

**ALZHEIMER SOCIETY OF NOVA SCOTIA**  
**Financial Statements**  
**Year Ended March 31, 2022**

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**ALZHEIMER SOCIETY OF NOVA SCOTIA**  
**Index to Financial Statements**  
**Year Ended March 31, 2022**

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Alzheimer Society of Nova Scotia

### *Qualified Opinion*

We have audited the financial statements of Alzheimer Society of Nova Scotia (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 flow 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 cash flow for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO)

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022, current assets and net assets as at March 31, 2022. Our audit opinion on the financial statements for the year ended March 31, 2021 was modified accordingly because of the possible effects of this limitation of scope.

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

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

Management is responsible for the preparation of the financial statements in accordance with ASNPO, 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.

Chartered Professional Accountants  
Licensed Public Accountants

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Professional Centre, Suite 485  
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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.

Halifax, NS  
June 16, 2022

  
Chartered Professional Accountants  
Licensed Public Accountants

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Statement of Operations****Year Ended March 31, 2022**

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	2022	2021
<b>REVENUES</b>		
<b>Donations</b>		
Individual Giving	\$ 723,753	\$ 734,667
Corporate & Foundation Giving	111,745	79,989
Alzheimer Society of Canada Giving (Note 9)	336,901	340,359
<b>Government Funding</b>		
Government Programs & Services Funding	1,396,200	1,073,474
Government Wage Subsidies Funding	3,518	159,986
<b>Administrative</b>		
Investment Interest	28,315	31,584
Miscellaneous Income	20,124	13,877
	<b>2,620,556</b>	<b>2,433,936</b>
<b>EXPENSES</b>		
Programs & Services	1,816,463	1,279,031
Fundraising	563,013	504,505
Research	100,870	67,523
Administration	204,342	200,452
	<b>2,684,688</b>	<b>2,051,511</b>
<b>EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES BEFORE OTHER INCOME</b>		
	<b>(64,132)</b>	<b>382,425</b>
<b>OTHER INCOME</b>		
Realized gain on investments	88,633	29,932
Unrealized gain on investments (Note 10)	17,020	219,299
	<b>105,653</b>	<b>249,231</b>
<b>EXCESS OF REVENUES OVER EXPENSES</b>		
	<b>\$ 41,521</b>	<b>\$ 631,656</b>

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Statement of Financial Position****March 31, 2022**

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	<b>2022</b>	<b>2021</b>
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,064,571	\$ 979,506
Accounts receivable (Note 3)	199,843	133,654
Inventory	2,954	2,954
Prepaid expenses	362	896
Due from ASC (Note 9)	5,946	32,831
	<b>1,273,676</b>	<b>1,149,841</b>
TANGIBLE CAPITAL ASSETS (Note 4)	<b>39,206</b>	<b>18,540</b>
INVESTMENTS (Note 5)	<b>1,474,120</b>	<b>1,356,244</b>
	<b>\$ 2,787,002</b>	<b>\$ 2,524,625</b>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable	\$ 106,870	\$ 110,156
Deferred revenue (Note 7)	825,080	600,938
	<b>931,950</b>	<b>711,094</b>
<b>NET ASSETS</b>	<b>1,855,052</b>	<b>1,813,531</b>
	<b>\$ 2,787,002</b>	<b>\$ 2,524,625</b>

Lease Commitments (Note 8)

  
ON BEHALF OF THE BOARD\_\_\_\_\_  
Director\_\_\_\_\_  
Director

See accompanying notes to financial statements

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**ALZHEIMER SOCIETY OF NOVA SCOTIA**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2022**

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	2022	2021
<b>NET ASSETS - Beginning of Year</b>	<b>\$ 1,813,531</b>	<b>\$ 1,181,875</b>
Excess of revenues over expenses	<b>41,521</b>	631,656
<b>NET ASSETS - End of Year</b>	<b>\$ 1,855,052</b>	<b>\$ 1,813,531</b>

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Statement of Cash Flow****Year Ended March 31, 2022**

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	2022	2021
<b>OPERATING ACTIVITIES</b>		
Cash receipts	\$ 2,805,396	\$ 2,233,202
Cash paid to suppliers and employees	(2,720,331)	(1,983,061)
Investment income	27,064	30,941
Cash flow from operating activities	112,129	281,082
<b>INVESTING ACTIVITY</b>		
Investment income re-invested in investments	(27,064)	(30,941)
<b>INCREASE IN CASH</b>	<b>85,065</b>	<b>250,141</b>
Cash - beginning of year	979,506	729,365
<b>CASH - END OF YEAR</b>	<b>\$ 1,064,571</b>	<b>\$ 979,506</b>



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# ALZHEIMER SOCIETY OF NOVA SCOTIA

## Notes to Financial Statements

Year Ended March 31, 2022

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### 1. PURPOSE OF THE SOCIETY

The Alzheimer Society of Nova Scotia (the "Society") is a voluntary, not-for-profit charitable organization registered under the Societies Act of Nova Scotia in February, 1983. The purpose of the Society is to work towards alleviating the personal and social consequences of Alzheimer Disease and related dementias and to promote the research for the causes and cures.

