

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

**FINANCIAL STATEMENTS**

**MARCH 31, 2017**

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

**FINANCIAL STATEMENTS**

**MARCH 31, 2017**

**TABLE OF CONTENTS**

	Page Number
<b>INDEPENDENT AUDITOR'S REPORT</b>	
<b>FINANCIAL STATEMENTS</b>	
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



**Collins Barrow Kawartha LLP**  
272 Charlotte Street  
Peterborough, Ontario K9J 2V4  
T: 705.742.3418  
F: 705.742.9775  
www.collinsbarrow.com

## INDEPENDENT AUDITOR'S REPORT

### **To the Directors of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton**

#### *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, 2017, 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.

#### *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 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 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*

In our opinion, except for the effects of the matter described above in the basis for qualified opinion paragraph, 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, 2017 and the results of its operations and cash flows for the year then ended accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

### *Collins Barrow Kawartha LLP*

Chartered Professional Accountants  
Licensed Public Accountants

Peterborough, Ontario  
June 14, 2017

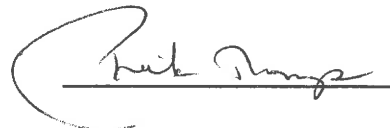
**ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES,  
NORTHUMBERLAND & HALIBURTON**

**STATEMENT OF FINANCIAL POSITION  
As at March 31, 2017**

	2017 \$	2016 \$
<b>ASSETS</b>		
<b>Current assets</b>		
Cash	211,694	267,364
Accounts receivable	63,052	25,840
	274,746	293,204
<b>Investments (note 3)</b>	589,536	542,277
<b>Tangible capital assets (note 5)</b>	3,757	4,820
	868,039	840,301
<b>LIABILITIES AND FUND BALANCES</b>		
<b>Current liabilities</b>		
Accounts payable and accrued	63,514	78,979
Government remittances payable	18,325	14,491
	81,839	93,470
<b>Fund balances</b>		
Externally restricted (note 6)	16,588	16,217
Internally restricted (note 6)	765,855	725,794
Equity in tangible capital assets	3,757	4,820
	786,200	746,831
	868,039	840,301

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, 2017**

	Operating Fund 2017 \$	Equity in Tangible Capital Assets 2017 \$	Externally Restricted Funds 2017 \$	Internally Restricted Funds 2017 \$	Total 2017 \$	Total 2016 \$
<b>Fund balances - beginning of year</b>	-	4,820	16,217	725,794	746,831	675,971
Excess (deficiency) of revenue over expenses for the year	-	(1,063)	371	40,061	39,369	70,860
<b>Fund balances - end of year</b>	-	3,757	16,588	765,855	786,200	746,831

*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, 2017

	Budget 2017 \$ (Unaudited)	Actual 2017 \$	Actual 2016 \$
<b>Revenue</b>			
Grants			
Local Health Integration Network	413,916	418,055	413,916
Alzheimer Society of Ontario	18,000	18,000	18,000
First Link	224,963	243,295	206,633
Other	-	61,026	17,987
Donations (Schedule 1)	163,000	173,431	178,617
Fundraising activities - net (Schedule 2)	114,200	96,999	157,846
Investment income	-	11,620	8,750
<b>Total revenue</b>	<b>934,079</b>	<b>1,022,426</b>	<b>1,001,749</b>
<b>Expenses</b>			
Salaries and benefits	672,500	547,445	559,445
Direct service costs (Schedule 3)	32,800	28,569	30,195
Public awareness (Schedule 4)	5,700	3,562	5,446
Research and awards	800	300	300
Facilities	64,000	62,788	58,941
Office (Schedule 5)	108,871	112,196	67,754
Amortization	2,000	1,063	1,539
First Link program costs	40,950	228,401	206,633
<b>Total expenses</b>	<b>927,621</b>	<b>984,324</b>	<b>930,253</b>
<b>Excess of revenue over expenses for the year before the following</b>	<b>6,458</b>	<b>38,102</b>	<b>71,496</b>
<b>(Loss) on disposal of capital assets</b>	<b>-</b>	<b>-</b>	<b>(891)</b>
<b>Unrealized gain on investments</b>	<b>-</b>	<b>-</b>	<b>255</b>
<b>Gain on disposal of investments</b>	<b>-</b>	<b>1,267</b>	<b>-</b>
<b>Excess of revenue over expenses for the year</b>	<b>6,458</b>	<b>39,369</b>	<b>70,860</b>

