

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

Financial Statements

Year Ended March 31, 2017

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

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INDEPENDENT AUDITOR'S REPORT

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, 2017 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 expenditures, and cash flows from operations for the year ended March 31, 2017, current assets and net assets as at March 31, 2017.

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, 2017 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.

The financial statements of Alzheimer Society of Timmins-Porcupine District Inc. for the year ended March 30, 2016 were audited by FJL CPAs of Timmins, Ontario, Canada, prior to its merger with MNP LLP. FJL CPAs issued an unmodified opinion on those statements on May 24, 2016.

Timmins, Ontario
May 24, 2017

MNP LLP

Chartered Professional Accountants
Licensed Public Accountants

MNP

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.
Statement of Financial Position
March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash	\$ 136,351	\$ 74,108
Accounts receivable (Note 2)	10,768	6,363
	\$ 147,119	\$ 80,471
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable (Note 3)	\$ 20,661	\$ 4,821
Deferred revenue (Note 4)	4,797	5,715
	25,458	10,536
NET ASSETS		
General fund	121,661	69,935
	\$ 147,119	\$ 80,471

ON BEHALF OF THE BOARD

Deborah Coyle Director

Director

See accompanying notes

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

Statement of Revenues and Expenditures

Year Ended March 31, 2017

	2017	2016
REVENUES		
Allocation of Provincial fundraising - ongoing	\$ 11,500	\$ 9,059
Donations	10,004	7,991
Fundraising <i>(Schedule 1)</i>	55,343	48,147
Green Shield Canada grant	668	4,951
Interest	8	20
Memberships	-	15
Memorials	53,779	17,851
Northeast Local Health Integration Network (NELHIN) <i>(Schedule 2)</i>	181,835	174,348
Wage subsidies - Ministry of Citizenship and Immigration	5,915	2,904
- Northern Ontario Heritage Fund Corporation	7,826	15,386
	326,878	280,672
EXPENDITURES		
Advertising	396	810
Bank charges	76	76
Property, plant and equipment purchases	4,178	-
Fundraising <i>(Schedule 1)</i>	10,728	10,902
Insurance	2,878	3,069
NELHIN <i>(Schedule 2)</i>	173,804	179,617
Office	6,264	3,844
Postage	164	108
Professional development	1,216	83
Professional fees	6,961	9,301
Seminars and education	5,594	2,412
Steering committee	-	949
Sub-contracts	15,368	-
Support	624	1,679
Telecommunications	2,051	-
Wages and employee benefits	30,850	62,493
	261,152	275,343
EXCESS OF REVENUES OVER EXPENDITURES BEFORE PAYABLE TO NELHIN	65,726	5,329
DUE TO NELHIN	(14,000)	-
EXCESS OF REVENUES OVER EXPENDITURES	\$ 51,726	\$ 5,329

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

Statement of Changes in Net Assets

Year Ended March 31, 2017

	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 69,935	\$ 64,606
Excess of revenues over expenditures	51,726	5,329
NET ASSETS - END OF YEAR	\$ 121,661	\$ 69,935

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

Statement of Cash Flows

Year Ended March 31, 2017

	2017	2016
Cash flows from operating activities		
Excess of revenues over expenditures	\$ 51,726	\$ 5,329
Changes in non-cash working capital:		
Accounts receivable	(4,405)	10,729
Prepaid expenses	-	406
Accounts payable	15,840	(1,821)
Deferred revenue	(918)	(6,461)
	10,517	2,853
INCREASE IN CASH FLOW	62,243	8,182
Cash - beginning of year	74,108	65,926
CASH - END OF YEAR	\$ 136,351	\$ 74,108

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

Notes to Financial Statements

Year Ended March 31, 2017

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.

I. 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, 2017

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

	2017	2016
Accounts receivable	\$ 2,750	\$ 3,058
HST recoverable	8,018	3,305
	\$ 10,768	\$ 6,363

3. ACCOUNTS PAYABLE

	2017	2016
Trade accounts payable and accrued liabilities	\$ 19,553	\$ 4,127
Wages and employee benefits payable	1,108	694
	\$ 20,661	\$ 4,821

4. DEFERRED REVENUE

	2017	2016
Fundraising	\$ -	\$ 250
Greenshield Canada grant	4,797	5,465
	\$ 4,797	\$ 5,715

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.

Notes to Financial Statements

Year Ended March 31, 2017

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.

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, 2017.

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

53.6% of the organization's revenue is derived from the NELHIN. 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, 2017**

	2017	2016
REVENUES		
Bingo	\$ 13,669	\$ 7,200
Coffee break - Krispy Kreme	3,201	2,497
Duck Race	11,080	8,050
Mud Factor	15,807	4,360
Others	3,993	875
Ride for Memories	1,687	6,696
Walk for Memories	5,906	18,469
	55,343	48,147
EXPENDITURES		
Duck Race	4,810	2,462
Mud Factor	2,456	1,952
Others	-	379
Ride for Memories	2,605	2,866
Walk for Memories	857	3,243
	10,728	10,902
EXCESS OF REVENUES OVER EXPENDITURES	\$ 44,615	\$ 37,245

ALZHEIMER SOCIETY OF TIMMINS-PORCUPINE DISTRICT INC.**NELHIN****(Schedule 2)****Year Ended March 31, 2017**

	2017	2016
REVENUES		
Administrative and Support Services	\$ 37,689	\$ 37,689
Behaviour Supports Ontario	65,092	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
	181,835	174,348
EXPENDITURES		
Advertising	1,202	1,401
Benefit contributions	9,645	9,724
Office	8,385	9,186
Postage	51	93
Rent	6,934	6,934
Salaries and wages	129,208	138,394
Seminars and education	665	1,789
Telecommunications	7,447	4,283
Travel	10,267	7,813
	173,804	179,617
EXCESS OF EXPENDITURES OVER REVENUES	\$ 8,031	\$ (5,269)

