

Alzheimer Society of Chatham-Kent

Financial Statements

For the year ended March 31, 2024

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Independent Auditor's Report

To the Board of Directors of Alzheimer Society of Chatham-Kent

Qualified Opinion

We have audited the financial statements of Alzheimer Society of Chatham-Kent ("the Society"), which comprise the statement of financial position as at March 31, 2024, the statements of operations and changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of 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 the Society as at March 31, 2024, and its financial performance and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2024 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 Society 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 opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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 Society'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 Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society'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 Society'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 Society'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 Society 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Windsor, Ontario
June 26, 2024

Alzheimer Society of Chatham-Kent

Statement of Financial Position

March 31, 2024 2023

Assets

Current

Cash - general	\$ 216,707	\$ 82,679
Cash - externally restricted (Note 2)	16,886	26,089
Short-term investments (Note 2)	702,058	668,209
Accounts receivable	118,156	16,079
HST recoverable	25,787	12,495
Prepaid expenses	3,372	3,158
	<u>1,082,966</u>	<u>808,709</u>

Capital assets (Note 3)	<u>107,388</u>	<u>112,018</u>
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	<u>\$1,190,354</u>	<u>\$ 920,727</u>
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Liabilities and Net Assets

Current

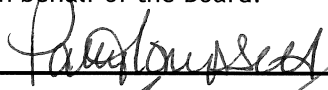

Accounts payable and accrued liabilities	\$ 157,703	\$ 94,241
Deferred contributions (Note 6)	16,630	56,629
	<u>174,333</u>	<u>150,870</u>

Commitments (Note 5)

Net Assets

Invested in capital assets	107,388	112,018
Internally restricted (Note 4)	71,569	71,569
Externally restricted (Note 2)	16,886	26,089
Unrestricted	820,178	560,181
	<u>1,016,021</u>	<u>769,857</u>
	<u>\$1,190,354</u>	<u>\$ 920,727</u>

On behalf of the Board:

 _____	Director
 _____	Director

Alzheimer Society of Chatham-Kent

Statement of Operations

For the year ended March 31,

2024

2023

	Ministry of Health Fund	General Fund	Total	Total
Revenue				
Government funding (Note 7)	\$ 2,389,925	\$ -	\$2,389,925	\$1,868,368
User fees	183,452	-	183,452	133,214
Other revenue	-	146,270	146,270	65,595
Donations	-	96,561	96,561	104,104
Special events	-	91,128	91,128	82,553
Bequests (Note 6)	-	40,000	40,000	40,000
Investment income, (loss) (Note 2)	-	33,850	33,850	(7,759)
	2,573,377	407,809	2,981,186	2,286,075
Expenses				
Salaries and wages	1,835,156	-	1,835,156	1,598,695
Employee benefits	399,967	-	399,967	359,047
Occupancy	159,053	-	159,053	77,020
Program support	79,206	-	79,206	54,333
Office printing and materials	70,028	520	70,548	55,602
Automotive and travel	61,241	-	61,241	39,807
Meetings, training and conferences	32,740	-	32,740	33,571
Public relations	16,616	3,280	19,896	3,747
Telephone	19,540	-	19,540	23,090
Special events	-	15,913	15,913	20,526
Professional	13,700	-	13,700	15,021
Lease of equipment	10,777	-	10,777	4,317
Subcontract	9,141	-	9,141	9,119
Amortization of capital assets	-	4,630	4,630	5,227
Interest and bank charges	3,514	-	3,514	2,900
	2,710,679	24,343	2,735,022	2,302,022
Excess of revenue over expenses (expenses over revenue) before fund transfer	(137,302)	383,466	246,164	(15,947)
Fund transfer	137,302	(137,302)	-	-
Excess of revenue over expenses (expenses over revenue)	\$ -	\$ 246,164	\$ 246,164	\$ (15,947)

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Chatham-Kent

Statement of Changes in Net Assets

For the year ended March 31,

	General	Ministry of Health	Invested in Capital Assets	2024 Total	2023 Total
Balance, beginning of year	\$ 657,839	\$ -	\$ 112,018	\$ 769,857	\$ 785,804
Excess of expenses over revenue	246,164	-	-	246,164	(15,947)
Interfund transfers	4,630	-	(4,630)	-	-
Balance, end of year	\$ 908,633	\$ -	\$ 107,388	\$1,016,021	\$ 769,857

Included in the General are internally, externally and unrestricted net assets.

Alzheimer Society of Chatham-Kent

Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash from operations		
Excess revenue over expenses (expenses over revenue)	\$ 246,164	\$ (15,947)
Items not requiring an outlay of cash		
Amortization - capital assets	<u>4,630</u>	<u>5,227</u>
	<u>250,794</u>	<u>(10,720)</u>
Changes in non-cash working capital		
Accounts receivable	(102,077)	10,102
HST recoverable	(13,292)	(4,903)
Prepaid expenses	(214)	(207)
Accounts payable and accrued liabilities	63,463	2,530
Deferred revenue	<u>(40,000)</u>	<u>(40,000)</u>
	<u>(92,120)</u>	<u>(32,478)</u>
Increase (decrease) in cash during the year	158,674	(43,198)
Cash and cash equivalents, beginning of year	<u>776,977</u>	<u>820,175</u>
Cash and cash equivalents, end of year	\$ 935,651	\$ 776,977
Represented by:		
Cash - general	\$ 216,707	\$ 82,679
Cash - externally restricted	16,886	26,089
Short-term investments	<u>702,058</u>	<u>668,209</u>
	<u>\$ 935,651</u>	<u>\$ 776,977</u>

