

**ALZHEIMER SOCIETY OF PETERBOROUGH,
KAWARTHA LAKES, NORTHUMBERLAND &
HALIBURTON**

FINANCIAL STATEMENTS

MARCH 31, 2015

**ALZHEIMER SOCIETY OF PETERBOROUGH,
KAWARTHA LAKES, NORTHUMBERLAND &
HALIBURTON**

FINANCIAL STATEMENTS

MARCH 31, 2015

TABLE OF CONTENTS

	Page Number
INDEPENDENT AUDITORS' REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Changes in Fund Balances	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 9
Schedules to the Financial Statements	10 - 11

INDEPENDENT AUDITORS' REPORT**To the Directors of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton**T. 705.742.3418
F. 705.742.9775www.collinsbarrowkawarthas.com*Report on the Financial Statements*

We have audited the accompanying financial statements of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton, which comprise the statement of financial position as at March 31, 2015, the statements of changes in fund balances, operations 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 controls as management determines are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' 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 auditors' 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 controls 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 controls. 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 most not-for-profit organizations, Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the Organization and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and fund balances.

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton as at March 31, 2015 and the results of its operations and cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

*Collins Barrow Kawarthas LLP*Chartered Professional Accountants
Peterborough, Ontario
June 17, 2015

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

STATEMENT OF FINANCIAL POSITION

As at March 31, 2015

	2015 \$	2014 \$
ASSETS		
Current assets		
Cash	166,038	160,607
Accounts receivable	18,835	12,185
Government remittances receivable	6,884	-
Prepaid expenses	1,830	-
	<u>193,587</u>	<u>172,792</u>
Investments (note 3)	524,256	513,526
Capital assets (note 5)	<u>7,250</u>	<u>9,315</u>
	<u>725,093</u>	<u>695,633</u>
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued	48,771	44,709
Government remittances payable	351	14,784
	<u>49,122</u>	<u>59,493</u>
Fund balances		
Externally restricted (note 6)	15,947	15,610
Internally restricted (note 6)	652,774	611,215
Equity in capital assets	<u>7,250</u>	<u>9,315</u>
	<u>675,971</u>	<u>636,140</u>
	<u>725,093</u>	<u>695,633</u>

Approved on behalf of the Board:

_____, Director

_____, Director

The accompanying notes are an integral part of these financial statements

**ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES,
NORTHUMBERLAND & HALIBURTON**

**STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended March 31, 2015**

	Operating Fund 2015 \$	Equity in Capital Assets 2015 \$	Externally Restricted Funds 2015 \$	Internally Restricted Funds 2015 \$	Total 2015 \$	Total 2014 \$
Fund balances - beginning of year	-	9,315	15,610	611,215	636,140	446,941
Excess (deficiency) of revenue over expenses for the year	-	(2,065)	337	41,559	39,831	189,199
Fund balances - end of year	-	7,250	15,947	652,774	675,971	636,140

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

STATEMENT OF OPERATIONS For the Year Ended March 31, 2015

	Budget 2015 \$ (Note 10)	Actual 2015 \$	Actual 2014 \$
Revenue			
Grants			
Local Health Integration Network	413,916	430,473	442,493
Alzheimer Society of Ontario	18,000	18,000	18,000
First Link	224,963	224,963	225,306
Other grants	-	-	2,724
Donations (Schedule 1)	164,439	171,872	322,985
Fundraising activities - net (Schedule 2)	98,600	129,064	105,827
Investment income	-	10,730	7,781
	919,918	985,102	1,125,116
Expenses			
Salaries and benefits	535,455	534,124	511,788
Direct service costs (Schedule 3)	33,950	51,825	58,299
Public awareness (Schedule 4)	4,600	8,313	7,602
Research and awards	800	800	800
Facilities	59,300	57,293	57,294
Office (Schedule 5)	53,850	58,016	62,080
Amortization	7,000	2,065	6,820
First Link program costs	224,963	232,835	231,234
Total expenses	919,918	945,271	935,917
Excess of revenue over expenses for the year	-	39,831	189,199

