

Alzheimer Society of Thunder Bay
Financial Statements
March 31, 2022

Alzheimer Society of Thunder Bay Contents

For the year ended March 31, 2022

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Management's Responsibility

To the Directors of Alzheimer Society of Thunder Bay:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Charity. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management, and external auditors. The Board is also responsible for recommending the appointment of the Charity's external auditors.

MNP LLP is appointed by the directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 24, 2022

Executive Director

Independent Auditor's Report

To the Directors of Alzheimer Society of Thunder Bay:

Qualified Opinion

We have audited the financial statements of Alzheimer Society of Thunder Bay (the "Charity"), 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 Charity 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 not-for-profit organizations, Alzheimer Society of Thunder Bay 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 organization and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2022 and March 31, 2021 and assets and net assets as at March 31, 2022 and March 31, 2021.

Under Canadian Accounting Standards for Not-for-profit organizations, the organization is required to capitalize items of a capital nature over their useful lives. As described in Note 2, the organization does not capitalize items of a capital nature. Items of a capital nature are expensed in the year of acquisition. We were unable to determine the extent of adjustments which might be necessary to operations, surplus or deficit for the year, assets or closing net liabilities.

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

Those charged with governance are responsible for overseeing the Charity'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 Charity'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 Charity'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 Charity 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.

Timmins, Ontario

May 24, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Alzheimer Society of Thunder Bay Statement of Financial Position

As at March 31, 2022

	2022	2021
Assets		
Current		
Cash	283,310	174,212
Accounts receivable (Note 4)	12,014	31,602
Prepaid expenses	10,617	3,858
	305,941	209,672
Liabilities		
Current		
Accounts payable and accruals (Note 5)	12,440	24,589
Alzheimer Society of Ontario - Research (Note 7)	395	7,739
	12,835	32,328
Net Assets	293,106	177,344
	305,941	209,672

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay
Statement of Operations
For the year ended March 31, 2022

	2022	2021
Revenue		
Northwest LHIN	343,813	487,526
Grant revenue	-	48,771
Donations	148,290	88,689
Fundraising	83,058	102,808
Interest	10	-
Other income	58,174	102,640
Government assistance	7,874	14,187
	641,219	844,621
Expenses		
Advertising and promotion	2,821	75
Bad debts	12,797	-
Bank charges and interest	1,330	4,403
Contracted services (Note 8)	17,263	20,417
Fundraising	5,017	20,831
Harmonized sales tax	-	6,986
Insurance	2,590	2,371
Licences and fees	-	860
Materials	13,381	99,403
Office	67,379	22,554
Office equipment lease	1,563	6,028
Professional development	2,164	2,187
Professional fees	21,343	18,778
Rent	41,340	41,495
Research	-	4,455
Salaries and benefits	321,715	513,457
Service delivery	-	26,549
Special projects	-	1,571
Telecommunications	8,673	6,899
Travel	6,081	7,536
	525,457	806,855
Excess of revenue over expenses	115,762	37,766

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay
Statement of Changes in Net Assets

For the year ended March 31, 2022

	2022	2021
Net assets beginning of year	177,344	139,578
Excess of revenue over expenses	115,762	37,766
Net assets, end of year	293,106	177,344

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay
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	115,762	37,766
Changes in working capital accounts		
Accounts receivable	19,588	7,348
Prepaid expenses	(6,759)	10,374
Accounts payable and accruals	(12,149)	(51,447)
Alzheimer Society of Ontario - Research	(7,344)	4,455
Deferred revenue	-	(61,885)
Increase (decrease) in cash resources	109,098	(53,389)
Cash resources, beginning of year	174,212	227,601
Cash resources, end of year	283,310	174,212

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay

Notes to the Financial Statements

For the year ended March 31, 2022

1. Incorporation and nature of the organization

Alzheimer Society of Thunder Bay (the "Charity") was incorporated under the authority of the Income Tax Act and is a registered charity. In order to maintain its status as a registered charity under the Act, the Charity must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Charity's objective is to alleviate the personal and social consequences of Alzheimer disease and other dementias, promote the search for the causes and provide information, education and support to all persons with Alzheimer's disease and other dementias and their partners in care.

Impact on operations of COVID-19 (coronavirus)

In early March 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Charity's operations were impacted by COVID-19 as they could not hold as many fundraising events as they have had in the past. They have received additional one-time funding from the Northwest LHIN along with some government assistance.

At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Charity 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. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations all of which may negatively impact the Charity's operation and financial condition.

2. Change in accounting policy

Financial instruments

Financial instruments in a related party transaction, risk disclosures and other amendments.

Effective January 1, 2021 (hereafter referred to as the "initial date of application"), the Charity adopted the Accounting Standards Board's revised recommendations for the measurement and disclosure of financial instruments in a related party transaction, as well as revisions to risk disclosures, in Section 3856 Financial Instruments. The revised standard provides additional guidance and requirements for the measurement of financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments").

Revised Section 3856 clarifies that an entity must provide relevant entity-specific information to enable users to evaluate the nature and extent of each type of risk arising from financial instruments. The amendments remove the requirement to separately disclose the risks arising from derivatives from the risks arising from other financial instruments.

Revised Section 3856 requires the following related party financial instruments to be initially measured at fair value:

- Investments in equity instruments quoted in an active market;
- Debt instruments quoted in an active market;
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly); and
- Derivative contracts.

2. Change in accounting policy *(Continued from previous page)*

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest and dividend payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received.

