

**ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD
Financial Statements**

For The Year Ended March 31, 2021

ERIC REYNOLDS

CHARTERED ACCOUNTANT

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD
Index to the Financial Statements
For The Year Ended March 31, 2021

Contents

	Page
Auditors' Report	3-4
Statement of Financial Position	5
Statement of Operations and Net Assets Current Year	6
Statement of Operations and Net Assets Prior Year	7
Schedule of Direct Expenses	8
Statement of Cash Flows	9
Notes to the Financial Statements	10-15

RIC REYNOLDS

CHARTERED ACCOUNTANT

3

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD

I have audited the accompanying financial statements of ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD, which comprise the balance sheet as at March 31, 2021, and the statements of income retained earnings and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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.

Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on our audit. I conducted my audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.


Basis for Qualified Opinion

In common with many not-for-profit organizations, the ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD Company derives revenue from donations and fundraisers the completeness of which is not susceptible of satisfactory audit verification. Accordingly, my verification of these revenues was limited to the amounts recorded in the records of the corporation and I was not able to determine whether any adjustments might be necessary to revenue, excess revenue over expenses, assets, net assets and cash flows from operations.

Qualified Opinion

In my opinion, the financial statements present fairly, in all material respects, the financial position of ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD as at March 31, 2021, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Eric Reynolds Chartered Accountant
Licensed Public Accountant



Eric Reynolds CPA, CA
Belleville, Ontario

June 24, 2021

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD
Statement of Financial Position as at March 31, 2021

ASSETS	General Fund \$	Restricted Fund \$	Capital Asset Fund \$	Total 2021 \$	2020 \$
Current					
Cash	202,248	-	-	202,248	169,475
Investments (note 5)	35,217	28,462	-	63,679	25,868
Accounts receivable, trade and other	2,333	-	-	2,333	7,144
Prepaid expenses and other assets	4,819	-	-	4,819	4,336
Due from(to) fund	1,557	(1,557)	-	-	-
	<u>246,174</u>	<u>26,905</u>	<u>-</u>	<u>273,079</u>	<u>206,823</u>
Long-Term					
Long-term investments (note 5)	192,930	655,757	-	848,687	704,363
Property, plant and equipment (note 4)	-	-	122,799	122,799	124,791
	<u>192,930</u>	<u>655,757</u>	<u>122,799</u>	<u>971,486</u>	<u>829,154</u>
	<u>439,104</u>	<u>682,662</u>	<u>122,799</u>	<u>1,244,565</u>	<u>1,035,977</u>
LIABILITIES AND SHAREHOLDERS' EQUITY					
Current liabilities					
Accounts payable and accrued liabilities	73,051	-	-	73,051	47,428
Due to government	8,302	-	-	8,302	6,349
Deferred contributions	26,143	-	-	26,143	39,598
	<u>107,496</u>	<u>-</u>	<u>-</u>	<u>107,496</u>	<u>93,375</u>
Net Assets					
Externally restricted funds	-	-	-	-	4,994
Internally restricted funds	-	682,662	-	682,662	521,426
Unrestricted	331,608	-	-	331,608	291,391
Net Assets invested in property plant and equip.	-	-	122,799	122,799	124,791
	<u>331,608</u>	<u>682,662</u>	<u>122,799</u>	<u>1,137,069</u>	<u>942,602</u>
	<u>439,104</u>	<u>682,662</u>	<u>122,799</u>	<u>1,244,565</u>	<u>1,035,977</u>

See accompanying notes to the financial statements

Approved by:

Director: 

Director: _____

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD
 Statement of Income and net assets for the year ended March 31, 2021

