
**ALZHEIMER SOCIETY OF CORNWALL & DISTRICT
SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION**

FINANCIAL STATEMENTS

MARCH 31, 2023

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT
SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

MARCH 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Alzheimer Society of Cornwall & District /
Société Alzheimer de Cornwall et Région

Qualified Opinion

We have audited the financial statements of Alzheimer Society of Cornwall & District / Société Alzheimer de Cornwall et Région ("the Society"), which comprise:

- the statement of financial position as at March 31, 2023,
- the statement of operations for the year then ended,
- the statement of changes in net assets for the year then ended,
- the cash flow statement for the year then ended, and
- notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with the Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities and donations, 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 the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.



Responsibilities of Management and Those Charged with Governance 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 misstatements, whether due to fraud or error.

In preparing those financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to a going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we concluded that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Cornwall, Ontario
June 26, 2023


Chartered Professional Accountants
Licensed Public Accountants

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT
SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31, 2023

	2023	2022
ASSETS		
CURRENT		
Cash	\$ 1,043,326	\$ 993,653
Short-term investment	339,730	333,097
Accounts receivable	53,371	17,231
Prepaid expenses	15,934	15,932
	1,452,361	1,359,913
CAPITAL ASSETS (Note 4)	47,766	36,085
	\$ 1,500,127	\$ 1,395,998
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 51,323	\$ 65,477
Due to Ontario Health	99,547	57,150
Deferred revenue	-	745
	150,870	123,372
DEFERRED CONTRIBUTIONS	47,766	36,085
	198,636	159,457
NET ASSETS		
UNRESTRICTED NET ASSETS	643,195	571,541
INTERNALLY RESTRICTED - OPERATING COSTS (Note 6)	450,000	450,000
INTERNALLY RESTRICTED - DEMENTIA FRIENDLY COMMUNITY INITIATIVES (Note 6)	30,000	30,000
INTERNALLY RESTRICTED - MINDS IN MOTION / RECREATIONAL ACTIVITIES (Note 6)	28,296	35,000
INTERNALLY RESTRICTED - DAY PROGRAM (Note 6)	150,000	150,000
	1,301,491	1,236,541
	\$ 1,500,127	\$ 1,395,998

APPROVED ON BEHALF OF THE BOARD:

 Director **G.A. KNEZEVIC**
 Director **ANITA ROACH**

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT
SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
REVENUES		
Grant - Local Health Integration Network (Note 7)	\$ 1,006,374	\$ 1,007,497
Grant - Memory clinics	20,000	20,000
Grants - other	32,820	35,178
Grants - Project Lifesaver	26,794	-
Alzheimer Society of Ontario - Revenue sharing	45,289	4,626
Client fees	49,001	23,551
Donations and bequests	48,615	35,870
Fundraising activities	79,393	50,938
Other	11,027	3,348
	1,319,313	1,181,008
EXPENSES		
Program and services	982,045	905,362
Direct fundraising costs	74,380	50,474
Advocacy and operating costs	155,541	148,497
	1,211,966	1,104,333
SURPLUS BEFORE SETTLEMENTS	107,347	76,675
CURRENT YEAR SETTLEMENT (Note 8)	(42,397)	(35,939)
EXCESS OF REVENUES OVER EXPENSES	\$ 64,950	\$ 40,736

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT
SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED MARCH 31, 2023

	Internally Restricted, Minds in Motion	Internally Restricted, Dementia Friendly Community	Internally Restricted, Day Program	Internally Restricted, Operating Costs	Unrestricted net Assets	2023	2022
NET ASSETS, beginning of year	\$ 35,000	\$ 30,000	\$ 150,000	\$ 450,000	\$ 571,541	\$ 1,236,541	\$ 1,195,805
Excess of revenues over expenses	-	-	-	-	64,950	64,950	40,736
Transfer to unrestricted net assets	(6,704)	-	-	-	6,704	-	-
NET ASSETS, end of year	\$ 28,296	\$ 30,000	\$ 150,000	\$ 450,000	\$ 643,195	\$ 1,301,491	\$ 1,236,541

