

Alzheimer Society of Waterloo Wellington

Financial Statements
Year Ended March 31, 2017

- audited -

Alzheimer Society of Waterloo Wellington

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Alzheimer Society of Waterloo Wellington:

Report on the Financial Statements

We have audited the accompanying financial statements of Alzheimer Society of Waterloo Wellington, which comprise the statements of financial position as at March 31, 2017 and the statements of operations, statements of 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 charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we are not able to determine whether any adjustments might be necessary to donations, special events and fundraising revenues, excess of revenue over expenditures, assets and net asset balances.

Independent Auditor's Report continued on next page...

Independent Auditor's Report 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 Waterloo Wellington 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.

Ward & Uptigrove

Listowel, Ontario

May 17, 2017

**Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants**



Alzheimer Society of Waterloo Wellington

Statement of Financial Position

as at March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2017

2016

ASSETS

Current Assets

Cash and cash equivalents - Note 4	347,945	276,716
Accounts receivable	13,887	7,876
HST receivable	9,978	18,913
Prepaid expenses	7,815	11,393
Short term investments - GIC's	103,844	102,879

	483,469	417,777
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Other Assets

Long term investments - GIC's	100,000	100,000
Libro Credit Union class P shares	2,976	2,784
Libro Credit Union membership shares	50	50

	103,026	102,834
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Capital Assets - Note 5

Cost	15,211	-
Less accumulated amortization	2,502	-

	12,709	-
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TOTAL ASSETS

	599,204	520,611
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable and accruals	50,931	43,091
Deferred revenue - Note 6	2,101	18,149

TOTAL LIABILITIES	53,032	61,240
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NET ASSETS

Internally restricted	14,490	30,193
Unrestricted	531,682	429,178

TOTAL NET ASSETS	546,172	459,371
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TOTAL LIABILITIES AND NET ASSETS

	599,204	520,611
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Alzheimer Society of Waterloo Wellington

Statement of Operations
year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

	2017	2016
REVENUE		
Alzheimer Society of Ontario	27,000	40,999
Bequests	13,535	15,000
General donations	220,993	188,759
Grants	103,606	111,432
Interest and other income	9,749	15,063
Local Health Integration Network - Family Support	202,124	202,124
Local Health Integration Network - Public Education	222,801	222,801
Local Health Integration Network - VCP	48,980	48,980
Memberships	1,853	552
Special events and fundraising activities	365,330	291,936
	1,215,971	1,137,646

Expenses

Advertising and publications	379	2,094
Amortization	2,502	-
Bank charges	5,652	3,564
Capital asset acquisitions	492	1,940
Insurance	5,233	6,166
Miscellaneous	323	400
Office, postage, telephone	63,405	58,986
Professional development	5,425	6,807
Professional fees	14,852	15,533
Public awareness, programs and family support	29,167	42,585
Rent and utilities	62,876	67,102
Repairs and maintenance	13,909	16,214
Special events and fundraising	45,614	27,816
Travel and conferences	23,207	22,706
Wages and benefits	856,134	906,643
	1,129,170	1,178,556

EXCESS (DEFICIENCY) OF REVENUE OVER EXPENDITURES

86,801 **(40,910)**

Alzheimer Society of Waterloo Wellington

Statement of Change in Net Assets

year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2017

2016

Internally Restricted Net Assets

Net assets, beginning of year	30,193	32,133
Excess (deficiency) of revenue over expenses for the year	(15,703)	(1,940)

14,490

30,193

Unrestricted Net Assets

Net assets, beginning of year	429,178	468,148
Excess (deficiency) of revenue over expenses for the year	102,504	(38,970)

531,682

429,178

NET ASSETS, END OF YEAR

546,172

459,371

Alzheimer Society of Waterloo Wellington

Statement of Cash Flows year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2017

2016

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess (deficiency) of revenue over expenditures for the year	86,801	(40,910)
Amortization	2,502	-
	89,303	(40,910)
Changes in non-cash working capital related to operations - Note 7	(1,706)	(37,129)
	87,597	(78,039)

INVESTING ACTIVITIES

Increase in short term investments	(965)	98,615
Increase in long term investments	-	(100,000)
Increase in Libro Credit Union class P shares	(192)	(2,784)
Purchase of capital assets	(15,211)	-
	(16,368)	(4,169)

CHANGE IN CASH AND CASH EQUIVALENTS

	71,229	(82,208)
Cash and cash equivalents, beginning of year	276,716	358,924
Cash and cash equivalents, end of year	347,945	276,716

Represented by:

Cash and cash equivalents	347,945	276,716
	347,945	276,716

Alzheimer Society of Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

1 PURPOSE OF THE ORGANIZATION

The Alzheimer Society of Waterloo Wellington ("the organization") is incorporated without share capital under the laws of the Province of Ontario. The primary objective of the organization is to improve the quality of life of persons affected by Alzheimer Disease and other dementias and to promote research into its causes and prevention. The organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

2.1 Basis of accounting

The organization follows the deferral method of accounting.