The Alzheimer Society of Nova Scotia has united with the other provincial societies and the national society through a Federation Agreement signed in November 2008 to increase cooperation in programs directed towards research, education, awareness, communications and development.

The Society is a not-for-profit organization and, as such, is exempt from income taxes. The Society has remained current with their taxation filings which facilitates their tax exempt status.

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### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

#### Cash

Cash consist of cash on hand and bank deposits.

#### Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

#### Tangible Capital assets

Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a declining balance basis at the following rates:

Equipment	30%
Furniture	20%
Leasehold improvements	15 years

The Society regularly reviews its furniture and equipment to eliminate obsolete items. When a tangible asset no longer has any long-term service potential, the excess of its carrying amount over any residual value is recognized as an expense in the statement of operations.

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Notes to Financial Statements****Year Ended March 31, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Investments

Investments consist of marketable securities and guaranteed investment certificates. Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income. Guaranteed investment certificates are recorded at their cost plus accrued interest. Unrealized gains or losses are reported as part of net income.

Financial instruments policy

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Donated goods

Donated goods and services are recorded at their fair market value at the time of the donation. During the year \$nil in goods were donated [2021 \$nil].

Revenue recognition

The Society follows the deferral method of accounting for restricted 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.

Endowment contributions are recognized as direct increases in net assets.

Investment income includes interest, dividends and realized gains or losses on investments. Interest income is recorded using the accrual method and dividends are recorded when declared.

Measurement uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Notes to Financial Statements****Year Ended March 31, 2022**

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**Allocation of expenses

The Society engages in revenue development, support services, information and resource services, educational programs, community outreach, research and administration programs. The costs of each program includes the costs of payroll and human resources 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 policy for allocating expenditures is based on the percentage of personnel's time that are required in each program area. Expenditures that are directly related to a specific program are recorded directly to that program.

Volunteer services

The Society is dependent on the work of many volunteers to fulfill its mission. Donated services and materials are not recorded in these financial statements.

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**3. ACCOUNTS RECEIVABLE**

	<u>2022</u>	<u>2021</u>
Government HST (Public Bodies Rebate)	\$ 65,253	\$ 17,954
Government funding	132,840	112,840
Other receivables	1,750	2,860
	<u>\$ 199,843</u>	<u>\$ 133,654</u>

Accounts receivable are net of an allowance for doubtful accounts of \$nil [2021 - \$nil].

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**4. TANGIBLE CAPITAL ASSETS**

	Cost	Accumulated amortization	<b>2022 Net book value</b>	2021 Net book value
Equipment	\$ 101,142	\$ 81,996	\$ 19,146	\$ 14,382
Furniture	30,236	28,527	1,709	2,136
Leasehold improvements	41,948	23,597	18,351	2,022
	<u>\$ 173,326</u>	<u>\$ 134,120</u>	<u>\$ 39,206</u>	<u>\$ 18,540</u>

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Notes to Financial Statements****Year Ended March 31, 2022**

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**5. INVESTMENTS**

	<u>2022</u>	<u>2021</u>
Seamark Investment Fund	\$ 1,396,201	\$ 1,279,577
Guaranteed Investment Certificates	76,463	75,211
Life Insurance Policy	1,456	1,456
	<u>\$ 1,474,120</u>	<u>\$ 1,356,244</u>

The Guaranteed Investment Certificates are held with Canadian Chartered Banks at rates of 0.35% for year 1 and 0.55% for year 2 and have maturity dates in November 2023.

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**6. CREDIT FACILITY**

The Society has a credit facility with the Bank of Montreal, which includes an approved operating line that can be drawn upon to a maximum of \$50,000, which bears interest at prime plus 1% and is secured by the Guaranteed Investment Certificates. At the statement of financial position date, the amount owing, which is due on demand, was \$nil [2021 - \$nil].

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**7. DEFERRED REVENUE**

Deferred revenue consist of contributions which are designated by the contributor to fund future expenses. These contributions will be recognized as revenue when the designated disbursements are made.