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT
SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

CASH FLOW STATEMENT
FOR THE YEAR ENDED MARCH 31, 2023

	2023	2022
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash receipts	\$ 1,284,891	\$ 1,181,985
Cash payments to suppliers	(375,785)	(339,691)
Cash payments for salaries	(838,390)	(770,793)
Interest received	9,218	3,338
	79,934	74,839
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(23,628)	(19,603)
(Increase) decrease in investments	(6,633)	29,589
	(30,261)	9,986
NET INCREASE IN CASH	49,673	84,825
CASH, beginning of year	993,653	908,828
CASH, end of year	\$ 1,043,326	\$ 993,653

The accompanying notes are an integral part of these financial statements

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

1. DESCRIPTION OF OPERATIONS

The Society is incorporated under the Corporations Act (Ontario) without share capital and is registered as a charitable organization under the Income Tax Act (Canada).

The Society's mission is to alleviate the personal and social consequences of Alzheimer Disease and dementias, through family support, education, advocacy and research. The Society's geographic focus is the City of Cornwall and the Counties of Stormont, Dundas, Glengarry, Prescott and Russell and the Mohawk Territory of Akwesasne.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

(a) Revenue recognition

The Society 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.

(b) Cash

Cash consists of cash on deposit with a Canadian chartered bank less cheques issued and outstanding.

(c) Capital assets

Capital assets are recorded at cost. Amortization is provided using the following methods and rates, with the exception of the year of purchase, when one-half of the rate is applied:

Computer equipment	30%	diminishing balance
Furniture and equipment	20%	diminishing balance
Leasehold improvements	5 years	straight-line

(d) Pledges

The amount of any pledges to donate funds to the Society is included in revenues when the funds are received by the Society.

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

(e) Allocation of expenses

The Society allocates certain of its general support expenses that are common to the administration of the organization and its programs by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year.

(f) Measurement uncertainty

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 and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary.

Amortization is based on the estimated useful lives of property and equipment.

By their nature, these estimates are subject to measurement uncertainty, and the effect on the financial statements from changes in such estimates in future years could be material. These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in earnings in the years in which they become known.

(g) Financial instruments

i) Measurement of financial instruments

The Society initially measures its financial assets and liabilities at fair value.

The Society 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 earnings.

Cost in a related party transaction with repayment terms is determined using its undiscounted cash flows, excluding interest and dividend payments, less any impairment losses.

Cost in a related party transaction with no repayment terms is determined using the consideration transferred or received by the company in the transaction.

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. If an impairment has occurred, the carrying amount of financial assets measured at amortized cost is reduced to the greater of the discounted future cash flows expected or the proceeds that could be realized from the sale of the financial asset. The amount of the write-down is recognized in net earnings. The previously recognized impairment loss may be reversed to the extent of the improvement, directly or by adjusting the allowance account, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in net earnings.

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

iii) Transaction costs

The Society recognizes its transaction costs in net earnings in the year incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

3. ECONOMIC DEPENDENCE

The Society is dependent upon Ontario Health for the majority of its current program funding.

4. CAPITAL ASSETS

	2023		2022	
	Cost	Accumulated amortization	Net carrying amount	Net carrying amount
Computer equipment	\$ 57,475	\$ 44,485	\$ 12,990	\$ 14,821
Furniture and equipment	58,420	23,644	34,776	20,350
Leasehold improvements	29,771	29,771	-	914
	\$ 145,666	\$ 97,900	\$ 47,766	\$ 36,085

5. INVESTMENT IN CAPITAL ASSETS

Investment in capital assets is determined as follows:

	2023	2022
Capital assets	\$ 47,766	\$ 36,085
Less: deferred revenue	47,766	36,085
Balance, end of year	\$ -	\$ -

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

6. INTERNALLY RESTRICTED

In 2013, the Board established a reserve for future operating contingencies and appropriated \$450,000 of previously unrestricted net assets for this reserve. The Board has resolved to maintain the reserve at an amount approximately equal to six months of operating expenses.

