

Alzheimer Society of Timmins-Porcupine District Inc.
Financial Statements
March 31, 2020

Alzheimer Society of Timmins-Porcupine District Inc.

Contents

For the year ended March 31, 2020

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Management's Responsibility

To the Directors of Alzheimer Society of Timmins-Porcupine District Inc.:

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 26, 2020

Executive Director

Independent Auditor's Report

To the Directors of Alzheimer Society of Timmins-Porcupine District Inc.:

Qualified Opinion

We have audited the financial statements of Alzheimer Society of Timmins-Porcupine District Inc. (the "Charity"), which comprise the statement of financial position as at March 31, 2020, 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, 2020, 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 not-for-profit organizations, Alzheimer Society of Timmins-Porcupine District Inc. 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 organization 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, 2020 and March 31, 2019 and assets and net assets as at March 31, 2020 and March 31, 2019. The audit opinion on the financial statements for the year ended March 31, 2019 was qualified accordingly because of the possible effects of the 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 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.

Other Matter

The supplementary information contained in the Schedules is presented for purposes of additional information and is not part of the basic audited financial statements. The information in the schedules was derived from the accounting records testing in forming an opinion on the financial statements as a whole.

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.

Timmins, Ontario

May 26, 2020

The logo for MNP LLP, featuring the letters 'MNP' in a large, bold, sans-serif font, followed by 'LLP' in a smaller, all-caps, sans-serif font.

Chartered Professional Accountants

Licensed Public Accountants

Alzheimer Society of Timmins-Porcupine District Inc.

Statement of Financial Position

As at March 31, 2020

	2020	2019
Assets		
Current		
Cash	254,539	184,055
Accounts receivable (Note 3)	15,548	6,520
Prepaid expenses	1,205	-
	271,292	190,575
Liabilities		
Current		
Accounts payable and accruals (Note 4)	24,455	7,204
Due to the Northeastern Local Health Integration Network	11,500	26,500
	35,955	33,704
Significant event (Note 8)		
Net Assets		
Internally restricted net assets	33,000	33,000
Unrestricted net assets	202,337	123,871
	235,337	156,871
	271,292	190,575

Approved on behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Timmins-Porcupine District Inc.

Statement of Operations

For the year ended March 31, 2020

	2020	2019
Revenue		
Allocation of Provincial fundraising - ongoing	7,956	9,578
Donations	20,030	30,007
Memorials	10,683	10,171
Canada Summer Jobs	3,150	3,360
Northern Ontario Heritage Fund Corporation	28,623	12,560
Northeast Local Health Integration Network (NELHIN) (Schedule 2)	304,595	329,928
Fundraising (Schedule 1)	100,297	93,432
	475,334	489,036
Expenses		
Advertising	2,507	2,419
Bank charges and interest	349	451
One time expense - relocation	-	32,925
Insurance	1,173	2,313
Office	19,546	23,899
Professional fees	12,743	10,282
Rent	17,352	14,805
Salaries and benefits	293,346	319,230
Steering committee	-	1,574
Support	2,006	3,409
Telecommunications	6,476	6,424
Training	4,155	2,841
Travel	10,600	13,096
Fundraising (Schedule 1)	26,615	24,365
	396,868	458,033
Excess of revenue over expenses	78,466	31,003

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Timmins-Porcupine District Inc.
Statement of Changes in Net Assets

For the year ended March 31, 2020

	<i>Internally restricted funds</i>	<i>Unrestricted funds</i>	<i>2020</i>	<i>2019</i>
Net assets beginning of year	33,000	123,871	156,871	125,868
Excess of revenue over expenses	-	78,466	78,466	31,003
Net assets, end of year	33,000	202,337	235,337	156,871

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Timmins-Porcupine District Inc.

Statement of Cash Flows

For the year ended March 31, 2020

	2020	2019
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	78,466	31,003
Changes in working capital accounts		
Accounts receivable	(9,028)	(1,261)
Prepaid expenses	(1,205)	15,904
Accounts payable and accruals	17,253	(1,786)
Due to NELHIN	(15,000)	-
Increase in cash resources	70,486	43,860
Cash resources, beginning of year	184,054	140,194
Cash resources, end of year	254,540	184,054

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Timmins-Porcupine District Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

1. Incorporation and nature of the organization

Alzheimer Society of Timmins-Porcupine District Inc. (the "Charity") was incorporated under the authority of the Income Tax Act on February 2, 1988 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 to promote the search for the causes and cure of the disease.

