

# Alzheimer Society of Sarnia-Lambton

## Financial Statements

For the year ended March 31, 2024

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## Independent Auditor's Report

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To the Board of Directors of Alzheimer Society of Sarnia-Lambton

### Qualified Opinion

We have audited the financial statements of Alzheimer Society of Sarnia-Lambton (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.

Chartered Professional Accountants, Licensed Public Accountants

Windsor, Ontario  
June 27, 2024

# Alzheimer Society of Sarnia-Lambton

## Statement of Financial Position

March 31,	2024	2023
<b>Assets</b>		
Current		
Cash	\$ 478,039	\$ 215,346
Cash - externally restricted (Note 7)	99,866	53,422
Short-term investments (Note 2)	394,672	597,120
Accounts receivable	165,106	52,761
Prepaid expenses	11,679	16,671
	1,149,362	935,320
Capital assets (Note 3)	32,860	53,911
	\$1,182,222	\$ 989,231

### Liabilities and Net Assets

Current		
Accounts payable and accrued liabilities	\$ 99,287	\$ 59,318
Deferred revenue (Note 9)	83,570	78,070
Current portion of long-term debt (Note 4)	-	40,000
	182,857	177,388
Deferred capital contributions (Note 10)	29,274	49,429
	212,131	226,817
Commitments (Note 6)		
Net Assets		
Externally restricted fund (Note 7)	99,866	53,422
General fund	866,639	704,510
Invested in capital assets	3,586	4,482
	970,091	762,414
	\$1,182,222	\$ 989,231

On behalf of the Board:

\_\_\_\_\_ Director

\_\_\_\_\_ Director

# Alzheimer Society of Sarnia-Lambton

## Statement of Operations

For the year ended March 31,	2024	2023		
	General and Restricted Funds	Ministry of Health Fund	Total	Total
<b>Revenue</b>				
Government funding (Note 5)	\$ -	\$1,475,331	\$1,475,331	\$878,076
Special events	346,541	-	346,541	256,210
User fees	6,240	177,047	183,287	102,388
Donations and bequests	156,652	-	156,652	129,265
Grants and other	69,401	25,110	94,511	106,782
Investment income (Note 2)	31,097	28,745	59,842	3,391
Amortized contributions (Note 10)	-	20,155	20,155	21,010
	609,931	1,726,388	2,336,319	1,497,122
<b>Expenses</b>				
Salaries	175,339	1,142,988	1,318,327	889,706
Employee benefits	32,257	214,257	246,514	138,433
Office, supplies and materials	18,833	147,996	166,829	72,778
Special events	124,966	-	124,966	77,539
Occupancy	-	114,632	114,632	114,632
Amortization on deferrals (Note 10)	896	20,155	21,051	22,130
Travel	5,084	14,467	19,551	5,191
Public relations	3,007	15,977	18,984	15,830
Program support	-	18,686	18,686	12,694
Professional	-	18,247	18,247	15,398
Telephone	-	11,445	11,445	10,832
Training	1,141	9,583	10,724	5,752
Research	10,000	-	10,000	10,000
Repairs and maintenance	-	8,912	8,912	6,223
Meetings and conferences	321	6,008	6,329	1,618
Interest and bank charges	1,433	7,612	9,045	12,501
Insurance	-	4,240	4,240	4,039
Property repairs	-	161	161	40,079
	373,277	1,755,366	2,128,643	1,455,375
Excess of revenue over expenses (expenses over revenue) before fund transfer	236,654	(28,978)	207,676	41,747
Interfund transfer	(28,978)	28,978	-	-
Excess of revenue over expenses	\$ 207,676	\$ -	\$ 207,676	\$41,747

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## Alzheimer Society of Sarnia-Lambton

### Statement of Changes in Net Assets

For the year ended March 31,

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	Ministry of Health Fund	Other Fund	Externally Restricted Fund	2024 Total	2023 Total
Balance, beginning of year	\$ -	\$ 708,992	\$ 53,422	\$ 762,414	\$ 720,667
Excess of expenses over revenue	(28,978)	236,655	-	207,677	41,747
Interfund transfers	28,978	(75,422)	46,444	-	-
Balance, end of year	\$ -	\$ 870,225	\$ 99,866	\$ 970,091	\$ 762,414

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# Alzheimer Society of Sarnia-Lambton

## Statement of Cash Flows

For the year ended March 31,	2024	2023
Cash from operations		
Excess revenue over expenses	\$ 207,676	\$ 41,747
Items not requiring an outlay of cash		
Amortization - capital assets	21,051	22,130
Amortization - deferred capital contributions	<u>(20,155)</u>	<u>(21,010)</u>
	208,572	42,867
Changes in non-cash working capital		
Accounts receivable	(112,345)	15,296
Prepaid expenses	4,992	(16,671)
Accounts payable and accrued liabilities	39,972	41,796
Deferred contributions	<u>5,500</u>	<u>64,120</u>
	146,691	147,408
Cash from financing		
Net repayment of long-term debt	(40,000)	-
Purchase of investments	<u>202,446</u>	<u>(46,873)</u>
	<u>162,446</u>	<u>(46,873)</u>
Increase in cash and cash equivalents during the year	309,137	100,535
Cash and cash equivalents, beginning of year	<u>268,768</u>	<u>168,233</u>
Cash and cash equivalents, end of year	<u>\$ 577,905</u>	<u>\$ 268,768</u>
Represented by:		
Cash	\$ 478,039	\$ 215,346
Cash - externally restricted	<u>99,866</u>	<u>53,422</u>
	<u>\$ 577,905</u>	<u>\$ 268,768</u>

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# Alzheimer Society of Sarnia-Lambton

## Notes to Financial Statements

March 31, 2024

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### 1. Significant accounting policies

