

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
Financial Statements**
March 31, 2022

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
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For the year ended March 31, 2022

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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, 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 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, 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 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

- 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 22, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington
Statement of Financial Position**
As at March 31, 2022

	2022	2021
Assets		
Current		
Cash	539,267	374,275
Accounts receivable (Note 3)	6,952	42,542
Prepaid expenses and deposits	5,308	7,739
Short-term investments	90,377	96,729
	641,904	521,285
Capital assets (Note 4)	7,965	10,601
Investments	514,002	471,755
	1,163,871	1,003,641
Liabilities		
Current		
Accounts payable and accruals (Note 5)	56,778	46,085
Deferred contributions	14,500	5,898
Deferred contributions related to capital assets	7,965	10,601
	79,243	62,584
Net Assets		
Fiscal Strength Fund	303,839	147,118
Satellite Program Fund	-	80,000
Education and Family Support Fund	-	66,569
Relocation Leasehold Improvement Fund	170,520	26,686
Information Technology Sinking Fund	-	10,152
Externally Restricted Fund	20,280	20,543
Unrestricted Fund	589,989	589,989
	1,084,628	941,057
	1,163,871	1,003,641

Approved on behalf of the Board

Director



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, 2022

	2022	2021
Revenue		
Donations	86,327	90,039
Fundraising (Note 8)	291,472	92,209
Investment income	28,331	109,752
Ministry of Health and Long-Term Care (Schedule 1)	273,486	279,324
Other grants	13,500	46,000
Other revenue	56,633	34,301
	749,749	651,625
Expenses		
Advertising	1,365	2,798
Amortization	4,561	3,576
Bank charges and interest	2,592	2,169
Board and meeting expenses	82	22
Building maintenance	1,206	212
Building rent	46,833	47,036
Computer supplies and software	3,010	842
Education and program supplies	8,795	6,589
Equipment and software maintenance	8,024	6,910
Equipment rent	1,814	3,951
Fundraising and volunteer expenses	1,947	913
Insurance	3,593	2,964
Membership fees	800	500
Ministry of Health and Long Term Care - One Time Expenses	-	10,487
Office supplies	12,704	16,508
Postage and courier	1,699	681
Professional fees	30,904	44,910
Salaries and benefits	479,197	442,004
Telephone and internet	7,456	7,952
Training and conference expenses	1,128	1,763
Travel	1,280	974
Utilities	2,580	3,352
	621,570	607,113
Excess of revenue over expenses before other items	128,179	44,512
Other items		
Government assistance (Note 12), (Note 13)	15,392	56,200
Excess of revenue over expenses	143,571	100,712

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, 2022

	Fiscal Strength Fund	Satellite Program Fund	Education and Family Support Fund	Relocation Leasehold Improvement Fund	Information Technology Sinking Fund	Externally Restricted Fund	Unrestricted Fund	2022	2021
Net assets, beginning of year	147,118	80,000	66,569	26,686	10,152	20,543	589,989	941,057	840,345
Excess of revenue over expenses (expenses over revenue)	-	-	-	-	-	(263)	143,834	143,571	100,712
Transfers (Note 9)	147,118	80,000	66,569	26,686	10,152	20,280	733,823	1,084,628	941,057
	156,721	(80,000)	(66,569)	143,834	(10,152)	-	(143,834)	-	-
Net assets, end of year	303,839	-	-	170,520	-	20,280	589,989	1,084,628	941,057

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, 2022

	2022	2021
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	143,571	100,712
Amortization	4,561	3,576
	148,132	104,288
Changes in working capital accounts		
Accounts receivable	35,590	5,367
Prepaid expenses and deposits	2,431	(2,165)
Accounts payable and accruals	10,693	5,765
Deferred contributions	8,602	(3,152)
Deferred contributions related to capital assets	(2,636)	9,146
	202,812	119,249
Investing		
Purchase of capital assets	(1,925)	(12,722)
Decrease (increase) in short-term investments	6,352	(34,482)
Decrease (increase) in long-term investments	(42,247)	(98,864)
	(37,820)	(146,068)
Increase (decrease) in cash resources	164,992	(26,819)
Cash resources, beginning of year	374,275	401,094
Cash resources, end of year	539,267	374,275

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, 2022

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, 2022

1. Significant Accounting Policies (continued)

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

	2022	2021
Accounts receivable	1,036	21,513
HST receivable	5,916	21,029
	6,952	42,542

4. Capital Assets

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Furniture and equipment	23,378	15,413	7,965	10,601

During the year, the Organization acquired capital assets in the amount of \$1,925 (2021 - \$12,722).

