

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
Financial Statements**
March 31, 2021

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
Contents**

For the year ended March 31, 2021

Page

Independent Auditor's Report

Financial Statements

Statement of Financial Position.....	3
Statement of Operations.....	4
Statement of Changes in Net Assets.....	5
Statement of Cash Flows.....	6

Notes to the Financial Statements.....	7
-----------------------------------------------	----------

Schedules

Schedule 1 - Schedule of Ministry of Health and Long-Term Care Funding.....	12
-----------------------------------------------------------------------------	----

Independent Auditor's Report

To the Members of Alzheimer Society of Kingston, Frontenac, Lennox and Addington:

Qualified Opinion

We have audited the financial statements of Alzheimer Society of Kingston, Frontenac, Lennox and Addington (the "Organization"), which comprise the statement of financial position as at March 31, 2021, 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 matters 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 Organization as at March 31, 2021, 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 Organization derives revenue from donations and fundraising, 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 revenues, excess of revenue over expenditures, assets and changes in net assets.

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 Organization 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 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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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

ACCOUNTING > CONSULTING > TAX

SUITE 201, 1473 JOHN COUNTER BLVD., KINGSTON ON, K7M 8Z6

T: (613) 544-2903 F: (613) 544-6151

- circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization'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 Organization'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 Organization 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.

Kingston, Ontario

June 17, 2021

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
Statement of Financial Position**
As at March 31, 2021

	2021	2020
Assets		
Current		
Cash	374,275	401,094
Short-term investments	96,729	62,247
Accounts receivable (Note 3)	42,542	47,909
Prepaid expenses and deposits	7,739	5,574
Investments	521,285	516,824
Capital assets (Note 4)	471,755	372,891
	10,601	1,455
	1,003,641	891,170
Liabilities		
Current		
Accounts payable and accruals (Note 5)	46,085	40,320
Deferred contributions	5,898	9,050
Deferred contributions related to capital assets (Note 6)	10,801	1,455
	62,584	50,825
Net Assets		
Satellite Program Fund	80,000	80,000
Fiscal Strength Fund	147,118	147,118
Education and Family Support Fund	66,569	66,569
Relocation Leasehold Improvement Fund	26,686	26,686
Information Technology Sinking Fund	10,152	10,152
Externally Restricted Fund	20,543	19,320
Unrestricted Fund	589,989	490,500
	941,057	840,345
	1,003,641	891,170

Approved on behalf of the Board

Kyle Plumb



**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Statement of Operations
For the year ended March 31, 2021

	2021	2020
Revenue		
Donations	90,039	128,698
Fundraising (Note 8)	92,209	154,475
Investment income	109,752	(30,323)
Ministry of Health and Long-Term Care (Schedule 1)	279,324	272,710
Other grants	46,000	15,000
Other revenue	34,301	131,407
	651,625	671,967
Expenses		
Advertising	2,798	3,221
Amortization	3,576	2,911
Bank charges and interest	2,169	2,688
Board and meeting expenses	22	2,251
Building maintenance	212	1,004
Building rent	47,036	47,287
Computer supplies and software	842	4,059
Education and program supplies	6,589	26,772
Equipment and software maintenance	6,910	6,389
Equipment rent	3,951	5,827
Fundraising and volunteer expenses	913	6,794
Insurance	2,964	2,335
Membership fees	500	350
Ministry of Health and Long Term Care - One Time Expenses	10,487	3,218
Office supplies	16,508	15,002
Postage and courier	681	3,875
Professional fees	44,910	37,890
Salaries and benefits	442,004	491,695
Telephone and internet	7,952	5,878
Training and conference expenses	1,763	6,448
Travel	974	9,828
Utilities	3,352	4,141
	607,113	689,863
Excess (deficiency) of revenue over expenses before other items	44,512	(17,896)
Other items		
Government assistance (Note 11), (Note 12)	56,200	-
Excess of revenue over expenses (expenses over revenue)	100,712	(17,896)

The accompanying notes are an integral part of these financial statements

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Statement of Changes in Net Assets
For the year ended March 31, 2021

	Satellite Program Fund	Fiscal Strength Fund	Education and Family Support Fund	Relocation Leasehold Improvement Fund	Information Technology Sinking Fund	Externally Restricted Fund	Unrestricted Fund	2021	2020
Net assets, beginning of year	80,000	147,118	66,569	26,686	10,152	19,320	490,500	840,345	858,241
Excess of revenue over expenses (expenses over revenue)	-	-	-	-	-	1,223	99,489	100,712	(17,896)
Net assets, end of year	80,000	147,118	66,569	26,686	10,152	20,543	589,989	941,057	840,345

