

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.**

**Financial Statements**

**Year Ended March 31, 2016**

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.**

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**Year Ended March 31, 2016**

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## **INDEPENDENT AUDITOR'S REPORT**

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To the Members of Alzheimer Society of Timmins-Porcupine District Inc.

We have audited the accompanying financial statements of Alzheimer Society of Timmins-Porcupine District Inc., which comprise the statement of financial position as at March 31, 2016 and the statements of revenues and expenditures, 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 not-for-profit organizations, Alzheimer Society of Timmins-Porcupine District Inc. derives revenue from 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 Timmins-Porcupine District Inc. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2016, current assets and net assets as at March 31, 2016.

*(continues)*

Independent Auditor's Report to the Members of Alzheimer Society of Timmins-Porcupine District Inc.  
(continued)

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 Timmins-Porcupine District Inc. as at March 31, 2016 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.

Timmins, Ontario  
May 24, 2016

Handwritten signature in black ink, appearing to read "FJL CPA".

Chartered Professional Accountants  
Licensed Public Accountants

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.**

**Statement of Financial Position**

**March 31, 2016**

|                                   | 2016             | 2015             |
|-----------------------------------|------------------|------------------|
| <b>ASSETS</b>                     |                  |                  |
| <b>CURRENT</b>                    |                  |                  |
| Cash                              | \$ 74,108        | \$ 65,926        |
| Accounts receivable (Note 2)      | 6,363            | 17,092           |
| Prepaid expenses                  | -                | 406              |
|                                   | <b>\$ 80,471</b> | <b>\$ 83,424</b> |
| <b>LIABILITIES AND NET ASSETS</b> |                  |                  |
| <b>CURRENT</b>                    |                  |                  |
| Accounts payable (Note 3)         | \$ 4,821         | \$ 6,642         |
| Deferred revenue (Note 4)         | 5,715            | 12,176           |
|                                   | <b>10,536</b>    | <b>18,818</b>    |
| <b>NET ASSETS</b>                 |                  |                  |
| General fund                      | <b>69,935</b>    | <b>64,606</b>    |
|                                   | <b>\$ 80,471</b> | <b>\$ 83,424</b> |

**ON BEHALF OF THE BOARD**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.****Statement of Revenues and Expenditures****Year Ended March 31, 2016**

|  | 2016            | 2015            |
|--|-----------------|-----------------|
| <b>REVENUES</b>  |                 |                 |
| Allocation of Provincial fundraising - ongoing                   | \$ 9,059        | \$ 9,000        |
| Alzheimer Society of Ontario Integration Funding                 | -               | 10,000          |
| Donations  | 7,991           | 11,483          |
| Funding your way   | -               | 5,400           |
| Fundraising ( <i>Schedule 1</i> )                                | 48,147          | 47,242          |
| Green Shield Canada grant  | 4,951           | 139             |
| Interest   | 20              | 49              |
| Memberships  | 15              | 260             |
| Memorials  | 17,851          | 13,455          |
| Northeast Local Health Integration Network ( <i>Schedule 2</i> ) | 174,348         | 169,335         |
| Trillium grant   | -               | 1,176           |
| Wage subsidies - Ministry of Citizenship and Immigration         | 2,904           | 2,237           |
| - Northern Ontario Heritage Fund Corporation                     | 15,386          | 26,636          |
|  | <b>280,672</b>  | <b>296,412</b>  |
| <b>EXPENDITURES</b>  |                 |                 |
| Advertising  | 810             | 1,109           |
| Bank charges   | 76              | 46              |
| Property, plant and equipment purchases                          | -               | 2,119           |
| Community donations  | -               | 294             |
| Consulting   | -               | 10,000          |
| Fundraising ( <i>Schedule 1</i> )                                | 10,902          | 16,853          |
| Insurance  | 3,069           | 3,074           |
| Northeast Local Health Integration Network ( <i>Schedule 2</i> ) | 179,617         | 176,310         |
| Office   | 3,844           | 2,738           |
| Postage  | 108             | -               |
| Professional development   | 83              | 1,873           |
| Professional fees  | 9,301           | 8,020           |
| Seminars and education   | 2,412           | 608             |
| Steering committee   | 949             | -               |
| Support  | 1,679           | 818             |
| Telecommunications   | -               | 48              |
| Wages and employee benefits                                      | 62,493          | 66,822          |
|  | <b>275,343</b>  | <b>290,732</b>  |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b>                      | <b>\$ 5,329</b> | <b>\$ 5,680</b> |