	General Fund 2021 \$	Hope for Tomorrow Fund 2021 \$	Meagher Award Fund 2021 \$	Capital Asset Fund 2021 \$	Total Restricted Funds 2021 \$
Revenue					
Grants - MOHLTC	300,363	-	-	-	-
Grants - MOHLTC One Time	24,506	-	-	-	-
Expense recoveries - MOHLTC	2,015	-	-	-	-
Fundraising revenues	112,438	-	-	-	-
Donations	92,763	-	-	-	-
Grants - Other	116,544	-	-	-	-
Investment Income	29,071	42,128	124	-	42,252
Other income	15,276	-	-	-	-
Government Subsidies - COVID	92,925	-	-	-	-
	<u>785,901</u>	<u>42,128</u>	<u>124</u>	<u>-</u>	<u>42,252</u>
Operating Expenses:					
MOHLTC - per schedule	327,422	-	-	-	-
Salaries and benefits	345,227	-	-	-	-
Programs and services	6,597	-	-	-	-
Rent	30,656	-	-	-	-
Office expenses	1,332	-	-	-	-
Fundraising Expenses	1,865	-	-	-	-
Utilities	6,755	-	-	-	-
Repairs and maintenance	187	-	-	-	-
Professional fees	12,100	-	-	-	-
Insurance	3,856	-	-	-	-
Property and municipal taxes	2,659	-	-	-	-
Telephone	2,387	-	-	-	-
Interest and bank charges	2,455	-	-	-	-
Travel	2,016	-	-	-	-
Miscellaneous	3,024	-	-	-	-
Training	-	-	-	-	-
Amortization of property, plant and equipment	-	-	-	1,992	1,992
	<u>747,538</u>	<u>-</u>	<u>-</u>	<u>1,992</u>	<u>1,992</u>
Excess(deficiency) of revenue over expenses before change in fair value of investments	38,363	42,128	124	(1,992)	40,260
Adjustments to held for trading investments	(3,267)	119,198	-	-	119,198
Excess (deficiency) of revenue over expenses	35,096	161,326	124	(1,992)	<u>159,458</u>
Net Assets, beginning of year	291,394	521,336	4,994	124,791	
Interfund transfers	5,118	-	(5,118)	-	
Net Assets, end of year	<u>331,608</u>	<u>682,662</u>	<u>-</u>	<u>122,799</u>	

See accompanying notes to the financial statements

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD
Statement of income and net assets for the year ended March 31, 2020

	General Fund 2020 \$	Hope for Tomorrow Fund 2020 \$	Meagher Award Fund 2020 \$	Capital Asset Fund 2020 \$	Total Restricted Funds 2020 \$
Revenue					
Grants - MOHLTC	300,363	-	-	-	-
Grants - MOHLTC One Time	-	-	-	-	-
Expense recoveries - MOHLTC	4,720	-	-	-	-
Fundraising revenues	178,966	-	-	-	-
Donations	90,022	-	-	-	-
Grants - Other	108,263	-	-	-	-
Investment Income	14,667	29,644	90	-	29,734
Government Subsidies - COVID	8,916	-	-	-	-
Other income	22,195	-	-	-	-
	<u>728,112</u>	<u>29,644</u>	<u>90</u>	<u>-</u>	<u>29,734</u>
Operating Expenses:					
MOHLTC - per schedule	498,100	-	-	-	-
Salaries and benefits	139,765	-	-	-	-
Rent	15,178	-	-	-	-
Programs and services	20,958	-	-	-	-
Fundraising Expenses	11,555	-	-	-	-
Utilities	6,030	-	-	-	-
Office expenses	9,270	-	-	-	-
Professional fees	14,400	-	-	-	-
Repairs and maintenance	364	-	-	-	-
Insurance	6,405	-	-	-	-
Telephone	3,327	-	-	-	-
Travel	3,938	-	-	-	-
Interest and bank charges	3,079	-	-	-	-
Property and municipal taxes	2,973	-	-	-	-
Miscellaneous	3,692	-	-	-	-
Training	1,915	-	-	-	-
Amortization of property, plant and equipment	-	-	-	2,436	2,436
	<u>740,949</u>	<u>-</u>	<u>-</u>	<u>2,436</u>	<u>2,436</u>
Excess(deficiency) of revenue over expenses before change in fair value of investments	(12,837)	29,644	90	(2,436)	27,298
Adjustments to held for trading investments	(14,599)	(100,543)	-	-	(100,543)
Excess (deficiency) of revenue over expenses	(27,436)	(70,899)	90	(2,436)	<u>(73,245)</u>
Net Assets (Deficit), beginning of year	318,827	592,325	4,904	127,227	
Net Assets, end of year	<u>291,391</u>	<u>521,426</u>	<u>4,994</u>	<u>124,791</u>	

See accompanying notes to the financial statements

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD
Schedule of direct expenses for the year ended March 31, 2021

	2021	2020
	\$	\$
Salaries and benefits	275,540	421,894
Building Occupancy	20,811	33,505
Professional fees	9,700	7,373
Programs and services	7,439	12,868
Office	4,505	8,698
Repairs and maintenance	4,080	5,248
Insurance	3,037	-
Telephone	1,565	1,433
Travel	515	4,274
Training	430	2,469
Advertising	-	338
	<u>327,422</u>	<u>498,100</u>