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.

Fund accounting

The Charity follows the deferral method of accounting for contributions and reports using fund accounting, and maintains two funds: Internally restricted funds and Operating fund.

The Operating fund reports the Charity's revenues and expenses relating operating activities as set out by budget approved by NELHIN.

The Internally restricted fund reports the Charity's accreditation costs pending to be used in the future years related to Alzheimer Society of Timmins-Porcupine District Inc.'s ongoing expenses. These internally restricted amounts are not available for other purposes without approval of the board of directors.

Capital assets

Capital assets are expensed on acquisition.

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, memorials and fundraising revenues are recognized as received.

Interest is accrued as earned.

Contributed 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.

Allocation of expenses

The allocation of expenses was determined by management in reference to the approved budgets submitted to various funding sources.

Alzheimer Society of Timmins-Porcupine District Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

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

Financial instruments

The Charity recognizes its financial instruments when the Charity becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value, including financial assets and liabilities originated and issued in a related party transaction with management. Financial assets and liabilities originated and issued in all other related party transactions are initially measured at their carrying or exchange amount in accordance with Section 4460 *Related Party Transactions*.

At initial recognition, the Charity may irrevocably elect to subsequently measure any financial instrument at fair value. The Charity has not made such an election during the year.

The Charity subsequently measures its financial assets and liabilities 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 the excess of revenues over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

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.

3. Accounts receivable

	2020	2019
Accounts receivable	12,464	377
HST recoverable	3,084	6,143
	15,548	6,520

4. Accounts payable and accruals

	2020	2019
Trade accounts payable and accrued liabilities	21,376	6,075
Wage and employee benefits payable	3,079	1,129
	24,455	7,204

Alzheimer Society of Timmins-Porcupine District Inc.

Notes to the Financial Statements

For the year ended March 31, 2020

5. Commitments

The Charity has entered a lease agreement for its premises in the amount of \$1,600 per month, expiring in October 2023. Future minimum lease payments as at March 31, 2020 are as follows:

2021	19,200
2022	19,200
2023	19,200
2024	11,200
	<hr/>
	68,800

6. 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.

7. Economic dependence

The Charity's primary source of revenue is from NELHIN. 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.

8. Significant event

On March 18, 2020, there was a pandemic declared for the global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Charity as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

9. Comparative figures

Certain comparative figures have been reclassified to conform with current year presentation.

Alzheimer Society of Timmins-Porcupine District Inc.
Schedule 1 - Unaudited Schedule of Fundraising Revenues and Expenses

For the year ended March 31, 2020

	2020	2019
Revenue		
Bingo	22,183	17,141
Catch the Ace	29,835	32,500
Country Concert	6,573	5,620
Duck Race	10,645	8,563
Mud Factor	15,892	13,175
Others	3,374	1,199
Ride for Memories	-	7,718
Walk for Memories	11,795	7,516
	100,297	93,432
Expenses		
Catch the Ace	18,472	13,854
Duck Race	4,912	7,179
Mud Factor	2,034	2,689
Others	393	-
Ride for Memories	804	643
	26,615	24,365
Excess of revenue over expenses	73,682	69,067

Alzheimer Society of Timmins-Porcupine District Inc.
Schedule 2 - Unaudited Schedule of NELHIN Revenues and Expenses

For the year ended March 31, 2020

	2020	2019
Revenue		
Northeast Local Health Integration Network (NELHIN)	304,595	329,928
<hr/>		
Expenses		
Advertising	2,023	1,138
Office	16,527	8,087
One time expense - relocation	-	32,800
Professional fees	12,743	4,580
Rent	17,352	14,805
Salaries and benefits	237,222	256,173
Telecommunications	5,513	4,865
Training	2,615	2,281
Travel	10,600	6,683
	304,595	331,412
<hr/>		
Excess (deficiency) revenue over expenses	-	(1,484)
