

**ALZHEIMER SOCIETY OF DURHAM REGION**

**FINANCIAL STATEMENTS**

**MARCH 31, 2022**



Smith  
Chappell  
Marsh  
Vilander LLP

H. Howard Smith, FCPA (Retired)  
Richard A. Chappell, CPA, CA (Retired)  
Deborah L. Marsh, CPA, CA  
Vesa K. Vilander, CPA, CA

## INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF  
ALZHEIMER SOCIETY OF DURHAM REGION  
WHITBY, ONTARIO

### *Qualified Opinion*

We have audited the financial statements of Alzheimer Society of Durham Region (the Society), which comprise the statement of financial position as at March 31, 2022, and the statements of operations, changes in net assets and cash flows 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, 2022, 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.

### *Basis for Qualified Opinion*

In common with many charitable organizations, the Society derives revenue from donations and fundraising, 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 revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2022 and 2021, current assets as at March 31, 2022 and 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 years.

We conducted our audits 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 audits 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 opinion.

### *Responsibilities of Management and Those Charged with Governance for the Financial Statements*

Management is responsible for the preparation and fair presentation of the 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to 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.

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*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 conclude 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.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

*Smith Chappell Mavor Vilander LLP*

Oshawa, Ontario  
June 27, 2022

Chartered Professional Accountants  
Licensed Public Accountants

**ALZHEIMER SOCIETY OF DURHAM REGION**  
**STATEMENT OF FINANCIAL POSITION**

**AS AT MARCH 31,** **2022** **2021**

**ASSETS**

**Current**

Cash	\$ 197,711	\$ 283,662
Accounts receivable	81,029	89,351
Prepaid expenses	39,644	37,517
Investments (Note 3)	<u>2,839,571</u>	<u>2,821,507</u>

**3,157,955** **3,232,037**

**Capital Assets - at net book value (Notes 2 and 6)**

**99,409** **140,865**

**\$ 3,257,364** **\$ 3,372,902**

**LIABILITIES**

**Current**

Accounts payable	\$ 126,878	\$ 156,200
Due to Ontario Health East (Note 5)	-	46,377
Government remittances payable	-	13,874
Deferred revenue (Note 2)	<u>58,064</u>	<u>121,631</u>

**184,942** **338,082**

**Deferred Contributions Related to Capital Assets (Note 7)**

**46,640** **64,548**

**NET ASSETS**

**Invested in Capital Assets (Note 8)** **52,769** **76,317**

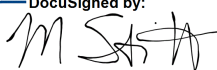
**Internally Restricted Funds (Note 4)** **2,298,334** **2,308,334**


**Unrestricted Funds** **674,679** **585,621**

**3,025,782** **2,970,272**

**\$ 3,257,364** **\$ 3,372,902**

**Approved On Behalf Of The Board Of Directors:**

DocuSigned by:  
  
 3563077954B44CA... Director

DocuSigned by:  
  
 AD006DB9648A41E... Director

**ALZHEIMER SOCIETY OF DURHAM REGION**  
**STATEMENT OF CHANGES IN NET ASSETS**

**FOR THE YEAR ENDED MARCH 31,**

**2022**

**2021**

**Invested in Capital Assets**

Opening balance	\$ 76,317	\$ 94,841
Transfers to/from operations		
Amortization of capital assets	(43,523)	(44,292)
Capital asset acquisitions	2,067	30,436
Amortization of deferred contributions (Note 7)	17,908	25,768
Amounts financed by deferred contributions (Note 7)	<u>-</u>	<u>(30,436)</u>
Closing balance	\$ <u>52,769</u>	\$ <u>76,317</u>

**Internally Restricted Funds (Note 4) (Schedule)**

Opening balance	\$ 2,308,334	\$ 2,308,334
Transfers to/from operations	<u>(10,000)</u>	<u>-</u>
Closing balance	\$ <u>2,298,334</u>	\$ <u>2,308,334</u>

**Unrestricted Funds**

Opening balance	\$ 585,621	\$ 101,119
Excess (Deficiency) of Revenue over Expenditures	<u>55,510</u>	<u>465,978</u>
	641,131	567,097
Transfers to/from Internally Restricted Funds	10,000	-
Transfers to/from Invested in Capital Assets - net	<u>23,548</u>	<u>18,524</u>
Closing balance	\$ <u>674,679</u>	\$ <u>585,621</u>

