

Alzheimer Society Waterloo Wellington

Financial Statements
Year Ended March 31, 2019

- audited -

Alzheimer Society Waterloo Wellington

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Alzheimer Society Waterloo Wellington:

Qualified Opinion

We have audited the financial statements of Alzheimer Society Waterloo Wellington, which comprise the statement of financial position as at March 31, 2019, and the statements of operations, changes in net assets and statement of cash flows as at March 31, 2019 for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the 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 Alzheimer Society Waterloo Wellington as at March 31, 2019, and its results of its operations and its cash flows for the year then ended March 31, 2019 in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, Alzheimer Society Waterloo Wellington derives revenue from donations, the completeness of which is not susceptible to us obtaining evidence we considered necessary for the purpose of the review. Accordingly, the evidence obtained of these revenues was limited to the amounts recorded in the records of Alzheimer Society Waterloo Wellington and we were not able to determine whether any adjustments might have been found necessary with respect to donations, the excess of revenues over expenses, cash flows from operating activities for the years ended March 31, 2019 and March 31, 2018, current assets as at March 31, 2019 and March 31, 2018, and net assets as at April 1 and March 31 for both the 2019 and 2018 year ends. Our conclusion on the financial statements as at and for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation in 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 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 these 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

Independent Auditor's Report continued on next page...

Independent Auditor's Report continued...

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.

Ward & Uptigrove

Listowel, Ontario

June 12, 2019

Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants



Alzheimer Society Waterloo Wellington

Statement of Financial Position

as at March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2019

2018

ASSETS

Current Assets

Cash and cash equivalents - Note 4	470,187	261,213
Accounts receivable	57,024	37,684
HST receivable	20,405	9,189
Prepaid expenses	8,139	10,564
Guaranteed investment certificates	249,011	415,840

	804,766	734,490
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Other Assets

Guaranteed investment certificates - Libro Credit Union, 36 month non-redeemable, interest at 2.75%, matures on February 2022	100,141	-
Libro Credit Union shares	4,290	3,569
Your Neighbourhood Credit Union membership shares	5	5

	104,436	3,574
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Capital Assets - Note 6

Cost	15,211	15,211
Less accumulated amortization	12,630	7,566

	2,581	7,645
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TOTAL ASSETS

	911,783	745,709
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable and accruals	63,240	41,357
Deferred revenue - Note 7	68,601	64,326

TOTAL LIABILITIES

	131,841	105,683
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NET ASSETS

Internally restricted	11,010	11,945
Unrestricted	768,932	628,081

TOTAL NET ASSETS

	779,942	640,026
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TOTAL LIABILITIES AND NET ASSETS

	911,783	745,709
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Alzheimer Society Waterloo Wellington

Statement of Operations year ended March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

	2019	2018
REVENUE		
Alzheimer Society of Ontario	9,369	3,373
Bequests	22,373	59,812
General donations	220,309	205,333
Grants	385,959	214,639
Interest and other income	9,952	10,115
Local Health Integration Network - Family Support	331,704	202,124
Local Health Integration Network - One time funding	-	1,100
Local Health Integration Network - Public Education	222,801	222,801
Local Health Integration Network - VCP	-	48,980
Special events and fundraising activities	227,025	184,511
	1,429,492	1,152,788

Expenses

Amortization	5,064	5,064
Bank charges	7,223	7,195
Capital asset acquisitions	374	509
Insurance	4,248	4,244
Miscellaneous	1,190	956
Office, postage, telephone	83,976	60,043
Professional development	6,616	7,723
Professional fees	15,178	11,771
Public awareness, programs and family support	61,490	46,710
Rent and utilities	65,724	57,434
Repairs and maintenance	9,164	8,092
Special events and fundraising	17,789	8,600
Travel and conferences	23,463	16,188
Wages and benefits	988,077	824,405
	1,289,576	1,058,934

EXCESS OF REVENUE OVER EXPENDITURES	139,916	93,854
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Alzheimer Society Waterloo Wellington

Statement of Change in Net Assets

year ended March 31, 2019

in dollars

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<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2019	2018
Internally Restricted Net Assets		
Net assets, beginning of year	11,945	14,490
Excess (deficiency) of revenue over expenses for the year	(935)	(2,545)
	11,010	11,945
Unrestricted Net Assets		
Net assets, beginning of year	628,081	531,682
Excess (deficiency) of revenue over expenses for the year	140,851	96,399
	768,932	628,081
NET ASSETS, END OF YEAR	779,942	640,026

Alzheimer Society Waterloo Wellington

Statement of Cash Flows year ended March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2019

2018

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenue over expenditures for the year	139,916	93,854
Amortization	5,064	5,064
	144,980	98,918
Changes in non-cash working capital related to operations - Note 8	(1,973)	26,894
	143,007	125,812

INVESTING ACTIVITIES

Decrease in short term investments	166,829	(311,996)
Increase in long term investments	(100,141)	-
Redemption of long term investments	-	100,000
Increase in Libro Credit Union class P shares	(721)	(543)
Increase in Your Neighbourhood Credit Union Membership shares	-	(5)
	65,967	(212,544)

CHANGE IN CASH AND CASH EQUIVALENTS

	208,974	(86,732)
Cash and cash equivalents, beginning of year	261,213	347,945
Cash and cash equivalents, end of year	470,187	261,213

Represented by:

Cash and cash equivalents	470,187	261,213
	470,187	261,213

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

1 PURPOSE OF ORGANIZATION

The Alzheimer Society of Waterloo Wellington ("the organization") is incorporated without share capital under the laws of the Province of Ontario. The primary objective of the organization is to improve the quality of life of persons affected by Alzheimer Disease and other dementias and to promote research into its causes and prevention. The organization is a registered charity under the Income Tax Act and accordingly is exempt from income taxes.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations and include the following significant accounting policies:

2.1 Basis of accounting

The organization follows the deferral method of accounting.