The accompanying notes are an integral part of these financial statements

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Statement of Cash Flows
For the year ended March 31, 2021

	2021	2020
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses (expenses over revenue)	100,712	(17,896)
Amortization	3,576	2,911
	104,288	(14,985)
Changes in working capital accounts		
Accounts receivable	5,367	(12,164)
Prepaid expenses and deposits	(2,165)	(1,798)
Accounts payable and accruals	5,765	(9,167)
Deferred contributions	(3,152)	2,000
Deferred contributions related to capital assets	9,146	(2,911)
	119,249	(39,025)
Investing		
Purchase of capital assets	(12,722)	-
Decrease (increase) in short-term investments	(34,482)	101,158
Decrease (increase) in long-term investments	(98,864)	64,566
	(146,068)	165,724
Increase in cash resources	(26,819)	126,699
Cash resources, beginning of year	401,094	274,395
Cash resources, end of year	374,275	401,094

The accompanying notes are an integral part of these financial statements

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements

For the year ended March 31, 2021

1. Incorporation and Nature of the Organization

Alzheimer Society of Kingston, Frontenac, Lennox and Addington (the "Organization") was incorporated without share capital and is a registered charity exempt from income taxes under subsection 149(1)(f) of the Income Tax Act.

The Organization's principal activities include public education, family support and support of research for Alzheimer's disease.

2. Significant Accounting Policies

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Fund Accounting

The Organization follows the deferral method of accounting for contributions and reports using fund accounting, and maintains 7 funds: Unrestricted Fund, Satellite Program Fund, Fiscal Strength Fund, Education and Family Support Fund, Relocation Lease Improvement Fund, Information Technology Sinking Fund, Externally Restricted Fund.

The Unrestricted Fund reports the Organization's cost of operations of providing services financed by donations, fundraising, grants, and other general income.

The Externally Restricted Fund reports the restricted contributed funds from the Dowker Memorial Fund and the LaFrance Memorial Fund. These funds are to be used by the Organization solely to provide education and awareness over Alzheimer's disease in the community.

The Organization has established the following internally restricted funds to provide a source of funds for future endeavours:

Satellite Program Fund - The purpose of this fund is to fund future satellite offices and related programming in the event that other funding for these endeavours is no longer available.

Fiscal Strength Fund - The purpose of this fund is to manage the financial risk of the Organization and promote financial stability. The fund balance represents 50% of normalized operating (less base government funding) expenditures and fund development expenditures and is adjusted periodically to reflect changing expense levels.

Education and Family Support Fund - The purpose of this fund is to provide funds for the expansion of core services within the City of Kingston, County of Frontenac, and County of Lennox and Addington, either on a stand alone basis or in collaboration with other similar organizations or other community partners. This fund will be adjusted periodically to meet the Organization's current needs.

Relocation Lease Improvement Fund - The purpose of this fund is to reduce the impact of one-time costs of relocated or needed improvements to the office configuration and is adjusted from time to time as necessary or prudent.

Information Technology Sinking Fund - The purpose of this fund is to facilitate the upgrading and replacement of equipment to maintain an efficient working system. Annual increments, deemed necessary by the Board should be provided. Investments in new hardware/software or system upgrades are charged to this fund.

Revenue Recognition

The Organization follows the deferral method of accounting for contributions, which includes donations and government grants. Government grants are recorded as revenue in the period to which they relate. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Interest and other income are recognized as earned.

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements
For the year ended March 31, 2021

Contributed Services

Volunteers contribute significant hours each year to assist the Organization in carrying out its events. Since these services are not normally purchased by the Organization and because of the difficulty in identifying a reliable basis for their value, contributed services are not recognized in these financial statements.

Cash and Cash Equivalents

Cash and cash equivalents include balances with banks and funds in money market funds capable of short term liquidity.

Investments

Investments are initially recorded at their acquisition cost. At the financial statement date the investments are adjusted to fair value, and the corresponding unrealized gains and losses are recorded in the statement of operations.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution plus all costs directly attributable to the acquisition.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

	Method		Rate
Furniture and equipment	straight-line	3	years

Measurement Uncertainty (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 reporting period.

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

Government Assistance

Claims for assistance under various government grant programs are recorded as revenues in the period in which eligible expenditures are incurred.

3. Accounts Receivable

	2021	2020
Accounts receivable	21,513	32,155
HST receivable	21,029	15,754
	42,542	47,909

4. Capital Assets

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Furniture and equipment	21,453	10,852	10,601	1,455

During the year, the Organization acquired capital assets in the amount of \$12,722 (2020 - \$Nil).