Nature of Society	The Alzheimer Society of Sarnia-Lambton 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: In-Home Respite Care, Public Education, Caregiver Education, and Caregiver Support Services.						
Basis of accounting	These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.						
Fund accounting	<p>The Society follows the deferral method of accounting for contributions with funds.</p> <p>The General Fund accounts for the Society's program delivery and administrative activities.</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 Externally Restricted Fund reports the bingo revenue earned. Expenses paid from the bingo account are reflected in the general fund.</p>						
Capital assets	<p>Purchased capital assets are recorded at cost. The minimum threshold for the capitalization of capital assets is \$1,000. Amortization expense is reported in the Capital Asset Fund provided as follows:</p> <table><tr><td>Leasehold improvements</td><td>4% straight-line</td></tr><tr><td>Furniture and equipment</td><td>20% declining balance</td></tr><tr><td>Computer hardware</td><td>30% declining balance</td></tr></table> <p>One half the rate is used in the year of acquisition.</p>	Leasehold improvements	4% straight-line	Furniture and equipment	20% declining balance	Computer hardware	30% declining balance
Leasehold improvements	4% straight-line						
Furniture and equipment	20% declining balance						
Computer hardware	30% declining balance						
Financial instruments	Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, 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.						

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# Alzheimer Society of Sarnia-Lambton

## Notes to Financial Statements

March 31, 2024

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1. Significant accounting policies (continued)

Use of estimates	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.
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 when received.</p> <p>Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred.</p>
Government assistance	Government assistance received during the year for current expenses is included revenue.
Pension plan	The Society maintains a defined contribution pension plan for its employees. The expense for this plan is equal to the society's required contribution for the year.
Investments	The investments not subject to significant influence or control are recorded in the financial statements at fair value where there is an active quoted market available. In arriving at fair value, the unrealized gains and losses are recorded in the statement of operations.
Contributed services	Volunteers contributed the vast majority of the fundraising services provided by the association. Because of the difficulty in determining their fair value, contributed services are not recognized in these financial statements.

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# Alzheimer Society of Sarnia-Lambton

## Notes to Financial Statements

March 31, 2024

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1. Significant accounting policies (continued)

Allocation of expenses

The Society engages in health promotion, education and in home 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.

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.

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.

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.

The Society also allocated some of its general support to expenses to the Ministry of Health programs and services.

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# Alzheimer Society of Sarnia-Lambton

## Notes to Financial Statements

March 31, 2024

### 2. Short-term investments

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. The investments are recorded at fair market value.

	2024	2023
Fidelity Balance Private Pool	274,434	246,125
Mainstreet - GIC 3.1%; matured February 2024	-	197,000
Scotiabank - GIC 4.5%; maturing October 2024	20,238	-
Edward Jones - GIC 5.3%; maturing December 2024	100,000	-
Edward Jones - GIC 5.1%; matured December 2023	-	100,000
Scotiabank - GIC 3.0%; matured September 2023	-	53,995
	<u>\$ 394,672</u>	<u>\$ 597,120</u>

The investments are recorded at fair market value.

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

	2024	2023
Dividend Income	\$ 1,973	\$ 9,549
Interest	28,745	5,506
Realized Gain/Loss on investments	37	203
Unrealized Gain/Loss on investments	29,087	(11,867)
	<u>\$ 59,842</u>	<u>\$ 3,391</u>

### 3. Capital assets

	Cost	Accumulated Amortization	2024	2023
Leasehold improvement	\$ 84,736	\$ (67,788)	\$ 16,948	\$ 33,895
Furniture and equipment	40,526	(25,320)	15,206	19,007
Computer hardware	2,940	(2,234)	706	1,009
	<u>\$ 128,202</u>	<u>\$ (95,342)</u>	<u>\$ 32,860</u>	<u>\$ 53,911</u>

### 4. Long term debt

The Society had received the Canada Emergency Business Account loan offered during the global pandemic. The loan was repaid during the year.

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# Alzheimer Society of Sarnia-Lambton

## Notes to Financial Statements

March 31, 2024

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5. Economic dependence

The Society received 64% funding from the Ministry of Health (2023 - 59%).

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6. Commitments

The Society has entered into an extension on the current lease agreement expiring July 2025, additional units have also been added to the agreement. The annual lease payments for the spaces is \$124,624 annually.

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7. Externally restricted net assets

These funds are externally restricted by the Regular and Special Bingo Licence Terms and Conditions and are to be used mainly for the purchase of respite supplies, reimbursement of volunteer mileage, research donation and advertising for Alzheimer awareness. At year-end the balance of restricted cash is \$99,866 (2023 - \$53,422).

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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 term deposits. Trade accounts payable and accrued liabilities are generally repaid 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 Alzheimer Society of Sarnia-Lambton is mainly exposed to interest rate risk and other price risks due to the the uncertainty of the investment prices staying stagnant.

*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 (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The society is exposed to other price risk through its investments in quoted shares.

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## Alzheimer Society of Sarnia-Lambton

### Notes to Financial Statements

March 31, 2024

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9. Deferred revenue

Deferred contributions represents sponsorships and grants received during the year for future fundraising event or program and were not earned at March 31, 2024. At year end the balance was \$83,570 (2023 - \$78,070).

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10. Deferred capital contributions

Deferred capital contributions represent funding received for the purpose of bringing the day program onsite and increasing, furnishing and equipping office space to provide better client programming and support.

	2024	2023
Deferred capital contributions, beginning of year	\$ 49,429	\$ 70,439
Less: Deferred revenue recognized as revenue	-	-
Less: Amortization for the year	(20,155)	(21,010)
Deferred capital contributions, end of year	<u>\$ 29,274</u>	<u>\$ 49,429</u>

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