**ALZHEIMER SOCIETY OF DURHAM REGION****STATEMENT OF OPERATIONS****FOR THE YEAR ENDED MARCH 31,****2022****2021****Revenue**

Ontario Health East grants(Note 5)	\$ 1,772,301	\$ 1,751,114
Alzheimer Society of Ontario	23,756	19,539
Government of Canada - Canada Summer Jobs	9,835	4,292
Grants	89,338	73,737
Memorial gifts	72,748	67,243
General donations	127,492	126,761
Sinai Health System	135,896	102,357
General fundraising	138,186	97,786
Investment income	52,459	68,511
Client fees	125,389	10,143
Realized gain (loss) on investments	123,704	(36,017)
Unrealized gain (loss) on investments	(93,255)	321,737
Amortization of deferred contributions (Note 7)	17,908	25,768
Sponsorships and other	19,042	9,472
	<u>2,614,799</u>	<u>2,642,443</u>

**Expenditures**

Wages and benefits	1,844,987	1,650,826
Occupancy	182,981	174,485
Research donations	10,000	-
Contracted out services	234,180	234,180
General fundraising	2,864	11,198
Office and general	103,775	87,509
Professional fees	121,186	72,408
Public relations	20,324	8,309
Professional development	25,979	33,424
Telephone	17,417	19,231
Seminars and workshops	5,670	4,982
Board and staff travel	1,608	680
Insurance	9,399	5,990
Equipment maintenance	3,948	3,532
Bank charges	8,377	3,773
Investment fees	17,617	16,161
Program supplies	29,471	38,330
Amortization	43,523	44,292
	<u>2,683,306</u>	<u>2,409,310</u>

**Surplus (deficit) before Government of Canada - COVID  
subsidy****(68,507)****233,133****Government of Canada - COVID subsidy****124,017****232,845****Excess of Revenue Over Expenditures****\$ 55,510****\$ 465,978**

**ALZHEIMER SOCIETY OF DURHAM REGION****STATEMENT OF CASH FLOWS****FOR THE YEAR ENDED MARCH 31,****2022****2021****Operating Activities**

Excess of revenue over expenditures	\$ 55,510	\$ 465,978
Charges (credits) to income not involving cash		
Amortization	43,523	44,292
Unrealized loss (gain) on investments	93,255	(321,737)
Amortization of deferred contributions	(17,908)	(25,768)
Provided from (used for) working capital (Note 9)	<u>(146,944)</u>	<u>25,565</u>
	<u>27,436</u>	<u>188,330</u>

**Investing Activities**

Additions to capital assets	(2,067)	(30,436)
Amounts financed by deferred contributions	-	30,436
Acquisition of investments	<u>(111,320)</u>	<u>(238,988)</u>
	<u>(113,387)</u>	<u>(238,988)</u>

**(Decrease) In Cash****(85,951)**      **(50,658)****Cash, beginning of year****283,662**      **334,320****Cash, end of year****\$ 197,711**      **\$ 283,662**

# ALZHEIMER SOCIETY OF DURHAM REGION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

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### 1. Purpose of the Society

The operations of the Alzheimer Society of Durham Region shall be carried on without purpose of gain for its members and any profits or other accretions to the Society shall be used in promoting its objectives. The Society was incorporated under the Ontario Corporations Act on November 16, 1986 as a corporation without share capital and is a registered charity, which is exempt from tax under the provisions of the Income Tax Act.

The primary objectives are:

- a) To provide family support through regular meetings, written information and referrals to the most appropriate sources of help in the community.
- b) To aid education through provision of educational information and programs to the general public, medical care staff, and members of the professional and scientific community.
- c) To promote research into the cause, control and cure of Alzheimer Disease through the raising of funds to assist in the funding of such research.

### 2. 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:

#### 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.

Donations and bequests are recorded in the financial statements only as funds are received. Government funding is recognized according to the contract. Fundraising revenue is recorded when the event is held. Seminar and workshop revenue is recorded when the event is held.

#### Deferred Revenue

Certain revenues are received during the year for events to be held or programs to be completed in the next fiscal year. These revenues are deferred to the next year's operation.

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 121,631	\$ 71,109
Earned	(108,132)	(30,456)
Received	<u>44,565</u>	<u>80,978</u>
Closing balance	<u>\$ 58,064</u>	<u>\$ 121,631</u>

#### Capital Assets

The policy of the Society is to capitalize purchases of capital assets at their cost.



