

**Alzheimer Society of Kingston,  
Frontenac, Lennox and  
Addington**

**Financial Statements  
For the year ended March 31, 2019**

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Financial Statements  
For the year ended March 31, 2019**

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## Independent Auditor's Report

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**To the Members of  
Alzheimer Society of Kingston, Frontenac, Lennox and Addington**

*Qualified Opinion*

We have audited the financial statements of the Alzheimer Society of Kingston, Frontenac, Lennox and Addington (the "organization") which comprise the statement of financial position as at March 31, 2019 and the statements of net assets, operations 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 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 the organization as at March 31, 2019 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.

*Basis for Qualified Opinion*

In common with many charitable organizations, the organization derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization and we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenue over expenditures, assets and changes in net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibility 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 Responsibility 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.

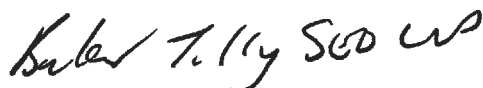
AUDIT • TAX • ADVISORY

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 judgement 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.



Chartered Professional Accountants  
Licensed Public Accountants

Kingston, Ontario  
May 22, 2019

**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Statement of Financial Position**

March 31	2019	2018
<b>Assets</b>		
<b>Current</b>		
Cash and bank	\$ 274,395	\$ 256,651
Short-term investments	163,405	99,947
Accounts receivable (Note 1)	35,745	16,764
Prepaid expenses	3,776	5,839
	477,321	379,201
<b>Long-term investments</b>	<b>437,457</b>	<b>394,950</b>
<b>Capital Assets (Note 2)</b>	<b>4,366</b>	<b>7,277</b>
	<b>\$ 919,144</b>	<b>\$ 781,428</b>

**Liabilities and Net Assets**

<b>Current</b>		
Accounts payable and accrued liabilities (Note 3)	\$ 49,487	\$ 47,849
Deferred revenue	7,050	-
Deferred capital contributions (Note 4)	4,366	7,277
	60,903	55,126
<b>Net Assets</b>		
Externally restricted (Note 5)	19,339	18,901
Internally restricted		
Satellite Program Fund	80,000	-
Fiscal Strength Fund	147,118	147,118
Education and Family Support Fund	66,569	66,569
Relocation Leasehold Improvement Fund	26,686	26,686
Information Technology Sinking Fund	10,152	10,152
Unrestricted	508,377	456,876
	858,241	726,302
	<b>\$ 919,144</b>	<b>\$ 781,428</b>

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director



**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Statement of Net Assets**

	2019					2018	
For the year ended March 31	Satellite Program Fund	Fiscal Strength Fund	Education and Family Support Fund	Relocation Leasehold Improvement Fund	Information Technology Sinking Fund	Unrestricted	Total
Net assets, beginning of year	\$ -	\$ 147,118	\$ 66,569	\$ 26,686	\$ 10,152	\$ 456,876	\$ 707,401
Excess of revenue over expenditures for the year	-	-	-	-	-	131,501	107,631
Interfund transfers (Note 6)	80,000	-	-	-	-	(80,000)	-
<b>Net assets, end of year</b>	<b>\$ 80,000</b>	<b>\$ 147,118</b>	<b>\$ 66,569</b>	<b>\$ 26,686</b>	<b>\$ 10,152</b>	<b>\$ 508,377</b>	<b>\$ 838,902</b>
							<b>\$ 707,401</b>

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**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Statement of Operations**

<b>For the year ended March 31</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Fundraising (Note 7)	\$ 96,269	\$ 125,578
Donations	245,975	175,928
Ministry of Health and Long-Term Care (Schedule 1)	257,903	210,881
Other grants	118,975	53,370
Investment income	17,265	9,416
Other revenue	2,486	2,356
	<b>738,873</b>	<b>577,529</b>
<b>Expenditures</b>		
Advertising	2,729	3,872
Amortization	2,911	1,455
Bank charges and interest	3,544	3,348
Board and meeting expenses	2,364	3,249
Building maintenance	3,441	3,455
Building rent	45,838	31,450
Computer supplies and software	3,685	1,885
Education and program supplies	9,158	7,410
Equipment and software maintenance	11,023	6,623
Equipment rent	5,285	5,238
Fundraising and volunteer expenses	11,593	13,352
Insurance	2,203	2,511
Membership fees	514	2,148
Ministry of Health and Long-Term Care - One Time Expenses	-	27,485
Office supplies	19,538	10,227
Postage and courier	3,208	4,422
Professional fees	29,571	37,748
Salaries and benefits	406,567	271,913
Telephone and internet	6,572	2,720
Training and conference expenses	18,517	17,416
Travel	14,750	7,569
Utilities	4,361	4,402
	<b>607,372</b>	<b>469,898</b>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ 131,501</b>	<b>\$ 107,631</b>

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**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Statement of Cash Flows**