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

STATEMENT OF CASH FLOWS For the Year Ended March 31, 2015

	2015	2014
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess of revenue over expenses for the year	39,831	189,199
Non-cash charges to operations		
Amortization	2,065	6,820
	41,896	196,019
Changes in non-cash working capital items		
(Increase)/decrease in accounts receivable	(6,650)	9
(Increase)/decrease in prepaids	(1,830)	770
(Increase) in government remittances receivable	(6,884)	-
Increase in accounts payable and accrued	4,062	5,508
Increase/(decrease) in government remittances payable	(14,433)	216
Increase/(decrease) in deferred revenue	-	(16,312)
	16,161	186,210
Investing activities		
Redemption of investments	98,969	37,326
Purchase of investments	(109,699)	(192,182)
	(10,730)	(154,856)
Increase in cash	5,431	31,354
Cash - beginning of year	160,607	129,253
Cash - end of year	166,038	160,607

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2015

1. NATURE OF OPERATIONS

Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton was incorporated on August 18, 1983 under the Ontario Business Corporation Act as a not-for-profit organization without share capital. The objectives of the organization are to promote public education, family support, advocacy and support of research for Alzheimer disease.

2. SIGNIFICANT ACCOUNTING POLICIES

The financial statements of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton are the representation of management prepared in accordance with accounting policies set out below to comply with Canadian Accounting Standards for Not-for-Profit Organizations.

(a) *Recognition of Revenues and Expenses*

The Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton uses the deferral method of accounting.

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 can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned.

Fundraising and donations are recognized as revenue when received.

Expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses in the period the goods or services are acquired and a legal liability is incurred.

Operating grant claims for allowable operating costs are recorded as income in the current year. The reimbursement for these costs is dependant ultimately upon their acceptance by the various funders.

(b) *Use of Estimates*

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 amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts receivable, accounts payable, useful lives of capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Fund accounting

Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton reports on a fund accounting basis. The funds maintained are as follows:

(i) Operating Fund

Operating fund includes results of day-to-day operating transactions and all unrestricted contributions.

(ii) Internally Restricted Funds

Internally restricted funds represent funds that have been designated by the Board of Directors for use in meeting future requirements of the organization. These include:

The Operating reserve, which has been designated for the use in funding future deficits in the operating fund; and

The Capital Campaign fund, which has been designated for the purchase of capital assets.

(iii) Externally Restricted Fund

Externally restricted fund represents funds designated by the donor for restricted use within the organization. This is comprised of the Burgess Estate fund, which is to be used for future education and research expenditures.

(iv) Equity in Capital Assets

Equity in capital assets includes the organization's assets, revenue and expenses related to capital assets.

(d) Capital Assets

Capital assets are recorded at cost and amortized at the following rates:

Furniture and fixtures	· 20% declining balance
Computer equipment	· 30% declining balance
Computer software	· 30% declining balance
Leasehold improvements	- straight line over life of lease

(e) Income taxes

As a registered charitable organization under the Federal and Provincial Income Tax Acts, the organization is exempt from income taxes and is prohibited from distributing any of its earnings to or for the personal benefit of the members.

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2015

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) *Financial Instruments*

(i) Measurement

The organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The organization subsequently measures its financial assets and financial liabilities at amortized cost, except for investments quoted in the active market, which is subsequently measured at fair value. Changes in fair value are recognized in the excess of revenues over expenses.

Financial assets measured at amortized cost include cash, accounts receivable and government remittances receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

Financial assets measured at fair value are investments.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

(g) *Contributed services*

Volunteers contribute significant time to assist the organization in carrying out its programs and administration. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. INVESTMENTS

The investments consist of interest bearing GIC investments. These investments earn interest in the range of 1.54% to 3.01% and are due between fiscal 2016 and 2019. Investments are recorded at market value of \$524,256 (2014 - \$513,526). The cost is \$509,928.