# ALZHEIMER SOCIETY OF DURHAM REGION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

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### 2. Significant Accounting Policies (continued)

#### Amortization

Amortization is recorded on the straight-line basis over the following periods:

Computer equipment	3 years
Office equipment	5 years
Furniture and fixtures	10 years
Leasehold improvements	life of lease

#### Donated Goods and Services

Contributed materials and services are recorded at fair market value as part of general revenue and expenditures when fair market value can be reasonably estimated and when materials and services are used in the normal course of the Society's operations and would otherwise have been purchased. Donated goods provided for fundraising purposes are not recognized in the financial statements, unless those goods would otherwise have been purchased.

The Society would not be able to carry out its activities without the services of the many volunteers who donate a considerable number of hours. Because of the difficulty in determining their fair value, these contributed services are not recognized in the financial statements.

#### Use of Estimates

The preparation of financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results may differ from those estimates. Accounts requiring significant estimates include the useful life and the amortization of capital assets, accrued liabilities and deferred revenue.

#### Allocation of Expenses

The Society provides various programs on behalf of the Ontario Health East. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Society also incurs a number of general support expenses that are common to the administration of the Society and each of its programs.

The Society allocates certain of its general support expenses by identifying the appropriate basis of allocating each component. The Society allocates these expenses to the departments in accordance with the approved budgets.

#### Cash and Cash Equivalents

The Society's policy is to disclose bank balances under cash and cash equivalents.

# ALZHEIMER SOCIETY OF DURHAM REGION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

### 2. Significant Accounting Policies (continued)

#### Financial Instruments

##### *Measurement of financial instruments*

The Society initially measures its financial assets 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 income.

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

Financial liabilities measured at amortized cost include accounts payable and due to Ontario Health East.

Financial assets measured at fair value include investments held with an investment broker.

##### *Impairment*

Financial assets measured at cost are reviewed annually to determine whether there are indicators of impairment. When there is an indication of impairment the amount of the write-down is recognized in net income. 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 income.

##### *Transaction costs*

The Society recognizes its transaction costs in net income in the period 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. Investments

	<u>2022</u>	<u>2021</u>
Investments at Cost:		
Cash balance in brokers account (deficit)	\$ (11,691)	\$ 147,943
BMO GIC, 0.75%, due January 2022	-	200,000
BMO GIC, 0.25%, due July 2021	-	200,000
BMO GIC, 0.80%, due January 2023	200,000	-
BMO GIC, 0.05%, due January 2023	150,299	-
BMO GIC, 0.10%, due July 2022	200,147	-
BMO GIC, 0.20%, due January 2022	-	150,000
Investments at Fair Market Value:	<u>Cost</u>	
Bonds, preferred shares and commercial mortgages	998,808	993,687
Canadian equities	597,260	784,742
U.S. equities	343,599	635,855
International equities	289,193	375,262
	<u>296,012</u>	<u>326,123</u>
	<u>\$ 2,839,571</u>	<u>\$ 2,821,507</u>

## **ALZHEIMER SOCIETY OF DURHAM REGION**

### **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2022**

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#### **4. Internally Restricted Funds**

##### **Financial Stability Fund**

The Society has established a fund to maintain at a level of 3 – 6 months of operating costs. The funds will be held in order to respond to any unforeseen circumstances that result in a significant loss of operating funds through the elimination of one or more of the agency's funding streams.

##### **Innovation Fund**

The Society has established a fund to support opportunities for new and innovative programs and services including, but not limited to recreational programs, caregiver respite programs and Dementia Friendly Community programming.

##### **Growth & Service Excellence Fund**

The Society has established a fund to support the growth of existing programs as well as activities that will support the increasing demand for service excellence. This fund will be utilized for service expansion, digital and physical space expansion, community partnerships and program evaluation and accreditation.

##### **Research Fund**

The Society has established a fund to support an annual contribution towards dementia research through a variety of venues including the Alzheimer Society of Canada Research program (contributions made via Alzheimer Society of Ontario) and other local or regional research initiatives. During the year, the Board approved a research gift and paid the donation out of the research fund.

##### **Sustainability Fund**

The Society has established a fund to be held in perpetuity and only the interest generated on the capital will be available for use for programs and services. During the year, the Board approved the collapse of the sustainability fund into the financial stability reserve fund.

