

Alzheimer Society Waterloo Wellington

Financial Statements
Year Ended March 31, 2022

- audited -

Alzheimer Society Waterloo Wellington

INDEX

	Page
Independent Auditor's Report	1 - 2
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to the Financial Statements	7 - 12

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, 2022, and the statements of operations, changes in net assets and statement of cash flows as at March 31, 2022 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, 2022, and its results of its operations and its cash flows for the year then ended March 31, 2022 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, 2022 and March 31, 2021, current assets as at March 31, 2022 and March 31, 2021, and net assets as at April 1 and March 31 for both the 2022 and 2021 year ends. Our conclusion on the financial statements as at and for the year ended March 31, 2022 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 2, 2022

Ward & Uptigrove
Chartered Professional Accountants
Licensed Public Accountants



Alzheimer Society Waterloo Wellington

Statement of Financial Position

as at March 31, 2022

in dollars

Page 3

The Accompanying Notes are an Integral Part of the Financial Statements

2022

2021

ASSETS

Current Assets

Cash and cash equivalents - Note 4	971,669	947,676
Accounts receivable	25,228	52,602
HST receivable	10,445	13,136
Prepaid expenses	14,454	9,466
Guaranteed investment certificates - Note 5	332,749	594,699

	1,354,545	1,617,579
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Long Term Assets

Marketable securities - Note 6	568,973	557,802
Guaranteed investment certificates - Libro Credit Union, GIC 36 month non-redeemable, interest at 1.35%, matures October, 2024	269,236	-
Libro Credit Union shares	6,715	5,693
Your Neighbourhood Credit Union membership shares	-	45

	844,924	563,540
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TOTAL ASSETS

	2,199,469	2,181,119
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LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable and accruals	66,956	98,980
Deferred revenue - Note 7	116,963	166,841

TOTAL LIABILITIES

	183,919	265,821
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NET ASSETS

Internally restricted	3,542	6,084
Externally restricted - Note 8	561,189	527,324
Unrestricted	1,450,819	1,381,890

TOTAL NET ASSETS

	2,015,550	1,915,298
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TOTAL LIABILITIES AND NET ASSETS

	2,199,469	2,181,119
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Alzheimer Society Waterloo Wellington

Statement of Operations year ended March 31, 2022

in dollars

Page 4

The Accompanying Notes are an Integral Part of the Financial Statements

2022

2021

REVENUE

Alzheimer Society of Ontario	75,845	69,993
Bequests	24,914	7,000
General donations	284,403	257,507
Grants	601,503	416,211
Interest and other income	28,761	31,295
Local Health Integration Network - Family Support	344,804	351,104
Local Health Integration Network - One time funding	8,687	-
Local Health Integration Network - Public Education	222,801	222,801
Special events and fundraising activities	131,021	153,346

1,722,739

1,509,257

Expenses

Advertising and publications	1,444	468
Bank charges	10,578	9,039
Capital asset acquisitions	2,542	790
Insurance	5,094	4,743
Office, postage, telephone	71,622	69,994
Professional development	15,419	5,598
Professional fees	37,713	23,571
Public awareness, programs and family support	85,330	97,579
Rent and utilities	72,098	69,527
Repairs and maintenance	12,501	8,173
Special events and fundraising	3,608	24,998
Travel and conferences	7,814	5,732
Wages and benefits	1,331,845	1,103,461

1,657,608

1,423,673

Operating income

65,131

85,584

Other income

Realized gain (loss) on investments	1,256	-
Government assistance - Note 9	-	60,457
Unrealized gain (loss) on investments	33,865	102,538

EXCESS OF REVENUE OVER EXPENDITURES

100,252

248,579

Alzheimer Society Waterloo Wellington

Statement of Change in Net Assets

year ended March 31, 2022

in dollars

Page 5

The Accompanying Notes are an Integral Part of the Financial Statements

	2022	2021
Internally Restricted Net Assets		
Net assets, beginning of year	6,084	6,874
Capital asset acquisitions	(2,542)	(790)
	3,542	6,084
Externally Restricted Net Assets		
Net assets, beginning of year	527,324	424,786
Contributions for the year	-	-
Unrealized gain (loss) on investments - Note 8	33,865	102,538
	561,189	527,324
Unrestricted Net Assets		
Net assets, beginning of year	1,381,890	1,235,059
Excess of revenue over expenditures for the year	100,252	248,579
Items related to externally restricted net assets	(33,865)	(102,538)
Items related to internally restricted net assets	2,542	790
	1,450,819	1,381,890
NET ASSETS, END OF YEAR	2,015,550	1,915,298

