

***Alzheimer Society Waterloo Wellington***

Financial Statements  
Year Ended March 31, 2021

*- 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, 2021, and the statements of operations, changes in net assets and statement of cash flows as at March 31, 2021 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, 2021, and its results of its operations and its cash flows for the year then ended March 31, 2021 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, 2021 and March 31, 2020, current assets as at March 31, 2021 and March 31, 2020, and net assets as at April 1 and March 31 for both the 2021 and 2020 year ends. Our conclusion on the financial statements as at and for the year ended March 31, 2021 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.

### Emphasis of Matter

We draw attention to Note 13 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

May 31, 2021

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



# Alzheimer Society Waterloo Wellington

## Statement of Financial Position

as at March 31, 2021

*in dollars*

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

2021

2020

### ASSETS

#### Current Assets

Cash and cash equivalents - Note 4	947,676	613,743
Accounts receivable	52,602	17,958
HST receivable	13,136	20,478
Prepaid expenses	9,466	10,664
Guaranteed investment certificates - Note 5	594,699	430,722

	<b>1,617,579</b>	<b>1,093,565</b>
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#### Long Term Assets

Marketable securities - Note 6	557,802	424,406
Guaranteed investment certificates	-	252,884
Libro Credit Union shares	5,693	5,397
Your Neighbourhood Credit Union membership shares	45	30

	<b>563,540</b>	<b>682,717</b>
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#### Capital Assets - Note 7

	-	-
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### TOTAL ASSETS

	<b>2,181,119</b>	<b>1,776,282</b>
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### LIABILITIES AND NET ASSETS

#### LIABILITIES

##### Current Liabilities

Accounts payable and accruals	98,980	62,308
Deferred revenue - Note 8	166,841	47,255

### TOTAL LIABILITIES

	<b>265,821</b>	<b>109,563</b>
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#### NET ASSETS

Internally restricted	6,084	6,874
Externally restricted - Note 9	527,324	424,786
Unrestricted	1,381,890	1,235,059

### TOTAL NET ASSETS

	<b>1,915,298</b>	<b>1,666,719</b>
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### TOTAL LIABILITIES AND NET ASSETS

	<b>2,181,119</b>	<b>1,776,282</b>
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# Alzheimer Society Waterloo Wellington

## Statement of Operations year ended March 31, 2021

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

	2021	2020
<b>REVENUE</b>		
Alzheimer Society of Ontario	69,993	17,869
Bequests	7,000	413,268
General donations	257,507	255,210
Grants	416,211	348,813
Interest and other income	31,295	16,023
Local Health Integration Network - Family Support	351,104	344,804
Local Health Integration Network - Public Education	222,801	222,801
Special events and fundraising activities	153,346	164,425
	<b>1,509,257</b>	<b>1,783,213</b>
<b>Expenses</b>		
Advertising and publications	468	1,226
Amortization	-	2,581
Bank charges	9,039	8,073
Capital asset acquisitions	790	4,136
Insurance	4,743	4,899
Office, postage, telephone	69,994	77,015
Professional development	5,598	6,242
Professional fees	23,571	17,066
Public awareness, programs and family support	97,579	69,894
Rent and utilities	69,527	67,567
Repairs and maintenance	8,173	9,427
Special events and fundraising	24,998	13,054
Travel and conferences	5,732	18,717
Wages and benefits	1,103,461	1,019,828
	<b>1,423,673</b>	<b>1,319,725</b>
<b>Operating income</b>	<b>85,584</b>	<b>463,488</b>
<b>Other income</b>		
Gain (loss) on investments	-	(1,498)
Government assistance - Note 10	60,457	-
Unrealized gain (loss) on investments	102,538	(80,712)
<b>EXCESS OF REVENUE OVER EXPENDITURES</b>	<b>248,579</b>	<b>381,278</b>

# Alzheimer Society Waterloo Wellington

## Statement of Change in Net Assets

year ended March 31, 2021

in dollars

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

	2021	2020
<b>Internally Restricted Net Assets</b>		
Net assets, beginning of year	6,874	11,010
Capital asset acquisitions	(790)	(4,136)
	6,084	6,874
<b>Externally Restricted Net Assets</b>		
Net assets, beginning of year	424,786	-
Contributions for the year	-	505,498
Unrealized gain (loss) on investments - Note 9	102,538	(80,712)
	527,324	424,786
<b>Unrestricted Net Assets</b>		
Net assets, beginning of year	1,235,059	768,933
Excess of revenue over expenditures for the year	248,579	381,278
Items related to externally restricted net assets	(102,538)	80,712
Items related to internally restricted net assets	790	4,136
	1,381,890	1,235,059
<b>NET ASSETS, END OF YEAR</b>	<b>1,915,298</b>	<b>1,666,719</b>

