and 2016 years.

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. 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, 2017 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.

Unaudited Information

We have not audited, reviewed or otherwise attempted to verify the accuracy or completeness of the schedule on page 13 of the organization's financial statements.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Orangeville, Ontario

June 27, 2017


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

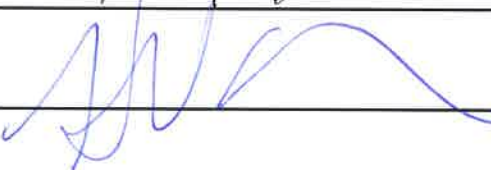
March 31	2017	2016
Assets		
Current		
Cash	\$ 164,277	\$ 196,430
Accounts receivable (Note 2)	45,646	21,185
Prepaid expenses	4,655	4,619
	214,578	222,234
Duca shares	257	249
	\$ 214,835	\$ 222,483

Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 24,128	\$ 27,854
Program funding payable (Note 4)	56,245	54,521
Deferred contributions (Note 5)	16,411	28,042
	96,784	110,417
Net assets (Page 5)		
Internally restricted (Note 6)	24,446	38,000
Unrestricted	93,605	74,066
	118,051	112,066
	\$ 214,835	\$ 222,483

On behalf of the Board:


_____, Director


_____, Director

Alzheimer Society of Dufferin County Statement of Changes in Net Assets

For the year ended March 31

	Internally Restricted	Unrestricted	2017	2016
Net assets, beginning of year	\$ 38,000	\$ 74,066	\$ 112,066	\$ 90,124
Excess of revenues over expenses (Page 6)	(13,554)	19,539	5,985	21,942
Net assets, end of year	\$ 24,446	\$ 93,605	\$ 118,051	\$ 112,066

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	2017	2016
Revenues		
Central West Local Health Integration Network (CSS)	\$ 955,557	\$ 1,077,096
Other funding and grants	20,029	81,790
Donations and fundraising	84,785	51,120
Contributions from Alzheimer Society of Ontario	11,362	7,486
Rent	2,340	2,760
Other income	85	195
Investment income	8	-
	1,074,166	1,220,447
Expenses		
Contracted out services	571,355	706,806
Employee salaries	313,622	326,139
Building and grounds	55,359	53,217
Office, general and administrative	44,568	41,104
Professional services and fees	32,514	34,653
Employee benefits	29,029	29,292
Travel	6,044	4,226
Events	5,353	2,194
Equipment	10,337	874
	1,068,181	1,198,505
Excess of revenues over expenses for the year	\$ 5,985	\$ 21,942
Comprised of:		
Internally restricted	\$ (13,554)	\$ -
Unrestricted	19,539	21,942
	\$ 5,985	\$ 21,942

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	2017	2016
Cash provided by (used in)		
Operating activities		
Excess of revenues over expenses	\$ 5,985	\$ 21,942
Changes in non-cash working capital balances		
Accounts receivable	(24,461)	9,164
Prepaid expenses	(36)	(888)
Accounts payable and accrued liabilities	(3,726)	(8,544)
Program funding payable	1,724	18,063
Deferred contributions	(11,631)	(25,041)
	(38,130)	(7,246)
	(32,145)	14,696
Investing activities		
Purchase of DUCA shares	(8)	-
	(32,153)	14,696
Increase (decrease) in cash during the year	(32,153)	14,696
Cash and cash equivalents, beginning of year	196,430	181,734
Cash and cash equivalents, end of year	\$ 164,277	\$ 196,430

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

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2017

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 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.

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2017

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.

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2017

2. Accounts Receivable

	2017	2016
Trade	\$ 39,812	\$ 11,998
Government remittances	5,834	9,187
	\$ 45,646	\$ 21,185

3. 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 \$10,337 (2016 - \$874).

4. Program Funding Payable

	2017	2016
Balance, beginning of year	\$ 54,521	\$ 36,458
Add: surplus funding for the year	16,302	17,868
Less: repayment of prior surplus	(14,578)	-
Add: reconciling item	-	195
	\$ 56,245	\$ 54,521

Alzheimer Society of Dufferin County Notes to Financial Statements

March 31, 2017

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:

	2017	2016
Balance, beginning of year	\$ 28,042	\$ 53,083
Add: amounts received during the year	11,727	47,223
Less: amounts recognized as revenue during the year	(23,358)	(72,264)
Balance, end of year	\$ 16,411	\$ 28,042

6. Net Assets-Internally Restricted

Internally restricted funds are as follows:

	2017	2016
Accreditation process	\$ 4,446	\$ 18,000
Office transitions	20,000	20,000
Balance, end of year	\$ 24,446	\$ 38,000

7. Commitment

The organization has a lease with respect to its building, which expires March 2019. The minimum lease payments for the next year is as follows:

2019	\$ 52,054
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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, 2017

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.

Alzheimer Society of Dufferin County
Schedule of Operations
(Unaudited)

For the year ended March 31	2017	2016
Revenues		
Central West Local Health Integration Network (CSS)	\$ 971,859	\$ 1,094,964
Other funding and grants	20,029	81,790
Donations and fundraising	84,785	51,120
Proceeds from Alzheimer Society of Ontario	11,362	7,486
Rent	2,340	2,760
Other income	85	195
Investment income	8	-
	<u>1,090,468</u>	<u>1,238,315</u>
Expenses		
Contracted out services	571,355	706,806
Employee salaries	313,622	326,139
Building and grounds	55,359	53,217
Office, general and administrative	44,568	41,104
Professional services and fees	32,514	34,653
Employee benefits	29,029	29,292
Travel	6,044	4,226
Events	5,353	2,194
Equipment	10,337	874
	<u>1,068,181</u>	<u>1,198,505</u>
Excess of revenues over expenses before undernoted	22,287	39,810
Recoveries and transfers	<u>16,302</u>	<u>17,868</u>
Excess of revenues over expenses for the year	<u>\$ 5,985</u>	<u>\$ 21,942</u>