

**Alzheimer Society of Timmins-Porcupine District Inc.**  
**Financial Statements**  
*March 31, 2021*

# Alzheimer Society of Timmins-Porcupine District Inc.

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For the year ended March 31, 2021

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## Management's Responsibility

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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 31, 2021



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Executive Director

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, 2021, 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 matters 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, 2021, 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, 2021 and March 31, 2020 and assets and net assets as at March 31, 2021 and March 31, 2020.

Under Canadian Accounting Standards for Not-for-profit organizations, the organization is required to capitalize items of a capital nature over their useful lives. As described in Note 2, the organization 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.

## 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 31, 2021

*MNP* LLP

Chartered Professional Accountants  
Licensed Public Accountants

**Alzheimer Society of Timmins-Porcupine District Inc.**  
**Statement of Financial Position**

*As at March 31, 2021*

	2021	2020
<b>Assets</b>		
<b>Current</b>		
Cash	254,642	254,540
Accounts receivable (Note 3)	31,314	15,548
Prepaid expenses	1,963	1,204
	287,919	271,292
<b>Liabilities</b>		
<b>Current</b>		
Accounts payable and accruals (Note 4)	16,552	24,455
Deferred revenue (Note 5)	12,754	-
Due to the Northeastern Local Health Integration Network	11,500	11,500
	40,806	35,955
<b>Net Assets</b>		
Internally restricted funds	33,000	33,000
Unrestricted net assets	214,113	202,337
	247,113	235,337
	287,919	271,292

Approved on behalf of the Board

  
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Director

  
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Director

# Alzheimer Society of Timmins-Porcupine District Inc.

## Statement of Operations

For the year ended March 31, 2021

	2021	2020
<b>Revenue</b>		
Activation grant revenue	21,929	-
Allocation of Provincial fundraising - ongoing	22,878	7,956
Donations	20,536	30,713
Executive Director cost sharing revenue (Note 6)	20,417	-
Government assistance (Note 8)	9,185	-
Interest	10	-
Other Revenue	19,579	-
Rental income	7,569	-
Canada Summer Jobs	3,920	3,150
Northern Ontario Heritage Fund Corporation	17,301	28,623
Northeast Local Health Integration Network (NELHIN) (Schedule 2)	403,472	304,595
Fundraising (Schedule 1)	33,335	100,297
	<b>580,131</b>	<b>475,334</b>
<b>Expenses</b>		
Advertising	6,821	2,507
Bank charges and interest	388	349
Capital expenditures	29,871	783
Insurance	3,098	1,173
Licences and fees	217	-
Office	22,435	18,764
Professional fees	9,477	12,743
Rent	35,352	17,352
Salaries and benefits	354,052	293,346
Specialized programs	85,566	-
Supplies	5,736	1,049
Support	30	2,006
Telecommunications	6,744	6,476
Training	555	4,155
Travel	2,010	9,551
Fundraising (Schedule 1)	6,002	26,615
	<b>568,354</b>	<b>396,869</b>
<b>Excess of revenue over expenses</b>	<b>11,777</b>	<b>78,465</b>

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, 2021*

	<i>Internally restricted funds</i>	<i>Unrestricted net assets</i>	<i>2021</i>	<i>2020</i>
<b>Net assets beginning of year</b>	<b>33,000</b>	<b>202,336</b>	<b>235,336</b>	156,871
<b>Excess of revenue over expenses</b>	-	<b>11,777</b>	<b>11,777</b>	78,465
<b>Net assets, end of year</b>	<b>33,000</b>	<b>214,113</b>	<b>247,113</b>	235,336

*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, 2021

	2021	2020
<b>Cash provided by (used for) the following activities</b>		
<b>Operating</b>		
Excess of revenue over expenses	11,777	78,465
Changes in working capital accounts		
Accounts receivable	(15,766)	(9,028)
Prepaid expenses	(760)	(1,203)
Accounts payable and accruals	(7,903)	17,252
Deferred contributions	12,754	-
Due to NELHIN	-	(15,000)
<b>Increase in cash resources</b>	<b>102</b>	<b>70,486</b>
<b>Cash resources, beginning of year</b>	<b>254,540</b>	<b>184,054</b>
<b>Cash resources, end of year</b>	<b>254,642</b>	<b>254,540</b>

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, 2021

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### 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.

#### *Impact on operations of COVID-19 (coronavirus)*

In early March 2020, the impact of the global outbreak of COVID-19 (coronavirus) began to have a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders.

The Charity's operations were impacted by COVID-19 as they could not hold as many fundraising events as they have had in the past. They have received additional one-time funding from the NELHIN to help decreased fundraising income.

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. While the extent of the impact is unknown, we anticipate this outbreak may cause reduced customer demand, supply chain disruptions, staff shortages, and increased government regulations all of which may negatively impact the Charity's operation and financial condition.

### 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 Unrestricted Net Assets.

The Unrestricted Net Assets 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. These internally restricted amounts are not available for any other purposes without approval of the board of directors.