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, 2017

	2017	2016
	\$	\$
<b>CASH PROVIDED FROM (USED FOR):</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	39,369	70,860
Non-cash charges to operations		
Loss on disposal of tangible capital assets	-	891
Amortization	1,063	1,539
Unrealized gain on investments	-	(255)
Gain on disposal of investments	(1,267)	-
	<u>39,165</u>	<u>73,035</u>
Changes in non-cash working capital items		
Accounts receivable	(37,212)	(121)
Prepaid expenses	-	1,830
Accounts payable and accrued	(15,465)	30,208
Government remittances payable	3,834	14,140
	<u>(9,678)</u>	<u>119,092</u>
<b>Investing activities</b>		
Redemption of investments	148,352	250,736
Purchase of investments	(194,344)	(268,502)
	<u>(45,992)</u>	<u>(17,766)</u>
<b>Increase (decrease) in cash</b>	<b>(55,670)</b>	<b>101,326</b>
<b>Cash - beginning of year</b>	<b>267,364</b>	<b>166,038</b>
<b>Cash - end of year</b>	<b>211,694</b>	<b>267,364</b>

*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, 2017

---

### 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.

Restricted and unrestricted investment income is recognized as revenue when earned in the appropriate fund.

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 tangible 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, 2017

---

### 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 tangible 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 Tangible Capital Assets

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

#### (d) Tangible capital assets

Tangible 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 Income Tax Act, 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, 2017

---

### 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 are 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 and accounts receivable.

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

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 GICs and shares. The GIC investments earn interest in the range of 1.69% to 3.01% and are due between fiscal 2018 and 2022. GIC investments are recorded at market value of \$589,536 (2016 - \$533,185). Share investments are recorded at market value of \$Nil (2016 - \$9,092).

### 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, 2017

### 5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated	Net Book Value	
	\$	Amortization	2017	2016
	\$	\$	\$	\$
Furniture and fixtures	38,058	34,994	3,064	3,830
Computer equipment	31,883	31,391	492	703
Leasehold improvements	27,150	27,150	-	-
Computer software	3,485	3,284	201	287
	100,576	96,819	3,757	4,820

### 6. INTERNALLY AND EXTERNALLY RESTRICTED FUNDS

The restricted funds consist of the following:

	2017	2016
	\$	\$
<b>Internally Restricted</b>		
Operating reserve	92,000	92,000
Capital campaign	673,855	633,794
	765,855	725,794
<b>Externally Restricted</b>		
Burgess Estate Fund	16,588	16,217

### 7. CHARITABLE REMAINDER TRUSTS

The organization has been named the residual beneficiary under charitable remainder trust agreements for investments with a market value of \$29,520 (2016 - \$29,672). 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. These amounts are not included in the financial statements.

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

## NOTES TO THE FINANCIAL STATEMENTS For the Year Ended March 31, 2017

---

### 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 and market 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.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The organization has limited exposure to credit risk as the majority of receivables are due from Municipal, Provincial and Federal levels of government.

### 9. COMMITMENTS

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

2018	\$47,453
2019	34,674
2020	20,415

### 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, 2017

### Schedule 1 - Donations

	Budget 2017 (Note 10) \$	Actual 2017 \$	Actual 2016 \$
Memorial	54,000	75,200	56,319
General	59,000	63,903	86,020
Bequests	50,000	34,328	36,278
	163,000	173,431	178,617

### Schedule 2 - Fundraising Activities - Net

	Budget 2017 (Note 10) \$	Actual 2017 \$	Actual 2016 \$
Fundraising revenues	135,000	135,152	202,100
Fundraising costs	(20,800)	(38,153)	(44,254)
	114,200	96,999	157,846

### Schedule 3 - Direct Service Costs

	Budget 2017 (Note 10) \$	Actual 2017 \$	Actual 2016 \$
Caregivers and staff travel	21,300	20,599	20,511
Training and education	3,600	2,839	3,312
Client services	6,300	4,473	5,293
Volunteers	1,600	658	1,079
	32,800	28,569	30,195

*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, 2017

### Schedule 4 - Public Awareness

	Budget 2017 (Note 10) \$	Actual 2017 \$	Actual 2016 \$
Literature and library	1,000	-	208
Newsletter distribution	2,500	-	1,599
Meetings	2,000	2,226	2,607
Seminars, conferences and workshops	200	1,336	1,032
	5,700	3,562	5,446

### Schedule 5 - Office

	Budget 2017 (Note 10) \$	Actual 2017 \$	Actual 2016 \$
Telephone	6,000	3,694	6,394
Postage and printing	4,000	4,284	3,988
Office supplies	9,650	9,220	7,998
Computer internet and equipment maintenance	12,000	15,319	13,211
Courier and freight	100	218	190
Bank charges	3,000	4,390	3,563
Insurance	2,400	2,589	2,320
Professional services	62,721	65,203	15,042
Miscellaneous	1,000	1,069	4,619
Office cleaning	7,500	5,867	5,696
Association fees	500	343	4,733
	108,871	112,196	67,754

*The accompanying notes are an integral part of these financial statements*