Alzheimer Society of Sarnia-Lambton

Financial Statements

For the year ended March 31, 2026

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Independent Auditor's Report

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, 2026, 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, 2026, 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, 2026 and 2025, current assets as at March 31, 2026 and 2025, and net assets as at April 1 and March 31 for both the 2026 and 2025 years. Our audit opinion on the financial statements for the year ended March 31, 2025 was qualifed 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

BDO Canada LLP

Windsor, Ontario
June 26, 2026

Alzheimer Society of Sarnia-Lambton

Statement of Financial Position

March 31,	2026	2025
Assets		
Current		
Cash	$ 399,203	$ 327,729
Cash - externally restricted (Note 8)	73,820	104,142
Short-term investments (Note 2)	806,895	697,660
Accounts receivable	44,211	74,736
Prepaid expenses	7,403	6,134
	1,331,532	1,210,401
Capital assets (Note 3)	10,078	12,659
	$1,341,610	$ 1,223,060
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	$ 85,300	$ 52,018
Deferred revenue (Note 4)	47,300	45,915
	132,600	97,933
Deferred capital contributions (Note 5)	7,783	9,790
	140,383	107,723
Commitments (Note 6)		
Net Assets		
Externally restricted fund (Note 8)	73,820	104,142
General fund	1,125,112	1,008,326
Invested in capital assets	2,295	2,869
	1,201,227	1,115,337
	$1,341,610	$ 1,223,060

On behalf of the Board:

Brnadon Vale _____ Director

_____ Director

Alzheimer Society of Sarnia-Lambton

Statement of Operations

For the year ended March 31,	General and Restricted Funds	Ministry of Health Fund	2026 Total	2025 Total
Revenue				
Government funding (Note 7)	$ -	$1,545,260	$1,545,260	1,558,338
Special events	388,228	-	388,228	368,715
User fees	13,555	188,677	202,232	245,486
Donations and bequests	149,268	-	149,268	148,747
Grants and other	81,655	28,247	109,902	181,838
Investment income (Note 2)	49,019	1,756	50,775	45,963
Amortized contributions (Note 5)	-	2,007	2,007	19,484
	681,725	1,765,947	2,447,672	2,568,571
Expenses				
Salaries	268,821	1,207,910	1,476,731	1,482,097
Employee Benefits	64,461	206,471	270,932	269,030
Occupancy	-	164,099	164,099	151,307
Office, supplies and materials	42,678	68,908	111,586	113,754
Professional	6,502	86,658	93,160	107,141
Special events	71,430	-	71,430	121,839
Travel	4,982	37,062	42,044	41,905
Public relations	20,883	5,667	26,550	24,149
Program support		17,615	17,615	22,878
Repairs and maintenance	95	14,942	15,037	7,738
Telephone	-	13,322	13,322	15,327
Interest and bank charges	7,534	5,220	12,754	12,724
Training	2,166	10,584	12,750	12,491
Meetings and conferences	6,981	5,111	12,092	3,750
Research	10,000	-	10,000	10,000
Property repairs	-	4,573	4,573	2,646
Insurance	-	4,526	4,526	4,349
Amortization on deferrals (Note 5)	574	2,007	2,581	20,201
	507,107	1,854,675	2,361,782	2,423,326
Excess of revenue over expenses (expenses over revenue) before fund transfer	174,618	(88,728)	85,890	145,245
Interfund transfer	(88,728)	88,728	-	-
Excess of revenue over expenses	$ 85,890	$ -	$ 85,890	$145,245

Alzheimer Society of Sarnia-Lambton

Statement of Changes in Net Assets

For the year ended March 31,

	Ministry of Health Fund	Unrestricted Fund	Externally Restricted Fund	2026 Total	2025 Total
Balance, beginning of year	$ -	$ 1,011,195	$ 104,142	$ 1,115,337	$ 970,091
Excess of expenses over revenue	(88,728)	174,618	-	85,890	145,246
Interfund transfers	88,728	(58,406)	(30,322)	-	-
Balance, end of year	$ -	$ 1,127,407	$ 73,820	$ 1,201,227	$ 1,115,337