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD
Statement of Cash Flows for the initial year ended March 31, 2021

	2021 \$	2020 \$
Cash flows from operating activities		
Excess (deficiency) of revenue over expenses		
- General Fund	35,096	(27,436)
- Restricted funds	159,458	(73,245)
Non-Cash amortization of capital assets	1,992	2,436
Adjustments for unrealized (gains) losses arising in the year	(115,931)	115,142
	<u>80,615</u>	<u>16,897</u>
Changes in non-cash working capital:		
Accounts receivable, trade and other	4,811	(6,556)
Prepaid expenses and other assets	(483)	96
Loan receivable	-	9,494
Bank indebtedness	-	(7,787)
Accounts payable and accrued liabilities	25,625	7,793
Due to (from) government	1,953	1,655
Deferred contributions	(13,455)	5,618
Net cash provided by operating activities	<u>99,066</u>	<u>27,210</u>
Cash flows from investing activities		
Net change in long term investments	(28,482)	(40,708)
Net cash provided by (used in) investing activities	<u>(28,482)</u>	<u>(40,708)</u>
Net increase in cash and cash equivalents	70,584	(13,498)
Cash and cash equivalents at the beginning of the year	195,343	208,841
Cash and cash equivalents at the end of the year	<u>265,927</u>	<u>195,343</u>
Cash and cash equivalents consists of:		
Cash	202,248	169,475
Short-term investments	63,679	25,868
	<u>265,927</u>	<u>195,343</u>

See accompanying notes to the financial statements

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD

Notes to Financial Statements
Year Ended March 31, 2021

1. Nature of Organization

The Alzheimer Society of Hastings Prince Edward is a not-for-profit entity. The organization exists to alleviate the personal and social consequences of Alzheimer's disease and related disorders, and to promote research.

2. Summary of Significant Accounting Policies

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profits organizations. Outlined below are those policies considered particularly significant for the organization.

Cash and cash equivalents

Cash includes cash and cash equivalents. Cash and cash equivalents consist primarily of commercial paper and deposits with an original maturity date of purchase of three months or less. Because of the short-term maturity of these investments, their carrying amount approximates fair value.

Property, Plant, and Equipment

Property, plant, and equipment are stated at cost less accumulated amortization. Property, plant, and equipment are amortized over their estimated useful lives at the following rates and methods:

	<u>Rate</u>	<u>Method</u>
Equipment	20%	declining balance
Motor vehicles	30%	declining balance
Other depreciable assets	20%	declining balance
Furniture and fixtures	20%	declining balance
Building and Building Improvements	4%	declining balance

The Company regularly reviews its property, plant, and equipment to eliminate obsolete items.

Revenue

Contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Investment income is recognized as revenue when earned.

Fund Accounting

The Corporation follows the restricted fund method of accounting for contributions.

The General Fund reports assets, liabilities, revenues and expenses related to the operations of the Corporation. This fund reports unrestricted resources.

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD

Notes to Financial Statements

Year Ended March 31, 2021

2. Summary of Significant Accounting Policies Continued

The Restricted Funds, which include the Hope for Tomorrow and the Meagher Award, reflect the activities related to the bequests and donations made available to the Corporation under conditions specified by the donors or by the board of directors. The Hope for Tomorrow Fund is to be used for programs and services which are under development by the Corporation. The Meagher Award Fund is to be used primarily for awards for deserving care providers who are caring for someone with dementia in the home of Hastings County or Brighton.

Use of Estimates

The preparation of financial statements in conformity with Canadian accounts standards requires management to make estimates and assumptions that affect the reported amounts of assets and disclosure of contingent assets and liabilities at that date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Differences in actual results from prior estimates are taken into account at the time the differences are determined. Significant financial statements items that require the use of estimates are the useful life of property plant and equipment and accrued liabilities.

Income Taxes

The Corporation is a registered charity and thus is exempt from income taxes.

Donated Materials and Service

Donated materials are recorded at the amount for which the charitable receipt was issued.

Donated services are not recorded by the corporation.

Financial Instruments

The Corporation initially measures its financial assets and financial liabilities at fair value adjusted by transaction costs in the case where a financial asset or financial liability is subsequently measure at amortized cost.

Except for investments, the Corporation subsequently measures all its financial assets and financial liabilities at amortized cost. Financial assets measure at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and government remittances payable.

3. Financial Risks

The Corporation is exposed to various risks through its financial instruments The following analysis provides a measure of the rate of the risks at March 31, 2021.