2.2 Cash and cash equivalents

Cash and cash equivalents consist of cash and temporary investments that are readily redeemable at the option of the organization.

2.3 Portfolio Investments

Short term investments consist of investments with maturities of between three months and one year at the date of acquisition. Long term investments consist of investments with maturities in excess of one year at the date of acquisition. The organization does not exercise significant influence with respect to any of these investments.

2.4 Capital assets

The organization capitalizes capital assets purchased in excess of \$2,000. All capital assets less than \$2,000 are expensed in the year of acquisition. Capital assets are stated at cost and are amortized on a straight line basis, as indicated below, which will fully amortize the assets over their estimated useful lives.

Computer hardware	36 months
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Internally restricted funds are held for the purchase of capital assets and are disclosed separately in financial statements.

2.5 Revenue recognition

The organization follows the deferral method of accounting for contributions, which include donations and government grants.

Grants and memberships are recorded as revenue in the period to which they relate. Grants approved but not received at the end of the fiscal year are accrued for. Where a portion of a grant or membership relates to a future period, it is recognized as a deferred contribution or deferred membership on the statement of financial position.

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.

Revenue from special events and other sources is recognized when the funds are received.

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2.6 Contributed services

A substantial number of volunteers contribute a significant amount of their time each year to the organization. Due to the difficulty of determining the fair value of their time, contributed services are not recognized in the financial statements.

2.7 Use of estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the current period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known.

2.8 Financial instruments

The organization initially measures its financial assets and liabilities at fair value, except for certain non-arm's length transactions. The entity subsequently measures all its financial assets and financial liabilities at amortized cost, except for any investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net income.

3 FINANCIAL INSTRUMENTS

The company is exposed to various financial risks through transactions in financial instruments.

(a) Credit risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The company is not exposed to credit risk.

(b) Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The company is not exposed to currency risk.

(c) Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The company is not exposed to interest rate risk.

(d) Liquidity risk

Liquidity risk is the risk that the company will encounter difficulty in meeting obligations associated with financial liabilities. The company is not exposed to liquidity risk.

(e) 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. The company is not exposed to other price risk.

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

4 CASH AND CASH EQUIVALENTS

	2019	2018
Cash	468,599	259,847
Restricted cash	1,588	1,366
	470,187	261,213

Restricted cash is externally restricted by various funding organizations.

5 GUARANTEED INVESTMENT CERTIFICATES

	2019	2018
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.7%, matures April 8, 2019	71,426	-
Libro Credit Union, GIC 30 day non-redeemable, interest at 1.7%, matures April 8, 2019	106,272	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.7%, matures May 8, 2019	71,313	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.15%, matured	-	70,236
Libro Credit Union, GIC 30 day non-redeemable, interest at 1.30%, matured	-	104,668
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.30%, matured	-	70,250
Libro Credit Union, GIC 36 month non-redeemable, interest at 2.20%, matured	-	100,338
Your Neighbourhood Credit Union, GIC 90 day term special, interest at 2.30%, matured	-	70,348
	249,011	415,840

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

6 CAPITAL ASSETS

	Cost	Accumulated Amortization	2019 Net book value	2018 Net book value
Computer hardware	15,211	12,630	2,581	7,645
	15,211	12,630	2,581	7,645

7 DEFERRED REVENUE

Deferred revenue represents unspent, externally restricted grants for support programs. Deferred revenue consists of the following amounts and programs:

	2019	2018
Nevada funds	1,588	1,366
New Horizons	22,913	18,500
Trillium	41,500	41,500
Walk for Alzheimers	2,600	2,780
Volunteer appreciation	-	160
Carepartner Social	-	20
	68,601	64,326

8 STATEMENT OF CASH FLOWS

The net change in non-cash working capital consists of:

	2019	2018
Accounts receivable	(19,340)	(23,797)
HST receivable	(11,216)	789
Prepaid expenses	2,425	(2,749)
Accounts payable and accruals	21,883	(9,574)
Deferred revenue	4,275	62,225
	(1,973)	26,894

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2019

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

9 OPERATING LEASE COMMITMENTS

The organization has operating leases for its premises and for office equipment.

Kitchener location - the lease for the premises has monthly payments of \$3,150 plus tax and expires March 2022. The leases for the office equipment have quarterly payments of \$184 plus tax that expire August 2023. An additional office equipment lease that covers all three locations has quarterly payments of \$1,524 plus tax that expire February 2023.

Cambridge location - the lease for the premises has a monthly rent, business service, and common charges payment of \$804 plus tax and expires November 2021.

Guelph location - the premises has monthly lease payments of \$1,250 including tax and expires March 2020.

Lease payments required in the next three years are as follows:

2020	70,328
2021	58,744
2022	55,796
	<hr/>
	184,868

10 SUBSEQUENT EVENT

Subsequent to year end, the organization cashed a \$100,000 long term guaranteed investment certificate held with Libro Credit Union. Immediately after the Organization reinvested \$250,000 into a guaranteed investment certificate held with Libro Credit Union. The terms on this guaranteed investment certificate are 30 months non-redeemable, interest at 3%, matures on October 2021.