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.**

**Statement of Changes in Net Assets**

**Year Ended March 31, 2016**

|                                       | <b>2016</b>      | <b>2015</b>      |
|---------------------------------------|------------------|------------------|
| <b>NET ASSETS - BEGINNING OF YEAR</b> | <b>\$ 64,606</b> | <b>\$ 58,926</b> |
| Excess of revenues over expenditures  | <b>5,329</b>     | <b>5,680</b>     |
| <b>NET ASSETS - END OF YEAR</b>       | <b>\$ 69,935</b> | <b>\$ 64,606</b> |

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.****Statement of Cash Flows****Year Ended March 31, 2016**

|   | 2016             | 2015             |
|---|------------------|------------------|
| <b>Cash flows from operating activities</b> |                  |                  |
| Excess of revenues over expenditures        | \$ 5,329         | \$ 5,680         |
| Changes in non-cash working capital:        |                  |                  |
| Accounts receivable                         | 10,729           | 4,839            |
| Prepaid expenses                            | 406              | 422              |
| Accounts payable                            | (1,821)          | (31,506)         |
| Government remittances                      | -                | (3,866)          |
| Deferred revenue                            | (6,461)          | (5,723)          |
|   | 2,853            | (35,834)         |
| <b>INCREASE (DECREASE) IN CASH FLOW</b>     | <b>8,182</b>     | <b>(30,154)</b>  |
| Cash - beginning of year                    | 65,926           | 96,080           |
| <b>CASH - END OF YEAR</b>                   | <b>\$ 74,108</b> | <b>\$ 65,926</b> |



# ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

## Notes to Financial Statements

Year Ended March 31, 2016

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### PURPOSE OF THE ORGANIZATION

Alzheimer Society of Timmins-Porcupine District Inc. (the "organization") was incorporated in Ontario on February 2, 1988 without share capital and is exempt from income tax as a charitable organization. The object of the organization is to alleviate the personal and social consequences of Alzheimer disease and to promote the search for the causes and cure of the disease.

### 1. SUMMARY OF ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

#### Financial instruments

The company initially measures its financial assets and financial liabilities at fair value, except for certain related party transactions that are measured at the carrying amount or exchange amount, as appropriate.

The company subsequently measures all its financial assets and financial liabilities at cost or amortized cost, except for investments in equity instruments that are quoted in an active market, which is measured at fair value. Changes in fair value of these financial instruments are recognized in net income.

Financial asset measured at amortized cost on a straight-line basis is accounts receivable.

Financial liabilities measured at amortized cost on a straight-line basis include accounts payable and deferred revenue.

#### Property, plant and equipment

In common with many non-profit organizations, property, plant and equipment are expensed in the statement of operations in the year acquired. The property, plant and equipment which have been expensed consist mainly of office equipment and computer hardware.

#### Revenue recognition

The organization follows the deferral method of accounting for contributions. Donations and fundraising revenues are recognized as received.

#### Contributed services

Volunteers contribute a significant amount of their time each year. Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

#### Allocation of expenses

The allocation of expenses was determined by management in reference to the approved budgets submitted to various funding sources.

*(continues)*

# ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

## Notes to Financial Statements

Year Ended March 31, 2016

### 1. SUMMARY OF ACCOUNTING POLICIES *(continued)*

#### 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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

The significant area requiring management estimate is timing of revenue recognition.

### 2. ACCOUNTS RECEIVABLE

|                     | 2016            | 2015             |
|---------------------|-----------------|------------------|
| Accounts receivable | \$ 3,058        | \$ 9,446         |
| HST recoverable     | 3,305           | 7,646            |
|                     | <b>\$ 6,363</b> | <b>\$ 17,092</b> |

### 3. ACCOUNTS PAYABLE

|  | 2016            | 2015            |
|--|-----------------|-----------------|
| Trade accounts payable and accrued liabilities | \$ 4,127        | \$ 5,640        |
| Wages and employee benefits payable            | 694             | 1,002           |
|  | <b>\$ 4,821</b> | <b>\$ 6,642</b> |

### 4. DEFERRED REVENUE

|                          | 2016            | 2015             |
|--------------------------|-----------------|------------------|
| Fundraising              | \$ 250          | \$ 1,760         |
| Greenshield Canada grant | 5,465           | 10,416           |
|                          | <b>\$ 5,715</b> | <b>\$ 12,176</b> |

### 5. RELATED PARTY TRANSACTIONS

For reporting purposes herein, related parties are defined as:

- a) the organization's executive director; and
- b) the organization's board of directors.

