

Alzheimer Society Waterloo Wellington

Financial Statements
Year Ended March 31, 2023

- 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, 2023, and the statements of operations, changes in net assets and statement of cash flows as at March 31, 2023 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, 2023, and its results of its operations and its cash flows for the year then ended March 31, 2023 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 audit. 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 (deficiency) of revenues over expenditures, cash flows from operating activities for the years ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 year ends. Our conclusion on the financial statements as at and for the year ended March 31, 2023 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.

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

Independent Auditor's Report continued...

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 22, 2023

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



Alzheimer Society Waterloo Wellington

Statement of Financial Position

as at March 31, 2023

in dollars

Page 3

The Accompanying Notes are an Integral Part of the Financial Statements

2023

2022

ASSETS

Current Assets

Cash and cash equivalents - Note 4	808,851	971,669
Accounts receivable	54,126	25,228
HST receivable	15,473	10,445
Prepaid expenses	12,031	14,454
Guaranteed investment certificates - Note 5	339,176	332,749

	1,229,657	1,354,545
--	------------------	------------------

Long Term Assets

Marketable securities - Note 6	527,745	568,973
Guaranteed investment certificates - Libro Credit Union, GIC 36 month non-redeemable, interest at 1.35%, matures October, 2024	274,662	269,236
Guaranteed investment certificates - Libro Credit Union GIC 15 month non-redeemable, interest at 5.05%, matures June, 2024	124,832	-
Libro Credit Union shares	7,840	6,715

	935,079	844,924
--	----------------	----------------

Capital Assets - Note 7

	1,319	-
--	--------------	---

TOTAL ASSETS

	2,166,055	2,199,469
--	------------------	------------------

LIABILITIES AND NET ASSETS

LIABILITIES

Current Liabilities

Accounts payable and accruals	103,099	66,956
Deferred revenue - Note 8	67,375	116,963

TOTAL LIABILITIES

	170,474	183,919
--	----------------	----------------

NET ASSETS

Internally restricted	-	3,542
Externally restricted - Note 9	512,575	561,189
Unrestricted	1,483,006	1,450,819

TOTAL NET ASSETS

	1,995,581	2,015,550
--	------------------	------------------

TOTAL LIABILITIES AND NET ASSETS

	2,166,055	2,199,469
--	------------------	------------------

Alzheimer Society Waterloo Wellington

Statement of Operations
year ended March 31, 2023

in dollars

Page 4

The Accompanying Notes are an Integral Part of the Financial Statements

2023

2022

REVENUE

Alzheimer Society of Ontario	117,415	75,845
Bequests	1,948	24,914
General donations	287,567	284,403
Grants	588,300	601,503
Interest and other income	43,947	28,761
Local Health Integration Network - Family Support	351,700	344,804
Local Health Integration Network - One time funding	-	8,687
Local Health Integration Network - Public Education	227,257	222,801
Special events and fundraising activities	176,412	131,021

1,794,546

1,722,739

Expenses

Advertising and publications	-	1,444
Amortization	330	-
Bank charges	10,362	10,578
Capital asset acquisitions	4,409	2,542
Insurance	8,503	5,094
Office, postage, telephone	65,775	71,622
Professional development	25,296	15,419
Professional fees	21,204	37,713
Public awareness, programs and family support	100,395	85,330
Rent and utilities	75,107	72,098
Repairs and maintenance	11,593	12,501
Special events and fundraising	36,702	3,608
Travel and conferences	15,077	7,814
Wages and benefits	1,395,503	1,331,845

1,770,256

1,657,608

Operating income

24,290

65,131

Other income

Realized gain on investments	4,355	1,256
Unrealized (loss) gain on investments	(48,614)	33,865

(DEFICIENCY) EXCESS OF REVENUE OVER EXPENDITURES

(19,969)

100,252

Alzheimer Society Waterloo Wellington

Statement of Change in Net Assets

year ended March 31, 2023

in dollars

Page 5

<i>The Accompanying Notes are an Integral Part of the Financial Statements</i>	2023	2022
Internally Restricted Net Assets		
Net assets, beginning of year	3,542	6,084
Capital asset acquisitions	(3,542)	(2,542)
	-	3,542
Externally Restricted Net Assets		
Net assets, beginning of year	561,189	527,324
Contributions for the year	-	-
Unrealized (loss) gain on investments - Note 9	(48,614)	33,865
	512,575	561,189
Unrestricted Net Assets		
Net assets, beginning of year	1,450,819	1,381,890
(Deficiency) Excess of revenue over expenditures for the year	(19,969)	100,252
Items related to externally restricted net assets	48,614	(33,865)
Items related to internally restricted net assets	3,542	2,542
	1,483,006	1,450,819
NET ASSETS, END OF YEAR	1,995,581	2,015,550

