

***Alzheimer Society Waterloo Wellington***

Financial Statements  
Year Ended March 31, 2018

*- audited -*

# *Alzheimer Society Waterloo Wellington*

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of Alzheimer Society Waterloo Wellington:

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Alzheimer Society Waterloo Wellington, which comprise the statement of financial position as at March 31, 2018 and the statements of operations, changes in net assets 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 audit opinion.

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

*Independent Auditor's Report continued...*

**Basis for Qualified Opinion**

In common with many charitable organizations, Alzheimer Society Waterloo Wellington derives revenue from donations, 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 Alzheimer Society Waterloo Wellington and we were not able to determine whether any adjustments might be necessary for recorded donations, special events and fundraising revenues, the excess of revenues over expenses, cash flows from operating activities for the years ended March 31, 2018 and March 31, 2017, current assets as at March 31, 2018 and March 31, 2017, and net assets net assets as at March 31 for both the 2018 and 2017 year ends. Our audit opinion on the financial statements for the year ended March 31, 2018 was modified accordingly, because of the possible effects of this scope limitation.

**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 Waterloo Wellington as at March 31, 2018, and its financial performance and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

*Ward & Uptigrove*

**Listowel, Ontario**

**June 13, 2018**

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



# Alzheimer Society Waterloo Wellington

## Statement of Financial Position

as at March 31, 2018

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2018

2017

### ASSETS

#### Current Assets

Cash and cash equivalents - Note 4	261,213	347,945
Accounts receivable	37,684	13,887
HST receivable	9,189	9,978
Prepaid expenses	10,564	7,815
Guaranteed investment certificates - Note 5	415,840	103,844

**734,490**

**483,469**

#### Other Assets

Guaranteed investment certificates	-	100,000
Libro Credit Union shares	3,569	3,026
Your Neighbourhood Credit Union membership shares	5	-

**3,574**

**103,026**

#### Capital Assets - Note 6

Cost	15,211	15,211
Less accumulated amortization	7,566	2,502

**7,645**

**12,709**

### **TOTAL ASSETS**

**745,709**

**599,204**

### LIABILITIES AND NET ASSETS

#### LIABILITIES

##### Current Liabilities

Accounts payable and accruals	41,357	50,931
Deferred revenue - Note 7	64,326	2,101

#### TOTAL LIABILITIES

**105,683**

**53,032**

#### NET ASSETS

Internally restricted	11,945	14,490
Unrestricted	628,081	531,682

#### TOTAL NET ASSETS

**640,026**

**546,172**

### **TOTAL LIABILITIES AND NET ASSETS**

**745,709**

**599,204**

# Alzheimer Society Waterloo Wellington

Statement of Operations  
year ended March 31, 2018

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2018

2017

## REVENUE

Alzheimer Society of Ontario	3,373	27,000
Bequests	59,812	13,535
General donations	205,333	220,993
Grants	214,639	103,606
Interest and other income	10,115	9,749
Local Health Integration Network - Family Support	202,124	202,124
Local Health Integration Network - One time funding	1,100	-
Local Health Integration Network - Public Education	222,801	222,801
Local Health Integration Network - VCP	48,980	48,980
Memberships	-	1,853
Special events and fundraising activities	184,511	365,330

**1,152,788**

**1,215,971**

## Expenses

Advertising and publications	-	379
Amortization	5,064	2,502
Bank charges	7,195	5,652
Capital asset acquisitions	509	492
Insurance	4,244	5,233
Miscellaneous	956	323
Office, postage, telephone	60,043	63,918
Professional development	7,723	5,425
Professional fees	11,771	14,852
Public awareness, programs and family support	66,045	26,689
Rent and utilities	57,434	62,876
Repairs and maintenance	8,092	13,909
Special events and fundraising	8,600	47,579
Travel and conferences	16,188	23,207
Wages and benefits	805,070	856,134