#### **Capital assets**

Capital assets are expensed on acquisition. The major categories of capital assets held by the Charity are furniture and equipment, computer equipment and leasehold improvement. During the year, the Charity expensed \$62,042 (2020 - \$Nil) in capital asset purchases.

**Alzheimer Society of Timmins-Porcupine District Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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

***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.

***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.

***Government assistance***

Government assistance related to the Canada Emergency Rent Subsidy (CERS) and Temporary Wage Subsidy (TWS) are recognized as income in the period in which eligible expenditures are incurred.

Government grants are recorded when there is a reasonable assurance that the Organization had complied with and will continue to comply with, all necessary conditions to obtain the grants.

**Alzheimer Society of Timmins-Porcupine District Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

**3. Accounts receivable**

	2021	2020
Accounts receivable	18,167	12,464
HST rebate recoverable	13,147	3,084
	31,314	15,548

**4. Accounts payable and accruals**

	2021	2020
Trade accounts payable and accrued liabilities	11,637	21,376
Wages and employee benefits payable	4,915	3,079
	16,552	24,455

**5. Deferred contributions**

Deferred contributions consist of unspent contributions externally restricted for the activation program and rent revenue for the month of April. Recognition of these amounts into revenue is deferred to periods when the specified expenditures are made.

Changes in the deferred contribution balance are as follows:

	2021	2020
<b>Activation Funding</b>		
Deferred contributions received during the year	12,354	-
Balance end of year	12,354	-
<b>Rent</b>		
Deferred contributions received during the year	400	-
Balance end of year	400	-
	12,754	-

**6. Related party transactions**

The Charity is related to the Alzheimer Society of Thunder Bay by virtue of common management. Included in revenue for the current year are \$20,417 (2020 - \$Nil) in executive director costs sharing revenue received from the Alzheimer Society of Thunder Bay.

**7. Commitments**

The Charity has entered into a lease agreement for its premises in the amount of \$2,400 per month, expiring in October 2023. Future minimum lease payments as at March 31, 2021 are as follows:

2022	28,800
2023	28,800
2024	16,800
	74,400

**Alzheimer Society of Timmins-Porcupine District Inc.**  
**Notes to the Financial Statements**  
*For the year ended March 31, 2021*

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**8. Government assistance**

Temporary Wage Subsidy (TWS)

During the year, the Charity recognized \$6,379 in TWS as government assistance in other income. TWS, introduced in response to the COVID-19 pandemic, provide eligible employers with a subsidy to cover a portion of wage costs paid to eligible employees during prescribed claim periods. There are no unfulfilled conditions related to amounts recognized. However, amounts claimed under these programs are subject to validation and detailed verification by the Federal Government.

Canada Emergency Rent Subsidy (CERS)

In response to the negative economic impact of COVID-19, the Government of Canada announced the CERS program in October 2020. CERS provides a rent and mortgage subsidy of up to 65% of eligible expenses, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. Qualifying organizations that have been significantly restricted by a mandatory public health order issued by a qualifying public health authority can receive an additional lockdown support of 25%. This subsidy is retroactive to September 27, 2020. The qualification and application the CERS is being assessed over multiple four-week application period segments.

The Charity has determined that it qualifies for this subsidy and has applied for \$2,806 in assistance related to the September to March periods, of which \$495 was receivable at year-end. This grant has been recorded as government assistance in other income. The Charity intends to apply for the CERS in the subsequent application periods subject to continuing to meet the applicable qualification criteria.

**9. 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.

**10. 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.

**Alzheimer Society of Timmins-Porcupine District Inc.**  
**Schedule 1 - Unaudited Schedule of Fundraising Revenues and Expenses**  
*For the year ended March 31, 2021*

	2021	2020
<b>Revenue</b>		
Bingo	12,876	22,183
Catch the Ace	1,900	29,835
Country Concert	-	6,573
Duck Race	-	10,645
Mud Factor	-	15,892
Raffle	7,248	-
Others	2,782	3,374
Walk for Memories	8,529	11,795
	<b>33,335</b>	100,297
<b>Expenses</b>		
Bingo	403	-
Catch the Ace	4,119	18,472
Duck Race	112	4,912
Mud Factor	-	2,034
Others	-	393
Raffle	1,093	-
Ride for Memories	275	804
	<b>6,002</b>	26,615
<b>Excess of revenue over expenses</b>	<b>27,333</b>	73,682

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

*For the year ended March 31, 2021*

	2021	2020
<b>Revenue</b>		
<b>Northeast Local Health Integration Network (NELHIN)</b>	<b>403,472</b>	<b>304,595</b>
<b>Expenses</b>		
Advertising	1,143	2,023
Capital expenditures	20,575	-
Specialized programs	79,729	-
Office	13,366	16,527
Professional fees	9,477	12,743
Rent	19,067	17,352
Supplies	5,149	1,049
Salaries and benefits	247,877	237,222
Support	30	-
Telecommunications	5,314	5,513
Training	491	2,615
Travel	1,254	9,551
	<b>403,472</b>	<b>304,595</b>
<b>Deficiency revenue over expenses</b>	<b>-</b>	<b>-</b>