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ALZHEIMER SOCIETY OF OXFORD

FINANCIAL STATEMENTS
(Audited)

YEAR ENDED MARCH 31, 2016

Micacchi Warnick & Company Professional Corporation | Chartered Professional Accountants
35 Perry Street Unit 2, Woodstock, Ontario N4S 3C4 | P:519.539.6109 F:519.421.1339 TF:1.877.539.6109
45 King Street West, Ingersoll, Ontario N5C 2J7 | P:519.485.2350 F:519.425.2416 TF:1.888.485.2350
www.mwcopc.com

ALZHEIMER SOCIETY OF OXFORD
INDEX TO FINANCIAL STATEMENTS
YEAR ENDED MARCH 31, 2016

	Page
Auditors' Report	1 - 2
Statement of Financial Position	3
Statement of Operations and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to the Financial Statements	6 - 10

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AUDITORS' REPORT

To the Board of Directors
Alzheimer Society of Oxford

We have audited the accompanying financial statements of Alzheimer Society of Oxford, which comprise the statements of financial position as at March 31, 2016, the statements of operations and 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.

Auditors' 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 auditors 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 non-profit organizations, the organization derives revenue from donations and other fundraising activities, 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 were not able to determine whether any adjustments might be necessary to donation and fundraising income, surplus (deficit) and current assets.

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 the organization as at March 31, 2016, and its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Micacchi Warnick P.Co

MICACCHI WARNICK & COMPANY
Professional Corporation | Chartered Professional Accountants
Authorized to practise public accounting by the Chartered Professional Accountants of Ontario

Woodstock, Ontario
May 25, 2016

ALZHEIMER SOCIETY OF OXFORD
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2016
(Audited)

ASSETS

	General Fund	Ministry of Health	Capital Fund	Total 2016	Total 2015
Current					
Cash (note 3)	$ 147,700	$ -	$ -	$ 147,700	$ 156,344
Investments (note 4)	341,432	-	-	341,432	288,077
HST receivable	6,534	-	-	6,534	6,564
Other receivable	85	-	-	85	-
Deposits	6,232	-	-	6,232	7,510
	501,983	-	-	501,983	458,495
Capital assets (note 5)	-	-	567,064	567,064	589,587
	$ 501,983	$ -	$ 567,064	$ 1,069,047	$ 1,048,082

LIABILITIES AND FUND BALANCES

Current					
Accounts payable and accrued liabilities	$ 41,647	$ -	$ -	$ 41,647	$ 48,267
Employee deductions payable	7,480	-	-	7,480	6,985
Current portion of capital lease (note 6)	-	-	4,177	4,177	5,114
	49,127	-	4,177	53,304	60,366
Capital lease obligation (note 6)	-	-	-	-	4,177
Deferred contributions	-	-	3,964	3,964	6,856
Deferred capital contributions (note 7)	-	-	364,251	364,251	370,790
Total liabilities	49,127	-	372,392	421,519	442,189
Net assets					
Internally restricted (note 3)	50,000	-	-	50,000	50,000
Unrestricted	402,856	-	194,672	597,528	555,893
	452,856	-	194,672	647,528	605,893
	$ 501,983	$ -	$ 567,064	$ 1,069,047	$ 1,048,082

Approved on Behalf of the Board

Director

Director

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

ALZHEIMER SOCIETY OF OXFORD
STATEMENT OF OPERATIONS AND CHANGES IN NET ASSETS
YEAR ENDED MARCH 31, 2016
(Audited)

	General Fund	Ministry of Health	Capital Fund	Total 2016	Total 2015
Revenues					
Donations	$ 85,493	$ -	$ -	$ 85,493	$ 84,719
Golf tournament	24,193	-	-	24,193	24,080
Grants (note 8)	23,693	-	-	23,693	992
Ministry of Health and long-term care funding (note 9)	-	544,226	-	544,226	531,768
Interest	368	-	-	368	6,406
Nevada	11,300	-	-	11,300	11,865
Other fundraising	63,542	-	-	63,542	86,129
Walk for memories	128,885	-	-	128,885	121,588
Other	2,107	-	-	2,107	1,869
Amortization of deferred capital contribution (note 7)	-	-	18,960	18,960	16,681
	339,581	544,226	18,960	902,767	886,097
Expenditures					
Advertising	4,500	3,970	57	8,527	9,373
Amortization	-	-	35,452	35,452	35,329
Computer costs	-	2,015	-	2,015	3,009
Education	1,099	3,616	-	4,715	8,671
Fundraising	40,948	-	-	40,948	46,345
Insurance	-	4,635	-	4,635	4,398
Interest and bank charges	-	2,857	-	2,857	2,152
Interest on capital lease	-	-	686	686	1,163
Literature	252	13,271	-	13,523	7,306
Maintenance	-	16,112	-	16,112	27,256
Minor equipment	-	9,746	-	9,746	3,764
Municipal taxes	-	5,763	-	5,763	6,052
Office supplies	5,350	13,514	-	18,864	26,031
Public relations	669	-	-	669	-
Purchased services	-	7,820	-	7,820	6,159
Research	1,000	-	-	1,000	1,000
Salaries and benefits	99,176	558,385	-	657,561	632,911
Telecommunications	-	3,338	-	3,338	3,222
Training	100	7,556	-	7,656	3,628
Travel	771	11,607	-	12,378	12,319
Utilities	-	7,810	-	7,810	7,355
Unrealized (gain)/loss on investments	(942)	-	-	(942)	(6,078)
	152,923	672,015	36,195	861,133	841,365
Surplus (deficit)	186,658	(127,789)	(17,235)	41,634	44,732
Net assets, beginning of year	403,243	-	202,651	605,894	561,162
Interfund transfers (note 10)	(137,045)	127,789	9,256	-	-
Net assets, end of year	$ 452,856	$ -	$ 194,672	$ 647,528	$ 605,894

