

Alzheimer Society of Thunder Bay
Financial Statements
March 31, 2023

Alzheimer Society of Thunder Bay
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For the year ended March 31, 2023

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Management's Responsibility

To the Directors of Alzheimer Society of Thunder Bay:

Management is responsible for the preparation and presentation of the accompanying financial statements, including responsibility for significant accounting judgments and estimates in accordance with Canadian accounting standards for not-for-profit organizations and ensuring that all information in the annual report is consistent with the statements. This responsibility includes selecting appropriate accounting principles and methods, and making decisions affecting the measurement of transactions in which objective judgment is required.

In discharging its responsibilities for the integrity and fairness of the financial statements, management designs and maintains the necessary accounting systems and related internal controls to provide reasonable assurance that transactions are authorized, assets are safeguarded and financial records are properly maintained to provide reliable information for the preparation of financial statements.

The Board of Directors is composed primarily of Directors who are neither management nor employees of the Charity. The Board is responsible for overseeing management in the performance of its financial reporting responsibilities, and for approving the financial information included in the annual report. The Board fulfils these responsibilities by reviewing the financial information prepared by management and discussing relevant matters with management and external auditors. The Board is also responsible for recommending the appointment of the Charity's external auditors.

MNP LLP is appointed by the directors to audit the financial statements and report directly to them; their report follows. The external auditors have full and free access to, and meet periodically and separately with, both the Board and management to discuss their audit findings.

May 31, 2023



Executive Director

To the Directors of Alzheimer Society of Thunder Bay:

Qualified Opinion

We have audited the financial statements of Alzheimer Society of Thunder Bay (the "Charity"), which comprise the statement of financial position as at March 31, 2023, and the statements of operations, 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 the matter(s) 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 Charity as at March 31, 2023, and its financial performance 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 not-for-profit organizations, Alzheimer Society of Thunder Bay derives revenue from donations and 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 Charity and we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023 and March 31, 2022 and assets and net assets as at March 31, 2023 and March 31, 2022. The audit opinion on the financial statements for the year ended March 31, 2022 was qualified accordingly because of the possible effects of the limitation in scope.

Under Canadian Accounting Standards for Not-for-profit organizations, the Charity is required to capitalize items of a capital nature over their useful lives. As described in Note 2, the Charity does not capitalize items of a capital nature. Items of a capital nature are expensed in the year of acquisition. We were unable to determine the extent of adjustments which might be necessary to operations, surplus or deficit for the year, assets or closing net liabilities.

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 Charity 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 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 Charity'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 Charity or to cease operations, or has no realistic alternative but to do so.

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

Thunder Bay, Ontario

May 31, 2023

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

MNP
LLP

Alzheimer Society of Thunder Bay
Statement of Financial Position


As at March 31, 2023

	2023	2022
Assets		
Current		
Cash	299,270	283,310
Accounts receivable (Note 3)	50,008	12,014
Prepaid expenses	4,401	10,617
	353,679	305,941
Liabilities		
Current		
Accounts payable and accruals (Note 4)	12,952	12,440
Alzheimer Society of Ontario - Research (Note 5)	-	395
	12,952	12,835
Net Assets	340,727	293,106
	353,679	305,941

Approved on behalf of the Board



Director



Director

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay
Statement of Operations
For the year ended March 31, 2023

	2023	2022
Revenue		
Northwest LHIN	394,346	343,813
Donations	80,559	148,290
Fundraising	49,217	83,058
Interest	12	10
Other income	48,441	58,174
Government assistance	-	7,874
	572,575	641,219
Expenses		
Advertising and promotion	1,281	2,821
Bad debts	-	12,797
Bank charges and interest	1,050	1,330
Contracted services (Note 6)	-	17,263
Fundraising	7,940	5,017
Insurance	2,746	2,590
Licenses	281	-
Materials	26,594	13,381
Office	22,716	67,379
Office equipment lease	-	1,563
Professional development	4,104	2,164
Professional fees	12,005	21,343
Rent	39,289	41,340
Salaries and benefits	391,134	321,715
Telecommunications	7,057	8,673
Travel	8,756	6,081
	524,953	525,457
Excess of revenue over expenses	47,622	115,762

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay
Statement of Changes in Net Assets
For the year ended March 31, 2023

	2023	2022
Net assets beginning of year	293,106	177,344
Excess of revenue over expenses	47,622	115,762
Net assets, end of year	340,728	293,106

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay
Statement of Cash Flows
For the year ended March 31, 2023

	2023	2022
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	47,622	115,762
Changes in working capital accounts		
Accounts receivable	(37,994)	19,588
Prepaid expenses	6,216	(6,759)
Accounts payable and accruals	511	(12,149)
Alzheimer Society of Ontario - Research	(395)	(7,344)
	15,960	109,098
Increase in cash resources	15,960	109,098
Cash resources, beginning of year	283,310	174,212
Cash resources, end of year	299,270	283,310

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Thunder Bay

Notes to the Financial Statements

For the year ended March 31, 2023

1. Incorporation and nature of the organization

Alzheimer Society of Thunder Bay (the "Charity") was incorporated under the authority of the Income Tax Act and is a registered charity. In order to maintain its status as a registered charity under the Act, the Charity must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Charity's objective is to alleviate the personal and social consequences of Alzheimer disease and other dementias, promote the search for the causes and provide information, education and support to all persons with Alzheimer's disease and other dementias and their partners in care.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Cash and cash equivalents

Cash and cash equivalents include balances with banks and short-term investments with maturities of three months or less.