Related party transactions are measured at the exchange amount, which is the amount of consideration established and agreed by the related parties.

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.**

**Notes to Financial Statements**

**Year Ended March 31, 2016**

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6. FINANCIAL INSTRUMENTS

The organization is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the organization's risk exposure and concentration as of March 31, 2016.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The organization is exposed to credit risk from customers. In order to reduce its credit risk, the organization reviews a new customer's credit history before extending credit and conducts regular reviews of its existing customers' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information.

Management believes that the credit risk concentration with respect to financial instruments included in accounts receivable is remote.

Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect of its receipt of funds from its customers and other related sources and accounts payable.

7. ECONOMIC DEPENDENCE

Much of the organization's revenue is derived from the Northeast Local Health Integration Network. The organization's continued operation is therefore contingent on securing future funding.

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.****Fundraising***(Schedule 1)***Year Ended March 31, 2016**

|   | 2016             | 2015             |
|---|------------------|------------------|
| <b>REVENUES</b>                             |                  |                  |
| Bingo                                       | \$ 7,200         | \$ 9,094         |
| Coffee break - Krispy Kreme                 | 2,497            | 1,992            |
| Duck Race                                   | 8,050            | 4,905            |
| Gala  | -                | 4,111            |
| Las Vegas Draw                              | -                | 11,110           |
| Mud Factor                                  | 4,360            | 7,661            |
| Others                                      | 875              | 621              |
| Ride for Memories                           | 6,696            | 7,748            |
| Walk for Memories                           | 18,469           | -                |
|   | <b>48,147</b>    | <b>47,242</b>    |
| <b>EXPENDITURES</b>                         |                  |                  |
| Duck Race                                   | 2,462            | 871              |
| Gala  | -                | 3,819            |
| Las Vegas Draw                              | -                | 5,096            |
| Mud Factor                                  | 1,952            | 3,066            |
| Others                                      | 379              | 570              |
| Ride for Memories                           | 2,866            | 3,431            |
| Walk for Memories                           | 3,243            | -                |
|   | <b>10,902</b>    | <b>16,853</b>    |
| <b>EXCESS OF REVENUES OVER EXPENDITURES</b> | <b>\$ 37,245</b> | <b>\$ 30,389</b> |

**ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.****Northeast Local Health Integration Network***(Schedule 2)***Year Ended March 31, 2016**

|   | <b>2016</b>       | 2015              |
|---|-------------------|-------------------|
| <b>REVENUES</b>                             |                   |                   |
| Administrative and Support Services         | \$ 37,689         | \$ 37,689         |
| Behaviour Supports Ontario                  | 51,092            | 51,092            |
| First Link                                  | 48,797            | 48,797            |
| Office furniture - one time funding         | 4,288             | -                 |
| Public Education Co-ordinator               | 30,257            | 30,257            |
| Teepa Snow - one time funding               | 2,225             | -                 |
| Telemedicine Equipment grant                | -                 | 1,500             |
|   | <b>174,348</b>    | 169,335           |
| <b>EXPENDITURES</b>                         |                   |                   |
| Advertising                                 | 1,401             | 948               |
| Benefit contributions                       | 9,724             | 9,785             |
| Office                                      | 9,186             | 7,109             |
| Postage                                     | 93                | 507               |
| Rent  | 6,934             | 7,572             |
| Salaries and wages                          | 138,394           | 131,372           |
| Seminars and education                      | 1,789             | 1,261             |
| Telecommunications                          | 4,283             | 4,090             |
| Travel                                      | 7,813             | 13,666            |
|   | <b>179,617</b>    | 176,310           |
| <b>EXCESS OF EXPENDITURES OVER REVENUES</b> | <b>\$ (5,269)</b> | <b>\$ (6,975)</b> |