#### **5. Ontario Health East (formerly Central East LHIN) Grants**

Ontario Health East provides ongoing funding to the Society for the Education and Family Support, Public Education, First Links and Caregiver Support Programs. Each year, any excess funds will be repaid to the Ontario Health East. Funding received from Ontario Health East was less than expenditures with respect to the 2021 fiscal year and as such no amounts were payable to Ontario Health East with respect to the 2021 fiscal year. Funding received from the Ontario Health East was less than expenditures with respect to the 2022 fiscal year and as such no amounts were payable to Ontario Health East with respect to the 2022 fiscal year. The amount payable from the 2020 fiscal year of \$46,377 was paid in the 2022 fiscal year.

**ALZHEIMER SOCIETY OF DURHAM REGION****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2022****6. Capital Assets**

	<u>Cost</u>	<u>Accumulated Amortization</u>	<u>Net Book Value</u>	
			<u>2022</u>	<u>2021</u>
Office equipment	\$ 26,631	\$ 22,341	\$ 4,290	\$ 2,996
Furniture and fixtures	44,026	22,631	21,395	25,506
Computer	100,779	81,668	19,111	40,215
Leasehold improvements	<u>170,081</u>	<u>115,468</u>	<u>54,613</u>	<u>72,148</u>
	<u>\$ 341,517</u>	<u>\$ 242,108</u>	<u>\$ 99,409</u>	<u>\$ 140,865</u>

**7. Deferred Contributions Related to Capital Assets**

Deferred capital contributions related to capital assets represent the unamortized amount of grants received for the purchase of capital assets. The amortization of capital contributions is recorded as revenue in the statement of operations.

	<u>2022</u>	<u>2021</u>
Opening balance	\$ 64,548	\$ 59,880
Add: Contributions received during the year	<u>-</u>	<u>30,436</u>
	64,548	90,316
Less: Amount amortized to revenue	<u>(17,908)</u>	<u>(25,768)</u>
Closing balance	<u>\$ 46,640</u>	<u>\$ 64,548</u>

**8. Invested in Capital Assets**

Invested in Capital Assets is calculated as follows:

	<u>2022</u>	<u>2021</u>
Capital Assets	\$ 99,409	\$ 140,865
Less: Amount financed by deferred contributions	<u>(46,640)</u>	<u>(64,548)</u>
	<u>\$ 52,769</u>	<u>\$ 76,317</u>

**ALZHEIMER SOCIETY OF DURHAM REGION****NOTES TO FINANCIAL STATEMENTS****MARCH 31, 2022****9. Cash Provided From (Used For) Working Capital**

Cash otherwise available from operating activities is influenced by increases or decreases in the following items:

	<u>2022</u>	<u>2021</u>
Accounts receivable	\$ 8,322	\$ (33,954)
Prepaid expenses	(2,127)	(12,262)
Accounts payable	(29,321)	21,659
Government remittances payable	(13,874)	(400)
Due to Ontario Health East	(46,377)	-
Deferred revenue	<u>(63,567)</u>	<u>50,522</u>
	<u>\$ (146,944)</u>	<u>\$ 25,565</u>

**10. Commitment**

The Society has entered into a lease for a new operating premises which started July 1, 2015 and expires on June 30, 2025. The minimum rent payable will be \$40,180 per annum plus applicable taxes until June 30, 2020 when the minimum rent will increase to \$44,772 per annum plus applicable taxes until June 30, 2025. The first six months of the term were minimum rent free to assist with relocation and setting up. Additional rent was paid during this period. Additional rent including realty taxes and common area maintenance is estimated to be \$11.55 per square foot based on 4,592 square feet.

The Society has entered into a lease for additional operating space which started July 1, 2018 and expires on June 30, 2025. The minimum rent payable is \$35,926 per annum plus applicable taxes until June 30, 2023 when the minimum rent will increase to \$39,192 per annum plus applicable taxes until June 30, 2025. Additional rent including realty taxes and common area maintenance is estimated to be \$11.55 per square foot based on 3,266 square feet.

The following payments are required over the next 4 years based on negotiated minimum rent and using estimates for realty tax and common area maintenance:

2023	\$ 171,458
2024	\$ 173,907
2025	\$ 174,724
2026	\$ 43,681

# ALZHEIMER SOCIETY OF DURHAM REGION

## NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2022

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### 11. Financial Instruments

#### Risks and concentrations

The Society is exposed to various risks through its financial instruments. The following analysis provides a measure of the Society's risk exposure and concentration's risk exposure and concentrations at March 31, 2022.