In 2019, the Board established a reserve for the Day Program and appropriated \$150,000 of previously unrestricted net assets for this reserve. The Board has resolved to utilize the funds for capital and operating expenditures of the Day Program.

In 2020, the Board established reserves for the Dementia Friendly Community Initiatives and for the Minds in Motion / Recreational Activities and appropriated \$30,000 and \$25,000 respectively of previously unrestricted net assets.

In 2022, the Board appropriated \$10,000 of previously unrestricted net assets for Minds in Motion / Recreational Activities.

In 2023, the Society incurred \$6,704 in Minds in Motion / Recreational Activities program expenses. This amount has been moved to unrestricted net assets from the previously restricted funds.

7. GRANT - LOCAL HEALTH INTEGRATION NETWORK

	2023	2022
Base	\$ 944,138	\$ 944,138
One time	57,636	72,976
Amortization of deferred revenue	10,138	9,986
Capital asset funding deferred	(5,538)	(19,603)
	\$ 1,006,374	\$ 1,007,497

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

8. CURRENT YEAR SETTLEMENT

The Society receives funds from Ontario Health for specific purposes. Funds that have not been spent in the current year are repayable to the funder.

9. CANADA REVENUE AGENCY REVIEW

Between March 18, 2020 and June 19, 2020, the Society claimed \$16,265 under the 10% Temporary Wage Subsidy made available to organizations by the federal government as a result of the economic slowdown caused by COVID-19. Canada Revenue Agency completed a review of the accuracy of this claim on July 15, 2022, and allowed the total amount claimed.

10. COMMITMENTS

The operating lease for the building in which the Society operates has expired and converted to a month-to-month lease. An operating lease extension is under negotiation as of the reporting date.

11. ALLOCATION OF EXPENSES

The following expenses have been allocated between program and services costs and advocacy and operating costs.

	Program and Service costs	Advocacy and Operating costs
Bank charges	\$ 464	\$ 965
Insurance	1,772	2,237
Meeting	95	207
Office supplies	4,647	10,120
Postage	2,701	2,728
Professional fees	6,905	189
Staff travel	27,730	2,640
Telephone	9,715	2,089
Third party fees	446	1,885
	\$ 54,475	\$ 23,060

ALZHEIMER SOCIETY OF CORNWALL & DISTRICT SOCIÉTÉ ALZHEIMER DE CORNWALL ET RÉGION

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

12. FINANCIAL INSTRUMENTS

The Society's financial instruments consist of cash, short-term investments, accounts receivable and accounts payable and accrued liabilities.

The risks that arise from transacting in financial instruments include interest rate risk, liquidity risk, credit risk, foreign currency exchange risk and market risk. Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises currency risk, interest rate risk and other price risk. Other price risk arises from other changes in market prices caused by factors specific to the financial instruments or its issuer, or factors affecting all similar financial instruments in the market.

(a) Credit risk

The Society's credit risk relates to accounts receivable. The Society provides credit to its members and customers in the normal course of operations. During the year, the Society's exposure to credit risk fluctuates as a result of changes in accounts receivable balances.

(b) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk on its fixed and floating interest rate financial instruments. Fixed-interest instruments subject the enterprise to a fair value risk while the floating instruments subject it to a cash flow risk. However, the Society's exposure to interest rate risk remains unchanged from the previous year.

(b) Liquidity risk

Liquidity risk is the risk that the Society will not be able to meet its obligations associated with its financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities. During the year, exposure to liquidity risk changed from the previous year as a result of the decrease in financial liabilities, in particular its accounts payable. The liquidity risk is mitigated in part by the strong cash balance at year end.

13. SUBSEQUENT EVENT

During the year and subsequent to year end, the Novel Coronavirus (Covid-19) continues to significantly impact the economy in Canada and globally. Although the disruption from the virus is expected to be temporary, there continues to be supply chain disruptions, labor shortages and increased government regulations, all of which may negatively impact the Society's business and financial condition.