At initial recognition, the Charity may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value. If the election is not made, these instruments are subsequently measured at amortized cost. Subsequently investments in equity instruments quoted in an active market and derivatives instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are measured at fair value. All other financial instruments arising in a related party transaction are subsequently measured using the cost method. Previously, the Charity initially measured related party financial instruments at either the carrying amount or exchange amount in accordance with Section 3840 Related Party Transactions. Subsequent to initial recognition, related party financial instruments were measured in accordance with extant Section 3856.

Transition

The Charity applied the changes in accounting policies resulting from the adoption of revised Section 3856 retrospectively and prior periods have been restated. Financial instruments exchanged in a related party transaction that do not exist at the date of initial application and were impaired or modified in the immediately preceding fiscal year have not been restated in accordance with Section 3856. In addition, the following transitional provisions were applied to related party financial instruments that exist at the date of initial application:

- The cost of a financial instrument that has repayment terms is determined using the undiscounted cash flows, excluding interest and dividend payments, of the instrument less any impairment, as at the beginning of the earliest comparative period presented in these financial statements.
- The cost of a financial instrument that does not have repayment terms is deemed to be the carrying amount of the instrument in the financial statements of the entity less any impairment, at the beginning of the earliest comparative period presented in these financial statements.
- Fair value of a financial instrument that is an investment in debt or equity instruments that are quoted in active market; a debt instrument where inputs significant to the determination of fair value of the instrument are observable; or, a derivative contract, is determined at the beginning of the earliest comparative period presented in these financial statements.

The retrospective application of this change in accounting policy did not have a material impact on the results of operations and financial condition of the Charity.

3. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Capital assets

Capital assets are expensed on acquisition. The major categories of capital assets held by the Charity are furniture and equipment, computer equipment. During the year, the Charity expensed \$10,935 (2021 - \$Nil) in capital asset purchases.

3. Significant accounting policies *(Continued from previous page)*

Revenue recognition

The Charity follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations, grants, other income and fundraising revenues are recognized as received.

Contributed materials and services

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Charity's operations and would otherwise have been purchased.

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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accounts payable and accrued liabilities are estimated based on historical costs for goods and services.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

The Charity recognizes financial instruments when the Charity becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

At initial recognition, the Charity may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Charity has made such an election during the year. Fair value is determined by reference to recent arm's length transactions.

The Charity subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotation. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Charity's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

3. Significant accounting policies *(Continued from previous page)*

Related party financial instruments

The Charity initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 8).

At initial recognition, the Charity may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Charity subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

4. Accounts receivable

	2022	2021
Accounts receivable	3,618	15,571
HST recoverable	8,396	16,031
	12,014	31,602

Alzheimer Society of Thunder Bay
Notes to the Financial Statements
For the year ended March 31, 2022

5. Accounts payable and accruals

	2022	2021
Accounts payable and accruals	11,608	24,235
Wage and employee benefits payable	832	354
	12,440	24,589

6. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for projects to be completed in subsequent years.

Changes in the deferred contribution balance are as follows:

	2022	2021
Balance, beginning of year	-	61,885
Deferred contributions recognized during the year	-	(61,885)
	-	-

7. Due to Alzheimer Society of Ontario - Research donations

The amount owed to Alzheimer Society of Ontario is made up of donations received that are specifically marked for research purposes. The donations are restricted for this purpose only and can not be used for any other intended purposes. These funds must will forwarded to the Alzheimer Society of Ontario for research purposes.

	2022	2021
Donations received	395	7,739
	395	7,739

8. Related party transactions

The Charity is related to the Alzheimer Society of Timmins-Porcupine District Inc. by virtue of common management. Included in expenses for the current year are \$17,263 (2021 - \$20,417) in executive director contract services received from the Alzheimer Society of Timmins-Porcupine District Inc.

9. Commitments

The Charity has entered into lease agreements for office space and equipment. Future minimum lease payments over the next four years are as follows:

2023	36,516
2024	35,976
2025	5,300
	77,792

10. Financial instruments

The Charity, as part of its operations, carries a number of financial instruments. It is management's opinion that the Charity is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments.

11. Government assistance

Canada Emergency Rent Subsidy (CERS)

In response to the negative economic impact of COVID-19, the Government of Canada announced the CERS program in October 2020. CERS provides a rent and mortgage subsidy of up to 65% of eligible expenses, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. Qualifying organizations that have been significantly restricted by a mandatory public health order issued by a qualifying public health authority can receive an additional lockdown support of 25%. This subsidy is retroactive to September 27, 2020. The qualification and application the CERS is being assessed over multiple four-week application period segments.

The Charity has determined that it qualifies for this subsidy and has applied for \$7,874 in assistance related to the April to December 2021 periods. This grant has been recorded as government assistance in revenue. The Charity intends to apply for the CERS in the subsequent application periods subject to continuing to meet the applicable qualification criteria.

Any subsidies that are subsequently determined to not meet eligibility criteria are subject to repayment with interest and possibly penalties in certain cases. Management believes the Charity has met the eligibility criteria for these subsidies and that they have been calculated correctly. As such, no contingent liability has been recorded in relation to these subsidies.

12. Economic dependence

The Charity's primary source of revenue is from Northwest LHIN. The grant funding can be cancelled if the Charity does not observe certain established guidelines. The Charity's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within the provincial government guidelines. As at the date of these financial statements the Charity believes that it is in compliance with the guidelines.

13. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.