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD

Notes to Financial Statements

Year Ended March 31, 2021

3. Financial Risks Continued...Liquidity Risk

Liquidity risk is the risk that the organization will encounter difficulty in meeting obligations associated with financial liabilities. The organization is exposed to this risk mainly in respect to government funding should expenses exceed revenues. The Corporation's management helps mitigate this risk by reviewing expected cash flow requirements, anticipating investing and financing activities and holding assets that can be readily converted to 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 the market price. Market risk is comprised of currency risk, interest rate risk and other price risk.

a) Currency Risk

The Corporation's investments are denominated in Canadian dollars and therefore currency risk exposure is minimal.

b) Interest Rate Risk

Interest rate risk refers to the risk that the fair value of financial instruments and future cash flows associated with the instruments will fluctuate due to changes in market interest rates.

The Corporation's exposure to interest rate risk arises from its interest bearing assets

The Corporation helps mitigate this risk by using a laddered portfolio with varying terms to maturity. The laddered structure of maturities helps to enhance the average portfolio yield while reducing the sensitivity of the portfolio to the impact of interest rate fluctuations

c) Other Price Risk

Other price risk refers to the risk that the fair value of financial instruments or future cash flows associated with the instruments will fluctuate because of changes in market prices (other than those arising from currency risk or interest rate risk), whether those changes are caused by factors specific to the individual instrument or its issuer or factors affecting all similar instruments traded in the market.

Credit Risk

The Corporation is exposed to credit risk resulting from the possibility that parties may default on their financial obligations, or if there is a concentration of transactions carried out with the same party, or if there is a concentration of financial obligations which have similar economic characteristics that could be similarly affected by changes in economic conditions, such that the Corporation could incur a financial loss.

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD

Notes to Financial Statements
Year Ended March 31 2021

4. Property, Plant and Equipment

	Cost	Accumulated Amortization	2021 Net Book Value	2020 Net Book Value
	\$	\$	\$	\$
Land	75,000		75,000	75,000
Buildings	102,927	55,128	47,799	49,791
Furniture and fixtures	4,228	4,228	-	-
	<u>182,155</u>	<u>59,356</u>	<u>122,799</u>	<u>124,791</u>

5. Investments

Marketable securities consist of the following:

	2021		2020	
	Market Value	Cost	Market Value	Cost
	\$	\$	\$	\$
General Fund short term investments				
Help for Today-Investment cash	25,217	25,217	3,610	3,610
Term deposit - 0.9% June 2019	10,000	10,000	10,000	10,000
	<u>35,217</u>	<u>35,217</u>	<u>13,610</u>	<u>13,610</u>

The term deposit bears interest at a nominal rate and is maintained as collateral for a credit card. As of the year end there was no balance owing on the credit card.

	2021		2020	
	Market Value	Cost	Market Value	Cost
	\$	\$	\$	\$
Long-Term General Fund - Help for Today Fund				
<u>Bonds and Preferreds</u>				
E Splitt Corp PFD	20,762	20,000	19,940	20,000
Atrium Mortgage Investment Corp. - maturing September 30, 2021, 5.5%	40,326	40,000	38,000	40,000
Fidelity Corporate Bond Fund	28,274	27,773	20,012	21,290
	<u>89,362</u>	<u>87,773</u>	<u>77,952</u>	<u>81,290</u>
<u>Equity Securities</u>				
Royal Bank of Canada	23,753	9,778	17,870	9,778
Purpose Floating Rate Income fund	9,540	12,146	8,028	12,146
	<u>33,293</u>	<u>21,924</u>	<u>25,898</u>	<u>21,924</u>
<u>Managed Fund</u>				
Bank of Nova Scotia Tiered Corporate Savings	37,112	37,111	36,971	36,970
Bank of Nova Scotia Canadian Banks			12,929	14,000
Fidelity Monthly Income Fund	23,168	21,491	26,304	27,773
Manulife US Monthly High Income Fund	9,995	7,131	8,680	7,618
	<u>70,275</u>	<u>65,733</u>	<u>84,884</u>	<u>86,361</u>
Total Long-Term General Fund	<u>192,930</u>	<u>175,430</u>	<u>188,734</u>	<u>189,575</u>