Alzheimer Society Waterloo Wellington

Statement of Cash Flows year ended March 31, 2023

in dollars

Page 6

The Accompanying Notes are an Integral Part of the Financial Statements

2023

2022

CASH PROVIDED BY (USED IN):

OPERATING ACTIVITIES

(Deficiency) Excess of revenue over expenditures for the year	(19,969)	100,252
Items not affecting cash:		
Amortization	330	-
Unrealized loss (gain) on investments	48,614	(33,865)
Net book value of assets previously expensed	(1,649)	-
	27,326	66,387
Changes in non-cash working capital related to operations - <i>Note 10</i>	(44,949)	(56,825)
	(17,623)	9,562

INVESTING ACTIVITIES

Increase in long term guaranteed investment certificates	(130,258)	(269,236)
(Increase) decrease in short term guaranteed investment certificates	(6,427)	261,950
Purchase of Libro Credit Union class P shares	(1,125)	(1,022)
Purchase of Your Neighbourhood Credit Union shares	-	45
Purchase of marketable securities	(94,442)	(58,729)
Sale of marketable securities	87,057	81,423
	(145,195)	14,431

CHANGE IN CASH AND CASH EQUIVALENTS

Cash and cash equivalents, beginning of year	971,669	947,676
	808,851	971,669

Represented by:

Cash and cash equivalents	808,851	971,669
	808,851	971,669

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2023

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. Computer equipment is stated at cost and amortized on a straight line basis over the assets useful life. Office equipment is stated at cost and amortized on a declining balance at a rate of 20%, 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, 2023

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, 2023

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 organization 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 organization 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

	2023	2022
Cash in bank	320,357	494,418
Cash in savings account, bearing interest at 0.45%-4.35% during the year	485,369	474,181
Cash in investment account, non-interest bearing during the year	3,125	3,070
	808,851	971,669

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2023

in dollars

Page 10

The Accompanying Notes are an Integral Part of the Financial Statements

5 GUARANTEED INVESTMENT CERTIFICATES

	2023	2022
Libro Credit Union, GIC 90 day non-redeemable, interest at 3.10%, matures June 2023	74,788	73,394
Libro Credit Union, GIC 90 day non-redeemable, interest at 2.85%, matures April 2023	74,833	73,400
Libro Credit Union, GIC 90 day non-redeemable, interest at 3.10%, matures May 2023	111,529	109,522
Libro Credit Union, GIC 180 day non-redeemable, interest at 3.00%, matures May 2023	78,026	76,433
	339,176	332,749

During the year the above listed guaranteed investment certificates earned \$10,062 (2022 - \$7,286) in interest revenue.

6 MARKETABLE SECURITIES

The Organization holds marketable securities which are carried on the financial statements at their fair market value of \$530,870 (2022 - \$572,043). This amount includes a restricted cash balance of \$3,125 (2022 - \$3,070). The cost of these marketable securities in the year is \$520,667 (2022 - \$513,282), which resulted in an unrealized loss of \$48,614 (2022 - unrealized gain of \$33,865).

7 CAPITAL ASSETS

	Cost	Accumulated Amortization	2023 Net book value	2022 Net book value
Office equipment	6,075	4,756	1,319	-
	6,075	4,756	1,319	-

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2023

in dollars

Page 11

The Accompanying Notes are an Integral Part of the Financial Statements

8 DEFERRED REVENUE

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

	2023	2022
Supporting Inclusion through Intergenerational Partnerships	26,839	24,295
Trillium Grow	22,663	92,318
Winter Warmer	-	250
Walk for Alzheimers	8,790	100
United Way	6,683	-
Older Adult Centres Association of Ontario	2,400	-
	67,375	116,963

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 STATEMENT OF CASH FLOWS

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

	2023	2022
Accounts receivable	(28,898)	27,374
HST receivable	(5,028)	2,691
Prepaid expenses	2,423	(4,988)
Accounts payable and accruals	36,142	(32,024)
Deferred revenue	(49,588)	(49,878)
	(44,949)	(56,825)

Alzheimer Society Waterloo Wellington

Notes to the Financial Statements

year ended March 31, 2023

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 \$3,829 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 September 2027. 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 is renewed every month between the parties.

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

2024	64,388
2025	66,914
2026	12,978
2027	764
2028	382
	<hr/>
	145,426