<b>For the year ended March 31</b>	<b>2019</b>	<b>2018</b>
<b>Cash flows from operating activities</b>		
Excess of revenue over expenditures for the year	\$ 131,501	\$ 107,631
Adjustments for items not involving cash		
Amortization of capital assets	2,911	1,455
Increase in externally restricted funds	438	160
	<u>134,850</u>	<u>109,246</u>
Changes in non-cash working capital balances		
Accounts receivable	(18,981)	(315)
Prepaid expenses	2,063	1,002
Accounts payable and accrued liabilities	1,638	9,599
Deferred revenue	7,050	(7,947)
Deferred capital contributions	(2,911)	7,277
	<u>123,709</u>	<u>118,862</u>
<b>Cash flows from investing activities</b>		
Decrease (increase) in short-term investments	(63,458)	890
Decrease (increase) in long-term investments	(42,507)	(10,259)
Purchase of capital assets	-	(8,732)
	<u>(105,965)</u>	<u>(18,101)</u>
<b>Increase in cash and cash equivalents during the year</b>	<b>17,744</b>	<b>100,761</b>
<b>Cash and cash equivalents, beginning of year</b>	<b>256,651</b>	<b>155,890</b>
<b>Cash and cash equivalents, end of year</b>	<b>\$ 274,395</b>	<b>\$ 256,651</b>



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## Alzheimer Society of Kingston, Frontenac, Lennox and Addington Summary of Significant Accounting Policies

**March 31, 2019**

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<b>Nature of Business</b>	Alzheimer Society of Kingston, Frontenac, Lennox and Addington (the "organization") is incorporated without share capital under the laws of Ontario and is a registered charity exempt from income taxes under subsection 149(1)(f) of the Income Tax Act. The organization's principal activities include public education, family support and support of research for Alzheimer's disease.
<b>Basis of Accounting</b>	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.
<b>Cash and Cash Equivalents</b>	Cash and cash equivalents consists of cash in bank accounts and funds in money market funds capable of short term liquidity.
<b>Investments</b>	Investments are initially recorded at their acquisition cost. At the financial statement date the investments are adjusted to fair value, and the corresponding unrealized gains and losses are recorded in the statement of operations.
<b>Capital Assets</b>	Capital assets are stated at cost less accumulated amortization. Cost is net of related investment tax credits and government grants. Amortization based on the estimated useful life of the asset is calculated as follows:  Furniture & equipment - 3 year straight-line basis
<b>Use of Estimates</b>	The preparation of financial statements in accordance with Canadian generally accepted accounting principles 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 expenditures during the reporting period. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Alzheimer Society of Kingston, Frontenac, Lennox and Addington Summary of Significant Accounting Policies

March 31, 2019

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### Fund Accounting

The organization maintains its accounts in accordance with the principles of fund accounting to ensure that limitations and restrictions placed on the use of available resources are observed. Under fund accounting, resources for various purposes are classified for accounting and reporting into funds in accordance with activities or objectives specified.

The Unrestricted fund accounts for the cost of operations of providing services financed by donations, fundraising, grants and other general income.

The organization has established the following internally restricted funds to provide a source of funds for future endeavours:

*Satellite Program Fund* - The purpose of this fund is to fund future satellite offices and related programming in the event that other funding for these endeavours is no longer available.

*Fiscal Strength Fund* - The purpose of this fund is to manage the financial risk of the organization and promote financial stability. The fund balance represents 50% of normalized operating (less base government funding) expenditures and fund development expenditures and is adjusted periodically to reflect changing expense levels.

*Education and Family Support Fund* - The purpose of this fund is to provide funds for the expansion of core services within the City of Kingston, County of Frontenac, and County of Lennox and Addington, either on a stand alone basis or in collaboration with other similar organizations or other community partners. This fund will be adjusted periodically to meet the organization's current needs.

*Relocation Lease Improvement Fund* - The purpose of this fund is to reduce the impact of one-time costs of relocated or needed improvements to the office configuration and is adjusted from time to time as necessary or prudent.

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**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Summary of Significant Accounting Policies**

**March 31, 2019**

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<b>Fund Accounting (continued)</b>	<i>Information Technology Sinking Fund</i> - The purpose of this fund is to facilitate the upgrading and replacement of equipment to maintain an efficient working system. Annual increments, deemed necessary by the Board should be provided. Investments in new hardware/software or system upgrades are charged to this fund.
<b>Revenue Recognition</b>	The deferral method of accounting is used for contributions, which includes donations and government grants. Government grants are recorded as revenue in the period to which they relate. Unrestricted contributions are recognized as revenue when 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. Interest and other income are recognized as earned.
<b>Contributed Services</b>	Volunteers contribute significant hours each year to assist the organization in carrying out its events. Since these services are not normally purchased by the organization and because of the difficulty in identifying a reliable basis for their value, contributed services are not recognized in these financial statements.

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**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Notes to Financial Statements**

**March 31, 2019**

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**1. Accounts Receivable**

	2019	2018
Accounts receivable	\$ 24,873	\$ 3,615
HST receivable	10,872	13,149
	\$ 35,745	\$ 16,764

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**2. Capital Assets**

	2019		2018	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture & equipment	\$ 8,732	\$ 4,366	\$ 8,732	\$ 1,455
Net book value		\$ 4,366		\$ 7,277

During the year, the organization acquired property, plant and equipment in the amount of \$Nil (2018 - \$8,732).