Capital assets

Capital assets are expensed on acquisition. The major categories of capital assets held by the Charity are furniture and equipment, computer equipment. During the year, the Charity expensed \$447 (2022 - \$10,935) in capital asset purchases.

Revenue recognition

The Charity follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Donations, grants, other income and fundraising revenues are recognized as received.

Contributed materials and services

Contributions of services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the services are used in the normal course of the Charity's operations and would otherwise have been purchased.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity 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 and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Accounts payable and accrued liabilities are estimated based on historical costs for goods and services.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues and expenses in the periods in which they become known.

Financial instruments

The Charity recognizes financial instruments when the Charity becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm's length transaction ("arm's length financial instruments") are initially recorded at their fair value.

2. Significant accounting policies *(Continued from previous page)*

At initial recognition, the Charity may irrevocably elect to subsequently measure any arm's length financial instrument at fair value. The Charity has made such an election during the year. Fair value is determined by reference to recent arm's length transactions.

The Charity subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotation. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Charity's performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenue over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Charity initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction ("related party financial instruments") at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 6).

At initial recognition, the Charity may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Charity subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenue over expenses.

Financial asset impairment

The Charity assesses impairment of all its financial assets measured at cost or amortized cost. The Charity groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty] in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Charity determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

Alzheimer Society of Thunder Bay
Notes to the Financial Statements
For the year ended March 31, 2023

2. Significant accounting policies *(Continued from previous page)*

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Charity reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party debt instruments initially measured at cost, the Charity reduces the carrying amount of the asset (or group of assets), to the highest of: the undiscounted cash flows expected to be generated by holding the asset, or group of similar assets, excluding the interest and dividend payments of the instrument; the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

For related party equity instruments initially measured at cost, the Charity reduces the carrying amount of the asset (or group of assets), to the amount that could be realized by selling the asset(s) at the statement of financial position date.

Any impairment, which is not considered temporary, is included in current year excess of revenue over expenses.

The Charity reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenue over expenses in the year the reversal occurs.

Leases

A lease that transfers substantially all of the benefits and risks of ownership is classified as a capital lease. At the inception of a capital lease, an asset and a payment obligation are recorded at an amount equal to the lesser of the present value of the minimum lease payments and the property's fair market value. Assets under capital leases are amortized on a declining balance basis, over their estimated useful lives. All other leases are accounted for as operating leases and rental payments are expensed as incurred.

An arrangement contains a lease where the arrangement conveys a right to use the underlying tangible asset, and whereby its fulfillment is dependent on the use of the specific tangible asset. After the inception of the arrangement, a reassessment of whether the arrangement contains a lease is made only in the event that:

- there is a change in contractual terms;
- a renewal option is exercised or an extension is agreed upon by the parties to the arrangement;
- there is a change in the determination of whether the fulfillment of the arrangement is dependent on the use of the specific tangible asset; or
- there is a substantial physical change to the specified tangible asset.

3. Accounts receivable

	2023	2022
Accounts receivable	45,060	3,618
HST recoverable	4,948	8,396
	50,008	12,014

4. Accounts payable and accruals

	2023	2022
Accounts payable and accruals	12,120	11,608
Wage and employee benefits payable	832	832
	12,952	12,440

Alzheimer Society of Thunder Bay
Notes to the Financial Statements
For the year ended March 31, 2023

5. Due to Alzheimer Society of Ontario - Research donations

The amount owed to Alzheimer Society of Ontario is made up of donations received that are specifically marked for research purposes. The donations are restricted for this purpose only and can not be used for any other intended purposes. These funds must be forwarded to the Alzheimer Society of Ontario for research purposes.

	2023	2022
Donations received	-	395
	-	395

6. Related party transactions

The Charity is related to the Alzheimer Society of Timmins-Porcupine District Inc. by virtue of common management. Included in expenses for the current year are \$Nil (2022 - \$17,263) in executive director contract services received from the Alzheimer Society of Timmins-Porcupine District Inc.

7. Commitments

The Charity has entered into lease agreements for office space and equipment. Future minimum lease payments over the next five years are as follows:

2024	9,636
2025	2,580
2026	2,580
2027	2,580
2028	1,290
	18,666

8. Financial instruments

The Charity, as part of its operations, carries a number of financial instruments. It is management's opinion that the Charity is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments.

9. Economic dependence

The Charity's primary source of revenue is from Northwest LHIN. The grant funding can be cancelled if the Charity does not observe certain established guidelines. The Charity's ability to continue viable operations is dependent upon maintaining its right to follow the criteria within the provincial government guidelines. As at the date of these financial statements, the Charity believes that it is in compliance with the guidelines.