#### *Liquidity risk*

Liquidity risk is defined as the risk that the Society may not be able to meet or settle its obligations as they become due. The Society has taken steps to ensure that it will have sufficient working capital to meet its obligations.

#### *Credit risk*

Credit risk arises from the potential that counterparties including clients will fail to perform their obligations. The Society is subject to credit risk through its receivables. Account monitoring procedures are utilized to minimize risk of loss.

#### *Interest rate risk*

Interest rate risk arises because of the fluctuation in interest rates. The Society is subject to interest rate risk through their investments. The Society has formal policies and procedures that establish target asset mix.

#### *Market risk*

Market risk arises as a result of trading in equity securities and fixed income securities. Fluctuations in the market expose the Society to a risk of loss. The Society has formal policies and procedures that establish target asset mix.

#### *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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investments. The Society has formal policies and procedures that establish target asset mix.

#### *Currency risk*

Currency risk is the risk the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society holds investments in U.S. equities and International equities denominated in currencies other than Canadian dollars. The Society is exposed to currency risk with respect to its investments denominated in foreign currencies because the fair value and future cash flows will fluctuate due to the changes in the relative value of the foreign currencies against the Canadian dollar.

### 12. Economic Dependence

In common with similar publicly funded agencies, the Society derives the majority of its revenue from the Ontario Health East.

## **ALZHEIMER SOCIETY OF DURHAM REGION**

### **NOTES TO FINANCIAL STATEMENTS**

**MARCH 31, 2022**

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#### **13. Government Assistance**

In response to the negative impact of COVID-19, the Government of Canada announced the Canada Emergency Wage Subsidy ("CEWS") program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID19. This subsidy was available from March 15, 2020 to October 23, 2021.

The Society has determined that it has qualified for this subsidy from the March 15, 2020 effective date and has accordingly applied for, and received, the CEWS. The Society will recognize government grants when there is reasonable assurance that it will comply with the conditions required to qualify for the grant, and that the grant will be received.

The Society has recognized \$93,626 (2021 - \$202,543) of government assistance related to CEWS for the period ended March 31, 2022.

The Government of Canada also announced the Canada Emergency Rent Subsidy ("CERS") program. This subsidy was available from September 27, 2020 to October 23, 2021.

The organization has determined that it has qualified for this subsidy and has accordingly applied for, and received, the CERS. The organization will recognize government grants when there is reasonable assurance that it will comply with the conditions required to qualify for the grant, and that the grant will be received.

The organization has recognized \$30,391 (2021-\$20,302) of government assistance related to CERS for the period ended March 31, 2022.

#### **14. Impact of COVID-19 on Operations**

In March 2020, the World Health Organization declared the outbreak of a novel Coronavirus (COVID-19) as a global pandemic, which continues to spread in Canada and around the world.

As at June 27, 2022, the Society is aware of changes in the operations as a result of the COVID-19 crisis, including the temporary interruption of on-site programs and services, work from home arrangements for employees of the Society, application for all available subsidies that the Society is eligible for and reducing operating costs where possible.

Management is uncertain of the effects of these changes on its financial statements and believes that any disturbance may be temporary, however, there is uncertainty about the length and potential impact of the disturbance.

As a result, we are unable to estimate the potential impact on the Society's operations as at the date of these financial statements.

#### **15. Subsequent Event**

As of the report date, the fair value of the portfolio investments of the Society decreased by approximately \$185,000.

**ALZHEIMER SOCIETY OF DURHAM REGION  
SCHEDULE OF INTERNALLY RESTRICTED FUNDS  
FOR THE YEAR ENDED MARCH 31, 2022**

	Innovation Fund	Growth & Service Excellence Fund	Research Fund	Financial Stability (Reserve) Fund	Sustainability	Total
Opening balance	\$ 512,173	\$ 622,613	\$ 33,548	\$ 640,000	\$ 500,000	\$ 2,308,334
Transfers to operations (Note 4)	-	-	(10,000)	-	-	(10,000)
Transfers between funds (Note 4)	-	-	-	500,000	(500,000)	-
Closing balance	<u>\$ 512,173</u>	<u>\$ 622,613</u>	<u>\$ 23,548</u>	<u>\$ 1,140,000</u>	<u>\$ -</u>	<u>\$ 2,298,334</u>