

***Alzheimer Society Waterloo Wellington***

Financial Statements  
Year Ended March 31, 2020

*- 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, 2020, and the statements of operations, changes in net assets and statement of cash flows as at March 31, 2020 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, 2020, and its results of its operations and its cash flows for the year then ended March 31, 2020 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, 2020 and March 31, 2019, current assets as at March 31, 2020 and March 31, 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 year ends. Our conclusion on the financial statements as at and for the year ended March 31, 2020 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.

### Other Matters

We draw attention to Note 12 of the financial statements, which describes the effects of the coronavirus disease (COVID-19) on the organization. Our opinion is not modified in respect of this matter.

### 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.

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

*Independent Auditor's Report continued...*

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.

*Ward & Uptigrove*

Listowel, Ontario

June 3, 2020

**Ward & Uptigrove**  
**Chartered Professional Accountants**  
**Licensed Public Accountants**



# Alzheimer Society Waterloo Wellington

## Statement of Financial Position

as at March 31, 2020

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

2020

2019

### ASSETS

#### Current Assets

Cash and cash equivalents - Note 4	613,743	470,187
Accounts receivable	17,958	57,024
HST receivable	20,478	20,405
Prepaid expenses	10,664	8,139
Guaranteed investment certificates - Note 5	430,722	249,011

	<b>1,093,565</b>	<b>804,766</b>
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#### Long Term Assets

Marketable securities	424,406	-
Guaranteed investment certificates	-	100,141
Guaranteed investment certificates - Libro Credit Union, 30 month non-redeemable, interest at 3%, matures on October 2021	252,884	-
Libro Credit Union shares	5,397	4,290
Your Neighbourhood Credit Union membership shares	30	5

	<b>682,717</b>	<b>104,436</b>
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#### Capital Assets - Note 6

	-	<b>2,581</b>
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### TOTAL ASSETS

	<b>1,776,282</b>	<b>911,783</b>
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### LIABILITIES AND NET ASSETS

#### LIABILITIES

##### Current Liabilities

Accounts payable and accruals	62,308	63,239
Deferred revenue - Note 7	47,255	68,601

#### TOTAL LIABILITIES

	<b>109,563</b>	<b>131,840</b>
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#### NET ASSETS

Internally restricted	6,874	11,010
Externally restricted - Note 8	424,786	-
Unrestricted	1,235,059	768,933

#### TOTAL NET ASSETS

	<b>1,666,719</b>	<b>779,943</b>
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### TOTAL LIABILITIES AND NET ASSETS

	<b>1,776,282</b>	<b>911,783</b>
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# Alzheimer Society Waterloo Wellington

Statement of Operations  
year ended March 31, 2020

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2020

2019

## REVENUE

Alzheimer Society of Ontario	17,869	9,369
Bequests	413,268	22,373
General donations	255,210	220,309
Grants	348,813	385,959
Interest and other income	16,023	9,952
Local Health Integration Network - Family Support	344,804	331,704
Local Health Integration Network - Public Education	222,801	222,801
Special events and fundraising activities	164,425	227,025

**1,783,213**

**1,429,492**

## Expenses

Advertising and publications	1,226	-
Amortization	2,581	5,064
Bank charges	8,073	7,223
Capital asset acquisitions	4,136	374
Insurance	4,899	4,248
Miscellaneous	-	1,190
Office, postage, telephone	77,015	83,976
Professional development	6,242	6,616
Professional fees	17,066	15,178
Public awareness, programs and family support	69,894	61,414
Rent and utilities	67,567	65,724
Repairs and maintenance	9,427	9,164
Special events and fundraising	13,054	17,864
Travel and conferences	18,717	23,463
Wages and benefits	1,019,828	988,077

**1,319,725**

**1,289,575**

## Operating income

**463,488**

**139,917**

## Other income

Gain (loss) on investments	(1,498)	-
Unrealized gain (loss) on investments	(80,712)	-

## EXCESS OF REVENUE OVER EXPENDITURES

**381,278**

**139,917**

# Alzheimer Society Waterloo Wellington

## Statement of Change in Net Assets

year ended March 31, 2020

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

	2020	2019
<b>Internally Restricted Net Assets</b>		
Net assets, beginning of year	11,010	11,945
Capital asset acquisitions	(4,136)	(935)
	6,874	11,010
<b>Externally Restricted Net Assets</b>		
Net assets, beginning of year	-	-
Contributions for the year	505,498	-
Unrealized gain (loss) on investments - Note 8	(80,712)	-
	424,786	-
<b>Unrestricted Net Assets</b>		
Net assets, beginning of year	768,933	628,081
Excess (deficiency) of revenue over expenditures for the year	381,278	139,917
Items related to externally restricted net assets	80,712	-
Items related to internally restricted net assets	4,136	935
	1,235,059	768,933
<b>NET ASSETS, END OF YEAR</b>	<b>1,666,719</b>	<b>779,943</b>

# Alzheimer Society Waterloo Wellington

## Statement of Cash Flows year ended March 31, 2020

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2020

2019

### CASH PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

Excess of revenue over expenditures for the year	381,278	139,917
Items not affecting cash:		
Amortization	2,581	5,064
Unrealized (gain) loss on investments	80,712	-
Realized (gain) loss on investments	1,498	-
	<hr/>	<hr/>
Changes in non-cash working capital	466,069	144,981
related to operations - Note 9	14,192	(1,974)
	<hr/>	<hr/>
	<b>480,261</b>	<b>143,007</b>

