

**ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON
HALTON**

FINANCIAL STATEMENTS

Year Ended March 31, 2023

**ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON
HALTON**

INDEX TO FINANCIAL STATEMENTS

Year Ended March 31, 2023

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Revenues and Expenditures and Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 8
Internally Restricted Funds (<i>Schedule 1</i>)	9

INDEPENDENT AUDITOR'S REPORT

To the Members of Alzheimer Society Foundation of Brant, Haldimand Norfolk, Hamilton Halton

Qualified Opinion

We have audited the financial statements of Alzheimer Society Foundation of Brant, Haldimand Norfolk, Hamilton Halton (the Foundation), which comprise the statement of financial position as at March 31, 2023, and the statements of revenues and expenditures 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Foundation as at March 31, 2023, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

Basis for Qualified Opinion

In common with many charitable organizations, the Foundation derives revenue from donations, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Foundation and we were not able to determine whether any adjustments might be necessary to donations, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2023, current assets and net assets as at March 31, 2023. Our audit opinion on the financial statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation of 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 Foundation in accordance with 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 ASNPO, 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 Foundation'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 Foundation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Foundation's financial reporting process.

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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 Foundation'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 Foundation'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 Foundation 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.

Ancaster, Ontario
June 26, 2023



Gibb Widdis CPAs Professional Corporation
Licensed Public Accountants

**ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON
HALTON**

STATEMENT OF FINANCIAL POSITION

March 31, 2023

	2023	2022
ASSETS		
Current		
Cash	\$ 1,447,688	\$ 237,858
Cash - internally restricted	9,868	9,868
Accounts receivable	1,373	101,671
Due from Alzheimer Society of Brant, Haldimand Norfolk, Hamilton Halton (Note 3)	18,811	12,306
	1,477,740	361,703
Investments (Note 4)		
Unrestricted	292,112	287,306
Internally restricted	3,361,888	3,407,134
Externally restricted	778,862	791,640
	4,432,862	4,486,080
	\$ 5,910,602	\$ 4,847,783
LIABILITIES		
Current		
Bank indebtedness - externally restricted	\$ 57,863	\$ 17,195
Accounts payable	8,835	15,435
	66,698	32,630
NET ASSETS		
Operating Fund (Page 4)	1,751,149	623,707
Internally Restricted Funds (Page 4) (Schedule 1)	3,371,756	3,417,002
Externally Restricted Research Fund (Page 4)	720,999	774,445
	5,843,904	4,815,154
	\$ 5,910,602	\$ 4,847,784

ON BEHALF OF THE BOARD

Director

Director

ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON HALTON
STATEMENT OF REVENUES AND EXPENDITURES AND CHANGES IN NET ASSETS
Year Ended March 31, 2023

	Operating Fund 2023	Internally Restricted Funds (Schedule 1) 2023	Externally Restricted Fund 2023	Total 2023	Total 2022
Revenues					
Donations	\$ 1,386,701	\$ -	\$ 50	\$ 1,386,751	\$ 794,369
Expenditures					
Bank charges and merchant fees	7,585	-	-	7,585	7,909
Contracted services	1,800	-	11,600	13,400	5,213
Insurance	904	-	-	904	887
Meetings and conventions	-	-	-	-	354
Office and general	30,021	-	-	30,021	35,212
Professional fees	8,835	-	-	8,835	9,230
Research donations	-	-	29,118	29,118	47,531
Salaries and benefits	200,019	-	-	200,019	188,624
Travel	1,085	-	-	1,085	66
	250,249	-	40,718	290,967	295,026
Excess (deficiency) of revenues over expenditures before investment income and grants	1,136,452	-	(40,668)	1,095,784	499,343
Grant to Alzheimer Society of Brant, Haldimand Norfolk, Hamilton Halton	16,425	-	-	16,425	386,267
Excess (deficiency) of revenues over expenditures before investment income	1,120,027	-	(40,668)	1,079,359	113,076
Investment income					
Income distributions	130,830	-	27,957	158,787	139,748
Realized gains (losses)	(31,854)	-	(9,425)	(41,279)	377,212
Unrealized losses	(111,504)	-	(25,354)	(136,858)	(335,997)
Investment management fees	(25,303)	-	(5,956)	(31,259)	(29,659)
	(37,831)	-	(12,778)	(50,609)	151,304
Excess (deficiency) of revenues over expenditures	1,082,196	-	(53,446)	1,028,750	264,380
Fund balances - beginning of year	623,707	3,417,002	774,445	4,815,154	4,550,774
Investment losses transferred to the Internally Restricted Funds	45,246	(45,246)	-	-	-
Fund balances - end of year	\$ 1,751,149	\$ 3,371,756	\$ 720,999	\$ 5,843,904	\$ 4,815,154

See Accompanying Notes

**ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON
HALTON**

STATEMENT OF CASH FLOWS

Year Ended March 31, 2023

	2023	2022
OPERATING ACTIVITIES		
Excess of revenues over expenditures	\$ 1,028,750	\$ 264,380
Item not affecting cash:		
Unrealized losses	136,858	335,997
	1,165,608	600,377
Changes in non-cash working capital:		
Accounts receivable	100,298	413,661
Due from Alzheimer Society of Brant, Haldimand Norfolk, Hamilton Halton	(6,505)	14,427
Accounts payable	(6,600)	4,600
	87,193	432,688
Cash flow from operating activities	1,252,801	1,033,065
INVESTING ACTIVITIES		
Net investment income reinvested	(83,639)	(484,874)
Purchase of investments, net of withdrawals	-	(550,000)
Cash flow used by investing activities	(83,639)	(1,034,874)
Increase (decrease) in cash	1,169,162	(1,809)
Cash - beginning of year	230,531	232,340
Cash - end of year	1,399,693	230,531
Cash consists of:		
Cash	\$ 1,447,688	\$ 237,858
Cash - internally restricted	9,868	9,868
Bank indebtedness - externally restricted	(57,863)	(17,195)
	\$ 1,399,693	\$ 230,531

ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON HALTON

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2023

1. PURPOSE OF THE FOUNDATION

Alzheimer Society Foundation of Brant, Haldimand Norfolk, Hamilton Halton (the Foundation) is incorporated without share capital, by letters patent, under the laws of the Province of Ontario and is a registered charity under the Canadian Income Tax Act. With effect from September 26, 2014, the name of the Foundation was changed, under supplementary letters patent, from Hamilton and Halton Alzheimer Foundation to Alzheimer Society Foundation of Brant, Haldimand Norfolk, Hamilton Halton.

The purpose of the Foundation is to raise, manage, distribute and steward financial resources on behalf of the Alzheimer Society of Brant, Haldimand Norfolk, Hamilton Halton (the Society) in order to support and sustain the programs and services of the Society.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue recognition

The Foundation follows the deferral method of accounting for contributions in the Operating Fund.

Unrestricted contributions, including support from the public in the form of donations, are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured. Restricted contributions are initially recorded as deferred contributions and are recognized as revenue in the year in which the related expenses are incurred.

Net investment income earned on the assets held in the Externally Restricted Fund is reported directly in the Externally Restricted Fund. Net investment income earned on the assets held in the Internally Restricted Funds is reported in the Operating Fund and transferred to the Internally Restricted Funds unless otherwise designated by the Board of Directors.

Contributions restricted for research are recognized as revenue when received or receivable in the Externally Restricted Research Fund.

Financial instruments

Financial instruments originated or exchanged in arm's length transactions are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other arm's length financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Related party financial instruments, which are non-interest bearing and have no set terms of repayment, are recorded at the amounts advanced or received.

Internally restricted funds

The Board of Directors imposes internal restrictions on certain previously unrestricted net assets for specified purposes. These internally restricted amounts are not available for other purposes without the approval of the Board of Directors.

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ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON HALTON

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2023

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Externally restricted fund

Donor restricted contributions for the expressed purpose of supporting Alzheimer and other dementias research.

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates.

3. DUE FROM ALZHEIMER SOCIETY OF BRANT, HALDIMAND NORFOLK, HAMILTON HALTON

Advances to the Alzheimer Society of Brant, Haldimand Norfolk, Hamilton Halton (the Society) are non-interest bearing and have no set terms of repayment. The parties are related pursuant to a Memorandum of Understanding for the purpose described in Note 1.

4. INVESTMENTS

	2023	2022
Fixed income - Canadian	\$ 1,883,922	\$ 1,885,170
Equity - Canadian	1,081,946	1,327,169
Equity - US and Global	1,001,373	1,013,696
Emerging markets	474,251	258,916
	4,441,492	4,484,951
Cash and cash equivalents (bank indebtedness)	(8,630)	1,130
	\$ 4,432,862	\$ 4,486,081

Investments are made in accordance with the Foundation's investment policy as approved by the Board of Directors. The goal of the policy is to achieve modest growth to preserve capital net of fees and inflation, to provide income to support periodic distributions as approved by the Board, and to provide stability against downside risk. The investment policy includes guidelines regarding the minimum and maximum amount that may be invested in different asset classes.

**ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON
HALTON**

NOTES TO FINANCIAL STATEMENTS

Year Ended March 31, 2023

5. RELATED PARTY TRANSACTIONS

The following is a summary of the Foundation's related party transactions:

	2023	2022
Alzheimer Society of Brant, Haldimand Norfolk, Hamilton Halton		
<i>(Relationship described in Note 1)</i>		
Allocation of salaries and benefits	\$ 200,019	\$ 188,624
Capital grant	-	61,301
Operating grant	16,425	324,966

These transactions are in the normal course of operations and are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

6. FINANCIAL INSTRUMENTS

The Foundation is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Foundation's risk exposure and concentration as of March 31, 2023.

Market risk

Market risk is the risk of potential loss caused by fluctuations in fair value or future cash flows of a financial instrument through changes in underlying market value. The Foundation is exposed to market risk, which includes currency rate and interest rate risks, associated with its investments. The Foundation manages its risk through its Statement of Investment Policies and Procedures.

Currency risk

Currency rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Foundation is exposed to foreign currency rate risk on its investments in global equities.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in interest rates. The Foundation is exposed to interest rate risk on its investments in fixed income securities.

There have been no significant changes in the Foundation's risk exposures from the prior year.

**ALZHEIMER SOCIETY FOUNDATION OF BRANT, HALDIMAND NORFOLK, HAMILTON
HALTON**

INTERNALLY RESTRICTED FUNDS

(Schedule 1)

Year Ended March 31, 2023

	Operating Contingency	Facility Reserve	2023	2022
Balance - beginning of year	\$ 3,044,264	\$ 372,738	\$ 3,417,002	\$ 2,699,277
Investment losses transferred from the Operating Fund	(38,446)	(6,800)	(45,246)	117,725
Board approved transfer from the Operating Fund	-	-	-	600,000
Balance - end of year	\$ 3,005,818	\$ 365,938	\$ 3,371,756	\$ 3,417,002