	Opening Balance	Increase	Decrease	<u>2022</u>
Program & Services	\$ 12,354	\$ 252,000	\$ (1,236)	\$ 263,118
Fundraising	4,005	1,958	(4,005)	1,958
Research	584,579	18,000	(42,575)	560,004
	<u>\$ 600,938</u>	<u>\$ 271,958</u>	<u>\$ (47,816)</u>	<u>\$ 825,080</u>

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Notes to Financial Statements****Year Ended March 31, 2022**

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**8. LEASE COMMITMENTS**

1. The Society leases office equipment which requires annual payments of \$4,280. The lease expires May 2023.
2. The Society has committed to a management and database system requiring annual payments to maintain it. In the current year \$45,616 [2021 - \$43,855] was paid for maintenance.
3. The Society through it's long term strategic plan has committed to annual contributions to the Alzheimer's Canada Research Program. The current years contribution was \$61,477 [2021 \$51,100] and future year contributions will be determined on an annual basis.
4. The Society leases office space requiring the following minimum annual lease payments. The lease expires March 2026.

2023	\$	75,542
2024		77,903
2025		77,903
2026		77,903
		<hr/>
	\$	309,251

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**9. ALZHEIMER SOCIETY OF CANADA TRANSACTIONS**

All funds received by Alzheimer Society of Canada ("ASC") are distributed to the provincial Alzheimer Society in the province and/or territory from which the funds originated. The ASC is funded by the provinces through research and operating assessment fees.

	<u>2022</u>	<u>2021</u>
<u>Revenues</u>		
Memorials, donations and bequests	\$ 46,656	\$ 36,197
IG Wealth Management Walk Sponsorship	56,043	67,976
Health Partners	14,474	14,981
Direct Marketing	184,028	190,440
Research (Other than direct marketing)	35,700	30,765
	<hr/>	<hr/>
	336,901	340,359
<u>Expenditures</u>		
Research Assessments	60,497	51,100
Operating Assessments	56,459	41,207
Direct Marketing Allocations	120,909	102,258
	<hr/>	<hr/>
	237,865	194,565
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	\$ 99,036	\$ 145,794

As at year end a net receivable from ASC of \$5,946 [2021 - \$32,831] was recorded as Due From ASC.

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Notes to Financial Statements****Year Ended March 31, 2022**

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**10. UNREALIZED GAIN ON INVESTMENTS**

Unrealized gains and losses on investments are as follows:

	<u>2022</u>	<u>2021</u>
<b><i>Seamark Investments</i></b>		
Fair Market Value	\$ 1,396,201	\$ 1,279,277
Cost	<u>1,123,097</u>	<u>1,023,143</u>
Total Unrealized Gain	<b>273,104</b>	256,134
Gain Recognized In Prior Years	<u>256,084</u>	<u>36,835</u>
	<b>\$ 17,020</b>	<b>\$ 219,299</b>

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**11. ALLOCATION OF EXPENSES**

	Programs & Services	Fundraising	Research	Administration
General & Administration	\$ 395,063	\$ 113,734	\$ 2,905	\$ 55,293
Salaries & Benefits	1,243,576	279,316	4,023	76,437
Programs & Projects	177,824	49,054	33,445	16,153
ASC Assessments	-	120,909	60,497	56,459
	<u>\$ 1,816,463</u>	<u>\$ 563,013</u>	<u>\$ 100,870</u>	<u>\$ 204,342</u>

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**12. FINANCIAL INSTRUMENTS**

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of March 31, 2022.

**(a) Credit risk**

The Society is exposed to credit risk primarily with respect to their accounts receivable. The Society manages that risk through regular monitoring of balances and continuous communication with debtors.

**(b) Liquidity risk**

The Society's liquidity risk represents the risk that the Society could encounter difficulty in meeting obligations associated with its financial liabilities. The Society is exposed to liquidity risk mainly in respect of its accounts payable and accrued liabilities, and research funding obligations. Liquidity risk is not considered to be significant because the Society maintains sufficient funds to meet outstanding obligations.

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**ALZHEIMER SOCIETY OF NOVA SCOTIA****Notes to Financial Statements****Year Ended March 31, 2022**

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**12. FINANCIAL INSTRUMENTS (continued)*****(c) Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Society is mainly exposed to currency risk and interest rate risk.

***(d) Currency risk***

Currency risk is the risk to the Society that arises from fluctuations in foreign exchange rates. The Society is exposed to currency risk on its investments held in foreign currencies.

***(e) Interest rate risk***

Interest rate risk is the risk that the fair value (price risk) or future cash flows (cash flow risk) of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to price risk with respect to investments with fixed interest rates, and cash flow risk with respect to investments with variable interest rates.

***(f) 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 investment in quoted shares.

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**13. COMPARATIVE FIGURES**

Some of the comparative figures have been reclassified to conform to the current year's presentation.

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