#### INVESTING ACTIVITIES

(Increase) decrease in short term guaranteed investment certificates	(181,711)	166,829
(Increase) decrease in long term guaranteed investment certificates	(152,744)	(100,141)
Purchase of marketable securities	(1,489,990)	-
Sale of marketable securities	983,500	-
(Increase) decrease in cash balance of restricted asset	(126)	-
Contributed restricted net assets	505,498	-
Purchase of Libro Credit Union class P shares	(1,107)	(721)
Purchase of Your Neighbourhood Credit Union shares	(25)	-
	<hr/>	<hr/>
	<b>(336,705)</b>	<b>65,967</b>

#### CHANGE IN CASH AND CASH EQUIVALENTS

	<b>143,556</b>	<b>208,974</b>
Cash and cash equivalents, beginning of year	470,187	261,213
	<hr/>	<hr/>
<b>Cash and cash equivalents, end of year</b>	<b>613,743</b>	<b>470,187</b>

#### Represented by:

Cash and cash equivalents	613,743	470,187
	<hr/>	<hr/>
	<b>613,743</b>	<b>470,187</b>



# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2020

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. The financial statements were prepared on a going concern basis. The going concern basis assumes that the organization will continue to operate for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of operation.

#### 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

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

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2020

*in dollars*

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*The Accompanying Notes are an Integral Part of the 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.

Revenue from investments is recorded in the year in which it occurs if unrestricted. Restricted investment revenue is allocated directly to restricted net assets in the year in which it occurs.

### **2.6 Restricted Net Assets**

Internally restricted assets consist of funds that are restricted at the discretion of the Board.

Externally restricted assets consists of funds that are restricted by the third party donor or agency.

### **2.7 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.

### **2.8 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.

### **2.9 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. Financial assets measured at amortized cost include cash and accounts receivable.

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2020

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 2.10 Impairment of long-lived assets

A long-lived asset is tested for recoverability whenever events or changes in circumstances indicate that its carrying amount may not be recoverable. An impairment loss is recognized when the carrying amount of the asset exceeds the sum of the undiscounted cash flows resulting from its use and eventual disposition. The impairment loss is measured as the amount by which the carrying amount of the long-lived asset exceeds its fair value.

## 3 FINANCIAL INSTRUMENTS

The organization 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 organization 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 organization 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 organization 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 organization is exposed to other price risk, with regards to marketable securities. Please reference note 11 for more information.

## 4 CASH AND CASH EQUIVALENTS

	2020	2019
Cash	613,743	468,599
Restricted cash	-	1,588
	613,743	470,187

Restricted cash is externally restricted by various funding organizations.

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2020

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 5 GUARANTEED INVESTMENT CERTIFICATES

	2020	2019
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.65%, matures April 2, 2020	72,480	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.65%, matures May 2, 2020	72,513	-
Libro Credit Union, GIC 180 day non-redeemable, interest at 1.75%, matures May 30, 2020	75,431	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.65%, matures June 1, 2020	108,065	-
Your Neighbourhood Credit Union, GIC 1 year term special, interest at 2.45%, matures June 02, 2020	102,233	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.7%, matured	-	71,426
Libro Credit Union, GIC 30 day non-redeemable, interest at 1.7%, matured	-	106,272
Libro Credit Union, GIC 90 day non-redeemable, interest at 1.7%, matured	-	71,313
	430,722	249,011

### 6 CAPITAL ASSETS

	Cost	Accumulated Amortization	2020 Net book value	2019 Net book value
Computer hardware	15,211	15,211	-	2,581
	15,211	15,211	-	2,581

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2020

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 7 DEFERRED REVENUE

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

	2020	2019
Mind in Motion program	28,500	-
Winter Warmer	15,935	-
French Caregiver Support Group	2,560	-
Walk for Alzheimers	260	2,600
New Horizons	-	22,913
Nevada funds	-	1,588
Trillium	-	41,500
	47,255	68,601

### 8 EXTERNALLY RESTRICTED NET ASSETS

The externally restricted net assets consists of an endowment fund received by the organization during the year. The endowment fund consists of publicly traded securities that are recorded at fair market value, any unrealized gains or losses on these securities are not included in the statement of net income of the organization. These principal contributions are required to be held by the organization for 10 years, during this 10 year term any income earned can be used for charitable purposes at the discretion of the organization.

### 9 STATEMENT OF CASH FLOWS

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

	2020	2019
Accounts receivable	39,066	(19,340)
HST receivable	(73)	(11,216)
Prepaid expenses	(2,525)	2,425
Accounts payable and accruals	(930)	21,882
Deferred revenue	(21,346)	4,275
	14,192	(1,974)

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2020

*in dollars*

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*The Accompanying Notes are an Integral Part of the Financial Statements*

### 10 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 consists of monthly rent, business service, and common charges. The lease has monthly payments of \$831 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:

2021	58,744
2022	55,796
2023	764
	<hr/>
	115,304

### 11 COMPARATIVE FIGURES

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

### 12 SUBSEQUENT EVENT

In March 2020, the global pandemic in regards to the coronavirus disease (COVID-19) has caused major disruptions on economic activities and markets. The organizations investments in equity instruments are measured at their fair market value in these financial statements on March 31, 2020. As of the report date, the financial markets have decreased significantly which has resulted in the organizations equity portion of their portfolio to show declines in value.

The impact of coronavirus disease (COVID-19) in Canada and the rest of the world has increased exponentially. The organization expects to see effects on its revenues, expenses and its assets. As the impact of coronavirus disease (COVID-19) continue to effect the economy, the organization could have future impacts on the timing of cash flows on some of their assets. As of the issuance date of the financial statements, the overall impact of coronavirus disease on the organization is not known.