4. ECONOMIC DEPENDENCE

The organization's major source of revenue is the operating grant from the Ministry of Health and Long Term Care via the Local Health Integration Network. The nature and extent of this revenue is of such significance as to affect the viability of the organization and, accordingly, it can be said that the organization is economically dependent on these funds.

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2015

5. CAPITAL ASSETS

Capital assets consist of the following:

	Cost \$	Accumulated Amortization \$	Net Book Value	
			2015 \$	2014 \$
Furniture and fixtures	42,058	36,222	5,836	7,295
Computer equipment	31,883	30,879	1,004	1,434
Leasehold improvements	27,150	27,150	-	-
Computer software	3,485	3,075	410	586
	104,576	97,326	7,250	9,315

6. INTERNALLY AND EXTERNALLY RESTRICTED FUNDS

The restricted funds consist of the following:

	2015 \$	2014 \$
Internally Restricted		
Operating reserve	92,000	92,000
Capital campaign	560,774	519,215
	652,774	611,215
Externally Restricted		
Burgess Estate Fund	15,947	15,610

7. CHARITABLE REMAINDER TRUSTS

The organization has been named the residual beneficiary under charitable remainder trust agreements for principal amounts totalling \$30,000 (2014 - \$30,000). The income from the trusts are paid to the donors during their lifetimes and the principal amounts pass to the organization on the death of the donors.

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2015

8. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

These risks are generally outside the control of the organization but are mitigated by the organization's investment policies.

9. COMMITMENTS

The organization has entered into lease agreements for premises. Future lease obligations are as follows:

2016	\$70,807
2017	72,051
2018	46,160
2019	33,360
2020	19,641

10. BUDGET FIGURES

Budget figures are not subject to audit.

11. COMPARATIVE FIGURES

The financial statements have been reclassified, where applicable, to conform to the presentation used in the current year. The changes do not affect prior year excess of revenue over expenses.

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

SCHEDULES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2015

Schedule 1 - Donations

	Budget 2015 (Note 10) \$	Actual 2015 \$	Actual 2014 \$
Memorial	55,000	57,273	58,091
General	34,000	47,644	37,884
Bequests	75,439	66,955	227,010
	164,439	171,872	322,985

Schedule 2 - Fundraising Activities - Net

	Budget 2015 (Note 10) \$	Actual 2015 \$	Actual 2014 \$
Fundraising revenues	118,000	161,468	125,373
Fundraising costs	(19,400)	(32,404)	(19,546)
	98,600	129,064	105,827

Schedule 3 - Direct Service Costs

	Budget 2015 (Note 10) \$	Actual 2015 \$	Actual 2014 \$
Caregivers and staff travel	23,950	24,738	19,327
Training and education	3,400	3,075	3,736
Client services	5,000	22,037	32,275
Volunteers	1,600	1,975	2,961
	33,950	51,825	58,299

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

SCHEDULES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2015

Schedule 4 - Public Awareness

	Budget 2015 (Note 10) \$	Actual 2015 \$	Actual 2014 \$
Literature and library	1,000	2,192	510
Newsletter distribution	2,500	2,130	3,297
Meetings	950	3,112	1,846
Seminars, conferences and workshops	150	879	1,949
	4,600	8,313	7,602

Schedule 5 - Office

	Budget 2015 (Note 10) \$	Actual 2015 \$	Actual 2014 \$
Telephone	6,500	6,065	5,707
Postage and printing	3,000	2,695	4,015
Office supplies	9,050	9,239	12,346
Computer internet and equipment maintenance	11,300	11,532	12,631
Courier and freight	100	449	323
Bank charges	2,500	2,952	2,387
Insurance	2,400	2,199	2,352
Professional services	10,000	12,556	10,134
Miscellaneous	1,000	2,604	1,839
Office cleaning	7,500	7,265	9,792
Association fees	500	460	554
	53,850	58,016	62,080

The accompanying notes are an integral part of these financial statements