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

ALZHEIMER SOCIETY OF OXFORD
STATEMENT OF CASH FLOWS
YEAR ENDED MARCH 31, 2016
(Audited)

	2016	2015
Cash flows from operating activities		
Surplus	$ 41,634	$ 44,732
Amortization	35,452	35,329
	77,086	80,061
Changes in working capital components		
Accounts receivable	(85)	1,278
HST receivable	30	8,897
Deposits	1,278	(4,512)
Accounts payable	(6,620)	(45,550)
Employee deductions payable	495	931
Cash flows from operating activities	72,184	41,105
Cash flows from financing activities		
Increase (decrease) in deferred contributions	(2,892)	6,463
Increase (decrease) in deferred capital contributions	(6,539)	10,540
Repayment of capital lease obligation	(5,113)	(4,637)
Cash flows from (provided to) financing activities	(14,544)	12,366
Cash flows from investing activities		
Purchase of capital assets	(12,929)	(25,554)
Net decrease (increase) in investments	(53,355)	10,646
Cash flows from (provided to) investing activities	(66,284)	(14,908)
Net increase (decrease) in cash	(8,644)	38,563
Cash at beginning of year	156,344	117,781
Cash at end of year	$ 147,700	$ 156,344

The accompanying summary of significant accounting policies and notes are an integral part of these financial statements.

1. Purpose of the organization

The Alzheimer Society of Oxford was founded in 1989 and incorporated in August of 1995 as a non-profit organization. It is registered as a charity under the Canadian Income Tax Act. Its mission statement is "to improve the quality of life for people and their caregivers living with Alzheimer's disease and related dementia." The society provides support and information to individuals who are directly affected by the disease, and increases awareness in the community about the disease through information sessions and fundraising events.

2. Significant accounting policies

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

Capital assets and amortization

Capital assets are stated at cost. Amortization is recorded on the straight line basis at the following rates (1/2 the annual rate in the year of acquisition).

Buildings	25 years
Office equipment	5 years
Computer equipment	3 years

Fund accounting

(a) Ministry of Health fund

This fund is used to report contributions from the Ministry of Health which are used to provide information and support to individuals affected by Alzheimer's disease and related dementia.

(b) General fund

This fund is used to report fundraising, donations and other revenues and expenses earned and incurred in order to run the day to day operations of the Alzheimer Society of Oxford.

(c) Capital fund

This fund is used to report the capital resources of the organization consisting of land, buildings, computer equipment, office equipment and the related long-term debt.

Revenue recognition

The organization follows the deferral method of accounting for contributions. 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 to be received can be reasonably estimated and collection is reasonably assured.

Donated services

The work of the organization is dependent on the voluntary services of its members. Since these services are not normally purchased by the organization and because of the difficulty of determining their fair value, donated services are not recognized in these statements.

2. Significant accounting policies continued

Financial instruments

The organization measures its financial assets and financial liabilities at fair value. The organization subsequently measures all its financial assets and financial liabilities at amortized cost, except for 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.

Financial assets measured at amortized cost include cash, and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable.

Financial assets measured at fair value include the investment in common shares.

Use of estimates

The preparation of financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Significant areas requiring the use of estimates include the recognition and valuation of financial assets held for trading, accounts receivable, capital assets and accounts payable and accrued liabilities. Actual results could differ from those estimates.

Allocation of expenses

The organization engages in health promotion, education and in-home and community services through funding provided by the Ministry of Health and Long-Term Care. The costs of these programs and services include the costs of personnel, premises, supplies and other expenses that are directly related to the provision of these programs and services. The organization also incurs a number of the general support expenses that are common to the administration of the organization and its programs and services.