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD

Notes to Financial Statements
Year Ended March 31, 2021

5. Investments Continued...

	2021		2020	
	<u>Market Value</u>	<u>Cost</u>	<u>Market Value</u>	<u>Cost</u>
	\$	\$	\$	\$
Restricted Funds short term investments				
Hope for Tomorrow - Investment cash	28,462	28,462	7,264	7,264
Meagher GIC- maturity May 16, 2019, 0.85%	-	-	4,994	4,994
	<u>28,462</u>	<u>28,462</u>	<u>12,258</u>	<u>12,258</u>
Long-Term - Hope for Tomorrow Fund				
<u>Bonds and Preferreds</u>				
Toronto Dominion 5.1% Ser 24 PFD	15,648	15,000	10,968	15,000
CIBC 5.2% S49 PFD	51,850	50,000	33,900	50,000
Emera 4.9% 1st PFD	25,840	25,000	22,700	25,000
Intact Financial 4.9% CIA PFD	23,490	25,000	14,500	25,000
National Bank 4.95% Ser 42 PFD	19,212	19,250	11,165	19,250
Toronto Dominion 5.2% Ser 22 PFD	52,200	50,000	35,020	50,000
Fidelity Corporate Bond Fund	34,728	34,112	32,308	34,112
	<u>222,968</u>	<u>218,362</u>	<u>160,561</u>	<u>218,362</u>
<u>Equity Securities</u>				
Enbridge Inc.	35,525	27,471	31,800	27,471
Bank of Nova Scotia	15,724	15,834	11,494	15,834
Purpose Floating Rate Income fund	24,525	31,228	20,639	31,228
Royal Bank of Canada	85,744	42,564	61,978	39,685
Scotia Canadian Dividend Fund	119,112	75,531	94,461	74,712
Healthcare Leaders Income Fund	39,542	33,290	34,100	36,663
US Financials Income Fund	6,000	7,575	5,660	8,075
	<u>326,172</u>	<u>233,493</u>	<u>260,132</u>	<u>233,668</u>
<u>Managed Fund</u>				
Bank of Nova Scotia Tiered Corporate Savings	42,003	42,002	41,844	41,843
Bank of Nova Scotia Canadian Banks		-	12,006	13,000
Pimco Tactical Income Fund	13,809	13,000	-	-
Exchange Income corp	10,581	10,000	6,800	10,000
Fidelity Monthly Income Fund	18,196	16,901	14,947	15,897
Manulife Monthly High Income Fund	22,028	23,442	19,339	24,607
	<u>106,617</u>	<u>105,345</u>	<u>94,936</u>	<u>105,347</u>
Total Hope for Tomorrow Funds	<u>655,757</u>	<u>557,200</u>	<u>515,629</u>	<u>557,377</u>

Investments in the managed funds are managed by investment managers who are under the direction of the Board of Directors. The managed fund includes equity securities only. The Corporation has an investment strategy which allocates the Corporation's investment assets into growth and revenue funds. The growth funds are for long-term investing at amounts to be determined by the Board and reviewed annually.

Preferred and Equity securities consist of shares of publicly traded corporations or mutual funds investing in a diversified mix of equity and income pools. Fixed income securities consist of commercial bonds of Canadian entities.

ALZHEIMER SOCIETY OF HASTINGS PRINCE EDWARD

Notes to Financial Statements

Year Ended March 31, 2021

6. Operating Credit

The Corporation has a operating credit with an authorized limit of \$100,000, of which \$37,090 was utilized at year end. The line of credit bears interest at prime rate and is secured by a control agreement creating a security interest against the investments held by the Corporation.

7. Restricted Funds

Restricted funds included the activities from the Hope for Tomorrow Fund and the Meagher Award Fund.

8. Operating Grants and Project Funds

Operating grants and project funds are provided by the Ministry of Health and Long-Term-Care (MOHLTC) and the Corporation is required to report to the Ministry as specified in the relevant agreements. The Corporation has not yet reported regarding the current fiscal year and any adjustment required to revenue on final Ministry approval will be recorded in the then current fiscal year.

9. Commitments

During the year, the Corporation entered in to an agreement for a co-location project with three other not-for-profit organizations to rent and share office space. One of the not-for-profits organizations (Providence Care) signed as the head lessee for the premises with all other not-for-profit sub-leasing from them. An estimate of future lease payments for the Corporation are as follows:

2022	37,938
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9. Subsequent events

Due to the current COVID-19 situation occurring worldwide and within our own community, the organization expects to see decreased revenues and increased expenses in the upcoming year. The organization has taken steps to mitigate the risk by applying to and receiving government COVID assistance. The organization is confident about its ability to operate going into the future. The organization is also helped by sufficient cash reserves and continued support from the community.