**1,058,934**

**1,129,170**

## EXCESS OF REVENUE OVER EXPENDITURES

**93,854**

**86,801**

# Alzheimer Society Waterloo Wellington

## Statement of Change in Net Assets

year ended March 31, 2018

*in dollars*

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2018	2017
<b>Internally Restricted Net Assets</b>		
Net assets, beginning of year	14,490	30,193
Excess (deficiency) of revenue over expenses for the year	(2,545)	(15,703)
	11,945	14,490
<b>Unrestricted Net Assets</b>		
Net assets, beginning of year	531,682	429,178
Excess (deficiency) of revenue over expenses for the year	96,399	102,504
	628,081	531,682
<b>NET ASSETS, END OF YEAR</b>	<b>640,026</b>	<b>546,172</b>

# Alzheimer Society Waterloo Wellington

## Statement of Cash Flows year ended March 31, 2018

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

2018

2017

### CASH PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

Excess of revenue over expenditures for the year	93,854	86,801
Amortization	5,064	2,502
<hr/>		
	98,918	89,303
Changes in non-cash working capital related to operations - <i>Note 8</i>	26,894	(1,706)
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	<b>125,812</b>	<b>87,597</b>

#### INVESTING ACTIVITIES

Increase in short term investments	(311,996)	(965)
Redemption of long term investments	100,000	-
Increase in Libro Credit Union class P shares	(543)	(192)
Increase in Your Neighbourhood Credit Union Membership shares	(5)	-
Purchase of capital assets	-	(15,211)
<hr/>		
	<b>(212,544)</b>	<b>(16,368)</b>

#### CHANGE IN CASH AND CASH EQUIVALENTS

**(86,732)**

**71,229**

Cash and cash equivalents, beginning of year	347,945	276,716
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#### Cash and cash equivalents, end of year

**261,213**

**347,945**

#### Represented by:

Cash and cash equivalents	261,213	347,945
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**261,213**

**347,945**



# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2018

*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 Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2018

*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 Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2018

in dollars

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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

	2018	2017
Cash	259,847	346,312
Restricted cash	1,366	1,633
	261,213	347,945

Restricted cash is externally restricted by various funding organizations.

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2018

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 5 GUARANTEED INVESTMENT CERTIFICATES

	2018	2017
Your Neighbourhood Credit Union, GIC 90 day term special, interest at 2.30%, matures April 11, 2018	70,348	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.15%, matures April 13, 2018	70,236	-
Libro Credit Union, GIC 30 day non-redeemable, interest at 1.30%, matures April 13, 2018	104,668	103,844
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.30%, matures May 13, 2018	70,250	-
Libro Credit Union, GIC 36 month non-redeemable, interest at 2.20%, matures February 3, 2019	100,338	-
	415,840	103,844

### 6 CAPITAL ASSETS

	Cost	Accumulated Amortization	2018 Net book value	2017 Net book value
Computer hardware	15,211	7,566	7,645	12,709
	15,211	7,566	7,645	12,709

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2018

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 7 DEFERRED REVENUE

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

	2018	2017
Mind in Motion program	-	60
Nevada funds	1,366	1,633
New Horizons	18,500	-
Trillium	41,500	-
Walk for Alzheimers	2,780	-
Volunteer appreciation	160	-
Carepartner Social	20	408
	64,326	2,101

### 8 STATEMENT OF CASH FLOWS

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

	2018	2017
Accounts receivable	(23,797)	(6,011)
HST receivable	789	8,935
Prepaid expenses	(2,749)	3,578
Accounts payable and accruals	(9,574)	7,840
Deferred revenue	62,225	(16,048)
	26,894	(1,706)

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2018

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

### 9 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 \$3,000 plus tax and expires March 2019. 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 a monthly rent, business service, and common charges payment of \$771 plus tax 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 four years are as follows:

2019	71,984
2020	31,650
2021	16,093
2022	11,272
	<hr/>
	130,999