Personnel costs (salaries and benefits) are allocated across the programs and services based on a percentage of the total salary for each staff position. The percentage is determined based on the estimated time spent on the various programs and services.

The Ministry of Health fund includes an allocation of salaries and benefits related to administration and to programs and services funded by the Ministry of Health and Long-Term Care on an item by item basis which is determined by management.

The General fund includes an allocation of salaries and benefits related to fundraising and to programs and services which are not funded by the Ministry of Health and Long-Term Care on an item by item basis which is determined by management.

3. Cash

The organization maintains all of their bank accounts with the Royal Bank of Canada. The bank accounts consists of an operating account and a bank account for the Woodstock Nevada location. General use of the bank accounts is unrestricted for the operations of the not-for-profit entity.

The organization has created an internally restricted fund which is to act as an emergency fund. The organization intends to accumulate funds up to $50,000 to be used should they have any reduction in funding in the future, or require a major capital repair. As at March 31, 2016, the amount accumulated for this purpose is $50,000 (2015 - $50,000). The total cash and liquidity cash reserve funds of the organization is as follows:

	2016	2015
Cash	$ 147,700	$ 156,344
Investments (note 4)	341,432	288,077
Less: Liquidity cash reserve	(50,000)	(50,000)
Unrestricted cash	$ 439,132	$ 394,421

4. Investments

RBC investment portfolio:	2016	2015
Cash account	$ 10,898	$ 8,852
Common shares	48,493	47,552
0.73% RBC One Year Cashable GIC, matures January 2017	50,079	-
RBC Canadian short-term income funds	231,962	231,673
	$ 341,432	$ 288,077

5. Capital assets

	Cost	Accumulated Amortization	Net 2016	Net 2015
Land	$ 65,031	$ -	$ 65,031	$ 65,031
Building	615,697	133,138	482,559	507,187
Equipment	62,820	43,346	19,474	17,369
	$ 743,548	$ 176,484	$ 567,064	$ 589,587

6. Obligations under capital lease

	2016	2015
9.823% Dell computer lease, payable $483 monthly including interest, due December 2016, secured by Dell computers with a carrying value of $0.	$ 4,350	$ 10,150
Less imputed interest	173	859
Less current portion	4,177	5,114
	$ -	$ 4,177

7. Deferred capital contributions

Deferred capital contributions represents unspent funding and donations which will be used to offset the cost of the building addition and new office space. These contributions are recognized into revenue proportionate to the amortization of the related capital assets.

	2016	2015
Balance, beginning of year	$ 370,790	$ 360,250
Deferred capital contributions - Ministry (note 9)	4,002	16,423
- Westminster Grant	8,419	10,798
Less: amortization of deferred capital contributions	(18,960)	(16,681)
Balance, end of year	$ 364,251	$ 370,790

8. Grants

During the year, the organization received grants from the following organizations and associations:

	2016	2015
Alzheimer Society of Ontario	$ 20,800	$ -
Oxford Mutual Insurance	-	2,500
Oxford Community Foundation	-	992
Westminister Foundation	8,419	-
Less: current year deferred contributions	(8,419)	(2,500)
Add: prior year deferred contributions recognized in current year	2,893	-
	$ 23,693	$ 992

9. Ministry of Health and Long-Term Care funding

	2016	2015
Funding	$ 533,632	$ 528,349
One-time minor infrastructure funding	14,715	-
Community Sector Infrastructure funding	-	19,962
Allocated to deferred capital contributions (Note 7)	(4,002)	(16,423)
Repayment of one-time program funding	(119)	(120)
	$ 544,226	$ 531,768

10. Interfund transfers

During the year there were transfers made from the General Fund to the Ministry of Health Fund to cover the deficit in the Ministry of Health Fund and transfers made from the General Fund to the Capital Fund to partially cover the purchase of capital assets that were not funded with grants.

11. Lease commitments

Future minimum lease payments under current lease commitments for office equipment are as follows:

Year	Amount
2017	$ 3,235
2018	3,235
2019	3,102
2020	2,703
2021	676

12. Economic dependence

The organization is dependent on funding received from the Ministry of Health and Long-Term Care to administer its programs.

13. Commitments

The organization has available to them a one year $10,000 term loan at a rate of prime plus 1% and a business operating line of credit in the amount of $90,000 at a rate of prime plus 1% from Royal Bank. As of March 31, 2016 there was no balance outstanding on either facility.

14. Financial instruments

The organization is exposed to various risks through its financial instruments, without being exposed to concentrations of risk. The following analysis provides a measure of the organization's risk exposure as at the year then ended.

i) Credit risk exposure

Credit risk is the risk that one party to a financial instrument will cause a financial loss of the other party by failing to discharge an obligation. The organization's main credit risks relate to its investments all held at the Royal Bank of Canada.

ii) 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 organization is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the organization to a fair value risk while the floating rate instruments subject it to a cash flow risk.