

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
Financial Statements**
March 31, 2023

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
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For the year ended March 31, 2023

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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, 2023, 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, 2023, 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

MNP LLP

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 28, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP LLP

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
Statement of Financial Position**

As at March 31, 2023

	2023	2022
Assets		
Current		
Cash	602,143	539,267
Accounts receivable (Note 3)	5,723	6,952
Prepaid expenses and deposits	7,351	5,308
Short-term investments	89,037	90,377
	704,254	641,904
Capital assets (Note 4)	3,083	7,965
Investments	475,617	514,002
	1,182,954	1,163,871
Liabilities		
Current		
Accounts payable and accruals (Note 5)	29,954	56,778
Deferred contributions	17,225	14,500
Deferred contributions related to capital assets	3,083	7,965
	50,262	79,243
Net Assets		
Fiscal Strength Fund	303,839	303,839
Relocation Leasehold Improvement Fund	170,520	170,520
Externally Restricted Fund	20,286	20,280
Unrestricted Fund	638,047	589,989
	1,132,692	1,084,628
	1,182,954	1,163,871

Approved on behalf of the Board


Director

Jim Kennedy, Electronic Signature

Director

The accompanying notes are an integral part of these financial statements

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Statement of Operations

For the year ended March 31, 2023

	2023	2022
Revenue		
Donations		
Fundraising (Note 8)	316,308	86,327
Investment income	107,906	291,472
Ministry of Health and Long-Term Care (Schedule 1)	(33,932)	28,331
Other grants	278,956	273,486
Other revenue	42,000	13,500
	54,162	56,633
	765,400	749,749
Expenses		
Advertising	1,350	1,365
Amortization	4,882	4,561
Bank charges and interest	4,882	4,561
Board and meeting expenses	2,507	2,592
Building maintenance	661	82
Building rent	3,667	1,206
Computer supplies and software	51,178	46,833
Education and program supplies	4,882	3,010
Equipment and software maintenance	14,323	8,795
Equipment rent	9,096	8,024
Fundraising and volunteer expenses	2,017	1,814
Insurance	4,659	1,947
Membership fees	3,760	3,593
Office supplies	-	800
Postage and courier	13,282	12,704
Professional fees	1,769	1,699
Salaries and benefits	55,073	30,904
Telephone and internet	529,234	479,197
Training and conference expenses	4,232	7,456
Travel	2,993	1,128
Utilities	3,562	1,280
	4,209	2,580
	717,336	621,570
Excess of revenue over expenses before other items	48,064	128,179
Other items		
Government assistance (Note 11)	-	15,392
Excess of revenue over expenses	48,064	143,571

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, 2023

	Fiscal Strength Fund	Relocation Leasehold Improvement Fund	Externally Restricted Fund	Unrestricted Fund	2023	2022
Net assets, beginning of year	303,839	170,520	20,280	589,989	1,084,628	941,057
Excess of revenue over expenses (expenses over revenue)	-	-	6	48,058	48,064	143,571
	303,839	170,520	20,286	638,047	1,132,692	1,084,628
Net assets, end of year	303,839	170,520	20,286	638,047	1,132,692	1,084,628

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, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	48,064	143,571
Amortization	4,882	4,561
	52,946	148,132
Changes in working capital accounts		
Accounts receivable	1,229	35,590
Prepaid expenses and deposits	(2,043)	2,431
Accounts payable and accruals	(26,824)	10,693
Deferred contributions	2,725	8,602
Deferred contributions related to capital assets	(4,882)	(2,636)
	23,151	202,812
Investing		
Purchase of capital assets	-	(1,925)
Decrease (increase) in short-term investments	1,340	6,352
Decrease (increase) in long-term investments	38,385	(42,247)
	39,725	(37,820)
Increase in cash resources	62,876	164,992
Cash resources, beginning of year	539,267	374,275
Cash resources, end of year	602,143	539,267

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, 2023

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:

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.

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.

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.

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.

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements
For the year ended March 31, 2023

2. Significant Accounting Policies (continued)

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

	2023	2022
Accounts receivable	112	1,036
HST receivable	5,611	5,916
	5,723	6,952

4. Capital Assets

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Furniture and equipment	23,378	20,295	3,083	7,965

During the year, the Organization acquired capital assets in the amount of \$Nil (2022 - \$1,925).

5. Accounts Payable and Accruals

	2023	2022
Accounts payable and accruals	29,954	48,448
Government remittances payable	-	8,330
	29,954	56,778

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

For the year ended March 31, 2023

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:

	2023	2022
Balance, beginning of year	7,965	10,601
Contributions received related to capital assets	-	1,925
Less: Amounts recognized as revenue during the year	(4,882)	(4,561)
Balance, end of year	3,083	7,965

7. Externally Restricted

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

	Dowker Education Fund	LaFrance Memorial Fund	2023	2022
Balance, beginning of year	7,243	13,037	20,280	20,543
Interest income (loss)	2	4	6	(263)
Balance, end of year	7,245	13,041	20,286	20,280

8. Fundraising Revenue

	2023	2022
Third party donations	6,900	500
Auction	880	-
Coffee Break	34,454	38,638
General donations	-	166,055
Nevada	1,343	3,134
Walk for Memories	61,429	83,145
Miscellaneous	2,900	-
Total	107,906	291,472

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements
For the year ended March 31, 2023

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.

During the year, the Organization entered into a premises lease covering from May 2023 to April 2028.

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

2024	92,731
2025	77,743
2026	63,450
2027	63,450
2028	63,450
	360,824

The above minimum annual payments include estimated obligations under a former premises lease due to cancellation totaling \$42,560 for 2024 and 2025 periods.

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

	2023	2022
Canada Emergency Wage Subsidy - (C.E.W.S)	-	12,947
Canada Emergency Rent Subsidy (C.E.R.S.)	-	2,445
	-	15,392

**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, 2023

	2023	2022
Revenue		
Ministry of Health and Long-Term Care		
Base	278,956	273,486
One Time Funding	-	-
Capital	-	-
Fundraising	-	121,783
Donations	153,885	5,765
Other revenue	9,352	12,902
	442,193	413,936
Expenditures		
Advertising	616	837
Amortization	4,882	4,561
Bank charges and interest	1,476	338
Board and meeting expenses	81	-
Building maintenance	3,667	1,029
Building rent	25,612	23,326
Capital expenditures	-	-
Computer supplies and software	4,882	3,010
Education and program supplies	13,642	6,977
Equipment and software maintenance	9,096	7,937
Equipment rent	2,017	1,512
Fundraising and volunteer expenses	30	340
General supplies	396	530
Insurance	3,760	3,593
Membership fees	-	800
Ministry of Health and Long-Term Care - One Time Expenses	-	-
Office supplies	6,744	2,535
Postage and courier	1,695	815
Professional fees	10,828	6,754
Salaries and benefits	343,575	339,955
Service contracts	-	87
Telephone and internet	2,475	6,297
Training and conference expenses	2,962	532
Travel	1,446	881
Utilities	2,311	1,290
	442,193	413,936
Excess of revenue over expenditures for the year before repayable	-	-
Amounts repayable to the Ministry of Health and Long-Term Care	-	-
Excess of revenue over expenditures for the year	-	-