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**3. Accounts Payable and Accrued Liabilities**

	2019	2018
Accounts payable and accrued liabilities	\$ 36,095	\$ 39,483
Government remittances payable	13,392	8,366
	\$ 49,487	\$ 47,849

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**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Notes to Financial Statements**

**March 31, 2019**

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**4. Deferred Capital Contributions**

Deferred contributions related to capital assets represent contributions with which the organization's capital assets were purchased. The changes in the deferred contributions balance for the year are as follow:

	2019	2018
Balance, beginning of year	\$ 7,277	\$ -
Add: Contributions	-	8,732
Less: Amounts amortized to revenue	(2,911)	(1,455)
Balance, end of year	\$ 4,366	\$ 7,277

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**5. Externally Restricted**

Externally restricted funds consist of restricted donations received by the corporation as follows:

	Dowker Education Fund	LaFrance Memorial Fund	2019	2018
Balance, beginning of year	\$ 6,751	\$ 12,150	\$ 18,901	\$ 18,741
Interest income	156	282	438	160
Balance, end of year	\$ 6,907	\$ 12,432	\$ 19,339	\$ 18,901

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**6. Interfund Transfer**

During the year, the board approved a transfer of \$80,000 from the unrestricted fund to the Satellite Program Fund.

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**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Notes to Financial Statements**

**March 31, 2019**

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**7. Fundraising Revenue**

	2019	2018
Coffee Break	\$ 51,728	\$ 51,795
Golf Tournaments	-	18,600
Walk for Memories	42,605	33,198
Nevada	1,791	5,373
Ride to Remember	-	4,500
Dementia Conference	-	11,430
A Changing Melody	120	682
Black Tie Gala	25	-
	\$ 96,269	\$ 125,578

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**8. Commitments**

The organization has a lease agreement for office premises in Kingston, Ontario and various equipment leases with expiry dates not later than 2024.

The minimum annual payments for the next five years and thereafter are as follows:

2020	\$	23,871
2021		21,944
2022		20,028
2023		20,028
2024		20,028
Thereafter		10,014
	\$	115,913

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## Alzheimer Society of Kingston, Frontenac, Lennox and Addington Notes to Financial Statements

March 31, 2019

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### 9. Financial Instruments

Financial instruments are financial assets or liabilities of the organization where, in general, the organization has the right to receive cash or another financial asset from another party or the organization has the obligation to pay another party cash or other financial assets.

Financial instruments consist of cash and bank, short-term investments, accounts receivable, long-term investments and accounts payable and accrued liabilities.

The organization initially recognized its financial instruments at fair value and subsequently measure them at amortized cost with the exception of short-term and long-term investments, which are recorded at fair value.

Financial assets measured at cost or amortized cost are tested for impairment at the end of each year and the amount of the write-down is recognized in net income. The previously recognized impairment loss may be reversed to the extent of the improvement and the amount of the reversal is recognized in net income. The reversal may be recorded provided it is no greater than the amount that had been previously reported as a reduction in the asset and it does not exceed original cost.

#### Market Risk

Market risk is the risk that changes in market prices and interest rates will affect the organization's net earnings or the value of financial instruments. The organization is exposed to market risk through the equity and preferred share investments held included in its investment portfolio.

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### 10. Financial Statement Presentation

In some instances, comparative figures have been reclassified in order to comply with current year's presentation.

**Alzheimer Society of Kingston, Frontenac, Lennox and Addington  
Schedule 1 - Schedule of Ministry of Health and Long-Term Care  
Funding**

<b>For the year ended March 31</b>	<b>2019</b>	<b>2018</b>
<b>Revenue</b>		
Ministry of Health and Long-Term Care		
Base	\$ 254,992	\$ 181,941
One Time Funding	-	28,940
Amortization of deferred contributions	2,911	-
Fundraising	18,720	48,710
Donations	124,180	117,212
Other grants	28,693	32,922
Other revenue	2,486	2,356
	<u>431,982</u>	<u>412,081</u>
<b>Expenditures</b>		
Advertising	2,418	2,680
Amortization	2,911	1,455
Bank charges and interest	1,869	3,306
Board and meeting expenses	2,057	3,212
Building maintenance	3,441	3,194
Building rent	28,638	31,450
Computer supplies and software	1,575	1,885
Education and program supplies	6,709	6,005
Equipment and software maintenance	8,842	5,991
Equipment rent	5,189	5,238
Fundraising and volunteer expenses	2,163	1,255
Insurance	2,203	2,511
Membership fees	359	1,498
Ministry of Health and Long-Term Care - One Time Expenses	-	27,485
Office supplies	6,424	10,003
Postage and courier	3,198	4,422
Professional fees	27,581	37,748
Salaries and benefits	285,914	233,772
Telephone and internet	6,294	2,330
Training and conference expenses	18,461	15,739
Travel	11,375	6,500
Utilities	4,361	4,402
	<u>431,982</u>	<u>412,081</u>
<b>Excess of revenue over expenditures for the year</b>	<b>\$ -</b>	<b>\$ -</b>