# Alzheimer Society Waterloo Wellington

## Statement of Cash Flows year ended March 31, 2021

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

2021

2020

### CASH PROVIDED BY (USED IN):

#### OPERATING ACTIVITIES

Excess of revenue over expenditures for the year	248,579	381,278
Items not affecting cash:		
Amortization	-	2,581
Unrealized (gain) loss on investments	(102,538)	80,712
Realized (gain) loss on investments	-	1,498
	146,041	466,069
Changes in non-cash working capital related to operations - Note 11	130,155	14,192
	<b>276,196</b>	<b>480,261</b>

#### INVESTING ACTIVITIES

(Increase) decrease in cash balance of restricted asset	-	(126)
(Increase) decrease in long term guaranteed investment certificates	252,884	(152,744)
(Increase) decrease in short term guaranteed investment certificates	(163,977)	(181,711)
Contributed restricted net assets	-	505,498
Purchase of Libro Credit Union class P shares	(296)	(1,107)
Purchase of Your Neighbourhood Credit Union shares	(15)	(25)
Purchase of marketable securities	(30,859)	(1,489,990)
Sale of marketable securities	-	983,500
	<b>57,737</b>	<b>(336,705)</b>

#### CHANGE IN CASH AND CASH EQUIVALENTS

**333,933**

**143,556**

Cash and cash equivalents, beginning of year 613,743 470,187

**Cash and cash equivalents, end of year 947,676 613,743**

#### Represented by:

Cash and cash equivalents 947,676 613,743

**947,676**

**613,743**



# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2021

*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, 2021

*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, 2021

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.

## 4 CASH AND CASH EQUIVALENTS

	2021	2020
Cash in bank	537,380	205,475
Cash in savings account	409,322	408,268
Cash in investment account	974	-
	947,676	613,743

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2021

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 5 GUARANTEED INVESTMENT CERTIFICATES

	2021	2020
Libro Credit Union, GIC 90 day non-redeemable, interest at 0.55%, matures June, 2021	73,001	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 0.55%, matures April, 2021	73,072	-
Libro Credit Union, GIC 90 day non-redeemable, interest at 0.55%, matures May, 2021	108,984	-
Libro Credit Union, GIC 180 day non-redeemable, interest at 0.45%, matures May, 2021	76,044	-
Libro Credit Union, GIC 30 month non-redeemable, interest at 3%, matures April, 2021	263,598	-
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
	594,699	430,722

During the year the above listed guaranteed investment certificates earned \$13,003 (2020 - \$9,716) in interest revenue.

### 6 MARKETABLE SECURITIES

The Organization holds marketable securities which are carried on the financial statements at their fair market value of \$557,802 (2020 - \$424,406). This amount includes a restricted cash balance of \$2,902 (2020 - nil). The cost of these marketable securities in the year is \$533,074 (2020 - \$504,992), which resulted in an unrealized gain of \$102,538 in the current year.

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2021

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 7 CAPITAL ASSETS

	Cost	Accumulated Amortization	2021 Net book value	2020 Net book value
Computer hardware	15,211	15,211	-	-
	15,211	15,211	-	-

### 8 DEFERRED REVENUE

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

	2021	2020
Trillium Grow	96,660	-
Supporting Inclusion through Intergenerational Partnerships	18,483	-
Trillium Seed	26,698	-
New Horizons	25,000	-
Mind in Motion program	-	28,500
Winter Warmer	-	15,935
French Caregiver Support Group	-	2,560
Walk for Alzheimers	-	260
	166,841	47,255

### 9 EXTERNALLY RESTRICTED NET ASSETS

The externally restricted net assets consists of an endowment fund received by the organization during F2020. 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.

### 10 GOVERNMENT ASSISTANCE

The organization received the Canada Emergency Wage Subsidy (CEWS), Canada Emergency Rent Subsidy (CERS), and Temporary Wage Subsidy (TWS) from the federal government. These subsidies assisted the organization in preventing job loss of employees and to ease back into normal operations during the COVID-19 pandemic. The total CEWS, CERS, and TWS amounts earned during the period were \$35,433, \$777, and \$24,256 respectively, for a total of \$60,457.

# Alzheimer Society Waterloo Wellington

## Notes to the Financial Statements

year ended March 31, 2021

in dollars

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The Accompanying Notes are an Integral Part of the Financial Statements

### 11 STATEMENT OF CASH FLOWS

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

	2021	2020
Accounts receivable	(34,644)	39,066
HST receivable	7,342	(73)
Prepaid expenses	1,198	(2,525)
Accounts payable and accruals	36,673	(930)
Deferred revenue	119,586	(21,346)
	130,155	14,192

### 12 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.

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

2022	55,796
2023	764
	<u>56,560</u>

### 13 IMPACT OF THE COVID-19 PANDEMIC

The economic impacts of the coronavirus disease (COVID-19) outbreak, and related government measures have been widespread affecting almost all businesses and organizations. At the date of issue of these financial statements, the overall financial effect of the pandemic on the subsequent year's overall operating results has not been substantial.