Alzheimer Society of Sarnia-Lambton

Statement of Cash Flows

For the year ended March 31,	2026	2025
Cash from operations		
Excess revenue over expenses	$ 85,890	$ 145,245
Items not requiring an outlay of cash		
Amortization - capital assets	2,581	20,201
Amortization - deferred capital contributions	(2,007)	(19,484)
	86,464	145,962
Changes in non-cash working capital		
Accounts receivable	30,525	90,370
Prepaid expenses	(1,269)	5,545
Accounts payable and accrued liabilities	33,282	(47,268)
Deferred revenue	1,385	(37,655)
	150,387	156,954
Cash from financing		
Purchase of investments	(109,235)	(302,988)
Increase (decrease) in cash and cash equivalents during the year	41,152	(146,034)
Cash and cash equivalents, beginning of year	431,871	577,905
Cash and cash equivalents, end of year	$ 473,023	$ 431,871
Represented by:		
Cash	$ 399,203	$ 327,729
Cash - externally restricted	73,820	104,142
	$ 473,023	$ 431,871

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

The Society follows the deferral method of accounting for contributions with funds.

The General Fund accounts for the Society's program delivery and administrative activities.

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.

The Externally Restricted Fund reports the bingo revenue earned. Expenses paid from the bingo account are reflected in the general fund.

Capital assets

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:

Furniture and equipment	20% declining balance
Computer hardware	30% declining balance

One half the rate is used in the year of acquisition.

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.

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	The Society follows the deferral method of accounting for contributions, which include donations and Ministry of Health funding. Unrestricted contributions are recognized as revenue when received. Externally restricted contributions are recognized as revenue in the period in which the related expenses are incurred.
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.

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.

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.

	2026	2025
Fidelity Balance Private Pool	$ 206,895	$ 181,452
Edward Jones - GIC 2.67%; maturing February 2027	100,000	-
Edward Jones - GIC 2.70%; maturing February 2027	100,000	-
Edward Jones - GIC 2.80%; maturing February 2027	100,000	-
Edward Jones - GIC 3.32%; maturing February 2029	100,000	-
Edward Jones - GIC 3.09%; maturing February 2028	90,000	-
Scotiabank - GIC 2.25%; maturring August 2026	50,000	-
Scotiabank- GIC 2.95%; maturing November 2026	20,000	-
Edward Jones - GIC 3.43%; maturing January 2027	10,000	10,000
Edward Jones - GIC 3.46%; maturing January 2028	10,000	10,000
Edward Jones - GIC 3.02%; maturing February 2028	10,000	-
Edward Jones - GIC 3.49%; maturing January 2029	10,000	10,000
Scotiabank - GIC 3.9%; matured August 2025	-	50,000
Scotiabank - GIC 3.35%; matured October 2025	-	20,902
Edward Jones - GIC 2.75%; matured December 2025	-	100,000
Edward Jones - GIC 3.65%; matured December 2025	-	5,306
Edward Jones - GIC 3.41%; matured January 2026	-	10,000
Edward Jones - GIC 3.59%; matured January 2026	-	100,000
Edward Jones - GIC 2.80%; matured January 2026	-	100,000
Edward Jones - GIC 3.58%; matured January 2026	-	100,000
	$ 806,895	$ 697,660

The investments are recorded at fair market value.

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

	2026	2025
Dividend Income	$ 7,365	$ 1,962
Interest	23,197	20,024
Realized Gain/Loss on investments	389	11,195
Unrealized Gain/Loss on investments	19,824	12,782
	$ 50,775	$ 45,963

3. Capital assets

	Cost	Accumulated Amortization	2026	2025
Furniture and equipment	$ 40,526	$ (30,794)	$ 9,732	$ 12,165
Computer hardware	2,940	(2,594)	346	494
	$ 128,202	$ (118,124)	$ 10,078	$ 12,659

4. 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, 2026. At year end the balance was $47,300 (2025 - $45,915).

5. 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.

	2026	2025
Deferred capital contributions, beginning of year	$ 9,790	$ 29,274
Less: Deferred revenue recognized as revenue	-	-
Less: Amortization for the year	(2,007)	(19,484)
Deferred capital contributions, end of year	$ 7,783	$ 9,790

6. Commitments

The Society has entered into an extension on the current lease agreement. The extension expires July 2030. Annual lease payments for the spaces for the next five years is as follows:

2027	$ 178,403
2028	178,403
2029	178,403
2030	178,403
2031	59,468
	$ 773,080

7. Economic dependence

The Society received 63% funding from the Ministry of Health (2025 - 61%).

8. 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 $73,820 (2025 - $104,142).

9. 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.