Alzheimer Society of Chatham-Kent

Notes to Financial Statements

March 31, 2024

1. Significant accounting policies

Nature of Society	The Alzheimer Society of Chatham-Kent is a charitable organization (as defined in The Income Tax Act) to receive and administer gifts, bequests and grants for charitable purposes. It provides services to those affected by Alzheimer's disease and related dementia. It provides the following services: Day Away Program, In-Home Respite Care, Public Education, Caregiver Education, and Caregiver Support Services.				
Basis of accounting	<p>These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.</p> <p>The Society follows the deferral method of accounting with funds for contributions.</p> <p>The General Fund accounts for the Society's fundraising and donations.</p> <p>The Ministry of Health Fund is used to report contributions from the Ministry of Health, which are used to provide information and support to individuals affected by Alzheimer disease.</p> <p>The Capital Asset Fund reports the revenues and expenses related to the Society's capital assets.</p>				
Capital assets	<p>Purchased capital assets are recorded at cost. The minimum threshold for the capitalization of capital assets is \$3,000. Amortization expense is reported in the Capital Asset Fund provided as follows:</p> <table><tr><td>Building</td><td>4% declining balance</td></tr><tr><td>Equipment</td><td>20% declining balance</td></tr></table> <p>One half the rate is used in the year of acquisition.</p>	Building	4% declining balance	Equipment	20% declining balance
Building	4% declining balance				
Equipment	20% declining balance				
Financial instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are reported at cost or amortized cost less impairment, if applicable. Financial assets are tested for impairment when changes in circumstances indicate the asset could be impaired. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.				

Alzheimer Society of Chatham-Kent

Notes to Financial Statements

March 31, 2024

1. Significant accounting policies (continued)

Use of estimates	<p>The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.</p>
Revenue recognition	<p>The Society follows the deferral method of accounting for contributions, which include donations and Ministry of Health funding.</p> <p>Unrestricted contributions are recognized as revenue as received.</p> <p>Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred. Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on the same basis as the related capital assets that are amortized.</p>
Contributed services	<p>Volunteers contributed the vast majority of the fundraising services provided by the Society. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.</p>
Allocation of expenses	<p>The Society engages in health promotion, education and in home and day away community services through funding provided by the Ministry of Health. The costs of these programs and services include the costs of personnel, premises, supplies and other expenses that are directly related to the provision of these programs and services. The Society also incurs a number of the general support expenses that are common to the administration of the organization and its programs and services.</p> <p>Personnel costs (salaries and benefits) are allocated across the programs and services based on a percentage of the total salary for each staff position. The percentage is determined based on the estimated time spent on the various programs and services.</p> <p>The Ministry of Health Fund includes an allocation of salaries and benefits related to administration and to programs and services funded by the Ministry of Health.</p> <p>The General Fund includes an allocation of salaries and benefits related to fundraising and to programs and services which are not funded by the Ministry of Health.</p> <p>The Society also allocated some of its general support to expenses to the Ministry of Health programs and services.</p>

Alzheimer Society of Chatham-Kent

Notes to Financial Statements

March 31, 2024

2. Cash and short-term investments

The use of funds in the bingo and nevada accounts \$16,886 (2023 - \$26,089) are externally restricted by regulatory bodies and as such are presented as externally restricted in the financial statements.

Short-term investments are presented at their market value. Included in short-term investments are guaranteed investment certificates, fixed income debentures, domestic and foreign equities with various rates of return.

During the year, the company earned the following investment income:

	2024	2023
Other investment income	\$ 5,967	\$ 10,965
Interest revenue	6,438	3,636
Dividend income	1,749	1,707
Unrealized (gain)/loss on investments	19,696	(24,067)
	<u>\$ 33,850</u>	<u>\$ (7,759)</u>

3. Capital assets

	Cost	Accumulated Amortization	2024	2023
Building	\$ 200,616	\$ 135,976	\$ 64,640	\$ 67,333
Equipment	135,100	127,352	7,748	9,685
Land	35,000	-	35,000	35,000
	<u>\$ 370,716</u>	<u>\$ 263,328</u>	<u>\$ 107,388</u>	<u>\$ 112,018</u>

4. Internally restricted

The internally restricted funds were established several years ago from a bequest from an individual. These funds were restricted by the board of directors to be used for capital asset acquisitions.

Alzheimer Society of Chatham-Kent

Notes to Financial Statements

March 31, 2024

5. Commitments

The Society has an annual parking lease of \$12,000 which expires August 2023.

6. Deferred contributions

As at March 31, 2024 a balance of \$16,630 (2023 - \$56,629) from a bequest received in 2018 is to be deferred for future capital projects and programming assistance.

7. Economic dependence

The Society is dependent on the funding received from the Ministry of Health. During the year 80% (2023 - 82%) of revenue was received from the Ministry of Health.

8. Financial instruments risk

Liquidity risk

Liquidity risk is the risk that the Society encounters difficulty in meeting its obligations with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset.

This risk is reduced due to considerable sums invested in cash and cash equivalents. Trade accounts payable and accrued liabilities are generally paid within 30 days.

The Society manages its liquidity risk by constantly monitoring forecasted and actual cash flows and financial liability maturities, and by holding assets that can be readily converted into cash.

Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk.

The Society's risk management strategies are described below.

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 Society is exposed to interest rate risk on its fixed rate financial instruments.

The Society is exposed to changes in interest rates related to its investments in marketable securities. The Society's primary objective is to ensure the security of principal amounts invested and provide for a high degree of liquidity, while achieving a satisfactory return.

The Society mitigates interest rate risk on investments by utilizing an investment advisor.

There have not been any changes in the risk from the prior year.