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and temporary investments that are readily redeemable at the option of the organization.

2.3 Portfolio Investments

Short term investments consist of investments with maturities of between three months and one year at the date of acquisition. Long term investments consist of investments with maturities in excess of one year at the date of acquisition. The organization does not exercise significant influence with respect to any of these investments.

2.4 Capital assets

The organization capitalizes capital assets purchased in excess of \$2,000. All capital assets less than \$2,000 are expensed in the year of acquisition. Capital assets are stated at cost and are amortized on a straight line basis, as indicated below, which will fully amortize the assets over their estimated useful lives.

Computer hardware

36 months

Internally restricted funds are held for the purchase of capital assets and are disclosed separately in financial statements.

Alzheimer Society of Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2.5 Revenue recognition

The organization follows the deferral method of accounting for contributions, which include donations and government grants.

Grants and memberships are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the fiscal year are accrued for. Where a portion of a grant or membership relates to a future period, it is recognized as a deferred contribution or deferred membership on the statement of financial position.

Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Revenue from special events and other sources is recognized when the funds are received.

2.6 Contributed services

A substantial number of volunteers contribute a significant amount of their time each year to the organization. Due to the difficulty of determining the fair value of their time, contributed services are not recognized in the financial statements.

2.7 Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2.8 Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

Alzheimer Society of Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2017

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The Accompanying Notes are an Integral Part of the Financial Statements

3 FINANCIAL INSTRUMENTS

The company is exposed to various financial risks through transactions in financial instruments.

- (a) **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. The company is not exposed to credit risk.
- (b) **Currency risk**
Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not exposed to currency risk.
- (c) **Interest rate risk**
Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to interest rate risk.
- (d) **Liquidity risk**
Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company is not exposed to liquidity risk.
- (e) **Other price risk**
Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The company is not exposed to other price risk.

4 CASH AND CASH EQUIVALENTS

	2017	2016
Cash	346,312	272,293
Restricted cash	1,633	4,423
	347,945	276,716

Restricted cash is externally restricted by various funding organizations.

5 CAPITAL ASSETS

	Cost	Accumulated Amortization	2017 Net book value	2016 Net book value
Computer hardware	15,211	2,502	12,709	-
	15,211	2,502	12,709	-

Alzheimer Society of Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

6 DEFERRED REVENUE

Deferred revenue represents unspent, externally restricted grants for support programs. Deferred revenue consists of the following amounts and programs:

	2017	2016
Mind in Motion program	60	-
Nevada funds	1,633	4,423
Frank Cook iPod Project	-	10,835
Blue Umbrella Project	-	2,566
Purse-suasion	-	325
Carepartner Social	408	-
	2,101	18,149

7 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2017	2016
Accounts receivable	(6,011)	(2,892)
HST receivable	8,935	11,264
Prepaid expenses	3,578	(3,174)
Accounts payable and accruals	7,840	(32,137)
Deferred revenue	(16,048)	(10,190)
	(1,706)	(37,129)

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Notes to the Financial Statements

year ended March 31, 2017

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

8 OPERATING LEASE COMMITMENTS

The organization has operating leases for its premises and for office equipment.

Kitchener location - the lease for the premises has monthly payments of \$2,323 and expired July 2016. There is a verbal agreement to continue with the same terms until a new agreement is reached. The leases for the office equipment have monthly payments of \$159 that expire September 2019 and quarterly payments of \$240 that expire February 2019. An additional office equipment lease that covers all three locations has quarterly payments of \$1,524 that expire February 2023.

Cambridge location - the lease for the premises has monthly payments of \$319 plus common charges and a shared business services charge and expires November 2021.

Guelph location - the premises has monthly lease payments of \$1,250 and expires March 2020.

Lease payments required in the next five years are as follows:

2018	33,329
2019	32,846
2020	31,650
2021	16,093
2022	11,272
	<hr/>
	125,190