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements
For the year ended March 31, 2022

5. Accounts Payable and Accruals

	2022	2021
Accounts payable and accruals	48,448	38,099
Government remittances payable	8,330	7,986
	56,778	46,085

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:

	2022	2021
Balance, beginning of year	10,601	1,455
Contributions received related to capital assets	1,925	12,722
Less: Amounts recognized as revenue during the year	(4,561)	(3,576)
Balance, end of year	7,965	10,601

7. Externally Restricted

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

	<i>Dowker Education Fund</i>	<i>LaFrance Memorial Fund</i>	2022	2021
Balance, beginning of year	7,337	13,206	20,543	19,320
Interest income (loss)	(94)	(169)	(263)	1,223
Balance, end of year	7,243	13,037	20,280	20,543

8. Fundraising Revenue

	2022	2021
Third party donations	500	-
Coffee Break	38,638	30,550
General donations	166,055	9,234
Golf tournament	-	7,560
Heritage funds	-	311
Nevada	3,134	895
Walk for Memories	83,145	43,659
	291,472	92,209

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements
For the year ended March 31, 2022

9. Interfund transactions

During the year, the Organization transferred \$80,000 from the Satellite Program Fund, \$66,569 from the Education and Family Support Fund and \$10,152 from the Information and Technology Sinking Fund totaling \$156,721 to the Organization's Fiscal Strength Fund to accumulate money in the Fiscal Strength Fund in order to assist with the Organization's management of financial risk.

During the year, the Board of Directors internally restricted \$143,834 to be used for future relocation costs. The transfer of this amount was made from the Unrestricted Fund to the Relocation Leasehold Improvement Fund.

10. 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:

2023	46,921
2024	39,361
2025	24,373
2026	10,080
2027	10,080
	<hr/>
	130,815

11. 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.

**Alzheimer Society of Kingston,
Frontenac, Lennox and Addington**
Notes to the Financial Statements
For the year ended March 31, 2022

12. Government assistance

	2022	2021
Canada Emergency Wage Subsidy - (C.E.W.S)	12,947	41,276
Canada Emergency Rent Subsidy (C.E.R.S.)	2,445	6,593
Temporary Emergency Wage Subsidy - (T.E.W.S.)	-	8,331
	15,392	56,200

13. Significant event

Ongoing at year end, there is 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 2022, 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 and the Canada 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, 2022

	2022	2021
Revenue		
Ministry of Health and Long-Term Care		
Base	273,486	269,492
One Time Funding	-	9,832
Capital	-	12,721
Fundraising	121,783	91,314
Donations	5,765	70,291
Other revenue	12,902	7,411
	413,936	461,061
Expenditures		
Advertising	837	1,636
Amortization	4,561	3,576
Bank charges and interest	338	-
Building maintenance	1,029	212
Building rent	23,326	23,518
Capital expenditures	-	12,722
Computer supplies and software	3,010	842
Education and program supplies	6,977	6,146
Equipment and software maintenance	7,937	6,910
Equipment rent	1,512	3,525
Fundraising and volunteer expenses	340	-
General supplies	530	-
Insurance	3,593	2,964
Membership fees	800	500
Ministry of Health and Long-Term Care - One Time Expenses	-	10,487
Office supplies	2,535	5,621
Postage and courier	815	634
Professional fees	6,754	20,011
Salaries and benefits	339,955	351,598
Service contracts	87	-
Telephone and internet	6,297	6,919
Training and conference expenses	532	290
Travel	881	786
Utilities	1,290	2,164
	413,936	461,061
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	-	-