Alzheimer Society Waterloo Wellington

Statement of Cash Flows year ended March 31, 2022

in dollars

Page 6

The Accompanying Notes are an Integral Part of the Financial Statements

2022

2021

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

Excess of revenue over expenditures for the year	100,252	248,579
Items not affecting cash:		
Unrealized (gain) loss on investments	(33,865)	(102,538)
	66,387	146,041
Changes in non-cash working capital related to operations - Note 10	(56,825)	130,155
	9,562	276,196

INVESTING ACTIVITIES

(Increase) decrease in long term guaranteed investment certificates	(269,236)	252,884
(Increase) decrease in short term guaranteed investment certificates	261,950	(163,977)
Purchase of Libro Credit Union class P shares	(1,022)	(296)
Purchase of Your Neighbourhood Credit Union shares	45	(15)
Purchase of marketable securities	(58,729)	(30,859)
Sale of marketable securities	81,423	-
	14,431	57,737

CHANGE IN CASH AND CASH EQUIVALENTS

	23,993	333,933
Cash and cash equivalents, beginning of year	947,676	613,743
Cash and cash equivalents, end of year	971,669	947,676

Represented by:

Cash and cash equivalents	971,669	947,676
	971,669	947,676

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2022

in dollars

Page 7

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.

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, 2022

in dollars

Page 8

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, 2022

in dollars

Page 9

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

	2022	2021
Cash in bank	494,418	537,380
Cash in savings account	474,181	409,322
Cash in investment account	3,070	974
	971,669	947,676

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2022

in dollars

Page 10

The Accompanying Notes are an Integral Part of the Financial Statements

5 GUARANTEED INVESTMENT CERTIFICATES

	2022	2021
Libro Credit Union, GIC 90 day non-redeemable, interest at 0.75%, matures June, 2022	73,394	73,001
Libro Credit Union, GIC 90 day non-redeemable, interest at 0.55%, matures April, 2022	73,400	73,072
Libro Credit Union, GIC 90 day non-redeemable, interest at 0.65%, matures May, 2022	109,522	108,984
Libro Credit Union, GIC 180 day non-redeemable, interest at 0.65%, matures May, 2022	76,433	76,044
Libro Credit Union, GIC 30 month non-redeemable, interest at 1.35%, redeemed April 2021	-	263,598
	332,749	594,699

During the year the above listed guaranteed investment certificates earned \$7,286 (2021 - \$13,003) in interest revenue.

6 MARKETABLE SECURITIES

The Organization holds marketable securities which are carried on the financial statements at their fair market value of \$572,043 (2021 - \$557,802). This amount includes a restricted cash balance of \$3,070 (2021 - \$2,902). The cost of these marketable securities in the year is \$513,282 (2021 - \$533,074), which resulted in an unrealized gain of \$33,865 (2021 - \$102,538).

7 DEFERRED REVENUE

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

	2022	2021
Supporting Inclusion through Intergenerational Partnerships	24,295	18,483
Trillium Grow	92,318	96,660
Winter Warmer	250	-
Walk for Alzheimers	100	-
Trillium Seed	-	26,698
New Horizons	-	25,000
	116,963	166,841

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2022

in dollars

Page 11

The Accompanying Notes are an Integral Part of the Financial Statements

8 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.

9 GOVERNMENT ASSISTANCE

Assistance received by the organization includes 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 current period was \$NIL. In the prior period, \$35,433, \$777, and \$24,256 was received respectively.

10 STATEMENT OF CASH FLOWS

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

	2022	2021
Accounts receivable	27,374	(34,644)
HST receivable	2,691	7,342
Prepaid expenses	(4,988)	1,198
Accounts payable and accruals	(32,024)	36,673
Deferred revenue	(49,878)	119,586
	(56,825)	130,155

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2022

in dollars

Page 12

The Accompanying Notes are an Integral Part of the Financial Statements

11 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 \$3,647 plus tax which increases 5% every April 1 and expires March 2025. 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 \$1,304 plus tax that expires May 2025.

Cambridge location - the lease for the premises consists of monthly rent, business service, and common charges. The lease has monthly payments of \$837 plus tax and expires November 2026.

Guelph location - the lease for this premises consists of monthly rent. The lease has monthly payments of \$1,250 and expires June 2022.

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

2023	65,563
2024	63,624
2025	62,083
2026	10,859
	<hr/>
	202,129