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements

For the year ended March 31, 2021

5. Accounts Payable and Accruals

	2021	2020
Accounts payable and accruals	38,099	31,473
Government remittances payable	7,986	8,847
	46,085	40,320

6. Deferred Contributions Related to Capital Assets

Deferred capital contributions consist of the unamortized amount of contributions received for the purchase of capital assets. Recognition of these amounts as revenue is deferred to periods when the related capital assets are amortized. Changes in deferred capital contributions are as follows:

	2021	2020
Balance, beginning of year	1,455	4,366
Contributions received related to capital assets	12,722	-
Less: Amounts recognized as revenue during the year	(3,576)	(2,911)
	10,601	1,455

7. Externally Restricted

Externally restricted funds consist of restricted donations received by the Organization as follows:

	Dowker Education Fund	LaFrance Memorial Fund	2021	2020
Balance, beginning of year	6,900	12,420	19,320	19,339
Interest income (loss)	437	786	1,223	(19)
	7,337	13,206	20,543	19,320

8. Fundraising Revenue

	2021	2020
3rd party donations	-	43,995
Coffee Break	30,550	52,050
Dementia Conference	-	4,634
General Donations	9,234	-
Golf Tournament	7,560	19,637
Heritage Funds	311	14,126
Music for Memories	-	1,078
Nevada	895	2,548
Walk for Memories	43,659	16,407
	92,209	154,475

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements

For the year ended March 31, 2021

9. Commitments

The Organization has lease agreements for office premises in Kingston, Napanee, and Northbrook, Ontario along with various equipment leases with expiry dates not later than 2029.

The minimum annual payments for the next five years are as follows:

2022	38,576
2023	31,016
2024	31,016
2025	20,201
2026	10,080
	130,889

10. Financial Instruments

Financial instruments are financial assets or liabilities of the Organization where, in general, the Organization has the right to receive cash or another financial asset from another party or the Organization has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash, short-term investments, accounts receivable, investments and accounts payable and accruals.

The Organization initially recognized its financial instruments at fair value and subsequently measure them at amortized cost with the exception of short-term and long-term investments, which are recorded at fair value.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and 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 and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

Market Risk

Market risk is the risk that changes in market prices and interest rates will affect the Organization's net earnings or the value of financial instruments. The Organization is exposed to market risk through the equity and preferred share investments held included in its investment portfolio.

11. Government assistance

	2021	2020
Canada Emergency Wage Subsidy - (C.E.W.S)	41,276	-
Canada Emergency Rent Subsidy (C.E.R.S.)	6,593	-
Temporary Emergency Wage Subsidy - (T.E.W.S.)	8,331	-
	56,200	-

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements

For the year ended March 31, 2021

12. Significant event

Ongoing at year end, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Organization as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

During 2021, the Organization reduced operations in accordance with government lockdown. The Organization has applied for and received assistance under the Canadian Government's Canada Emergency Rent Subsidy Program, the Canada Emergency Wage Subsidy and the Temporary Emergency Wage Subsidy Program.

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Schedule 1 - Schedule of Ministry of Health and Long-Term Care Funding
For the year ended March 31, 2021

	2021	2020
Revenue		
Ministry of Health and Long-Term Care		
Base	269,492	269,492
One Time Funding	9,832	3,800
Capital	12,721	-
Fundraising	91,314	36,396
Donations	70,291	123,879
Other grants	-	15,000
Other revenue	7,411	6,621
	461,061	455,188
Expenditures		
Advertising	1,636	1,564
Amortization	3,576	2,911
Bank charges and interest	-	217
Board and meeting expenses	-	897
Building maintenance	212	942
Building rent	23,518	35,155
Capital expenditures	12,722	-
Computer supplies and software	842	4,059
Education and program supplies	6,146	12,305
Equipment and software maintenance	6,910	6,389
Equipment rent	3,525	4,098
Fundraising and volunteer expenses	-	3,829
Insurance	2,964	2,335
Membership fees	500	505
Ministry of Health and Long-Term Care - One Time Expenses	10,487	3,218
Office supplies	5,621	6,671
Postage and courier	634	2,717
Professional fees	20,011	18,710
Salaries and benefits	351,598	328,303
Telephone and internet	6,919	4,003
Training and conference expenses	290	6,458
Travel	786	7,067
Utilities	2,164	2,253
	461,061	454,606
Excess of revenue over expenditures for the year before repayable	-	582
Amounts repayable to the Ministry of Health and Long-Term Care	-	(582)
Excess of revenue over expenditures for the year	-	-