

Alzheimer Society Peel
Financial Statements
For the year ended March 31, 2023

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Independent Auditor's Report

To the Directors of Alzheimer Society Peel

Qualified Opinion

We have audited the financial statements of Alzheimer Society Peel (the "Society") which comprise the statement of financial position as at March 31, 2023, and the statements of changes in fund balances, operations 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 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, 2023, and its results of 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 charitable organizations, the Society derives revenues from fundraising and donations, 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 revenues from fundraising or donations, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2023 and 2022, current assets as at March 31, 2023 and 2022, and fund balances as at April 1 and March 31 for both 2023 and 2022 years. Our opinion on the financial statements for the year ended March 31, 2022 was modified 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 qualified audit opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants
Oakville, Ontario
June 16, 2023

Alzheimer Society Peel Statement of Financial Position

March 31	2023	2022
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Assets

Current

Cash	\$ 8,658,803	\$ 5,764,290
Accounts receivable	182,939	135,323
Prepaid expenses	172,654	70,787
	9,014,396	5,970,400

Investments (Note 2)	1,482,018	1,448,992
Capital assets (Note 3)	472,633	584,049

	\$ 10,969,047	\$ 8,003,441
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Liabilities and Fund Balances

Current

Accounts payable and accrued liabilities (Note 4)	\$ 6,538,804	\$ 4,458,460
Deferred revenue	5,860	9,140
	6,544,664	4,467,600

Deferred capital contributions (Note 5)	178,451	243,572
	6,723,115	4,711,172

Fund balances

Internally restricted fund	2,065,000	1,765,000
Unrestricted fund	1,886,750	1,186,792
Funds invested in capital assets (Note 6)	294,182	340,477
	4,245,932	3,292,269

	\$ 10,969,047	\$ 8,003,441
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On behalf of the Board:

_____ Director

_____ Director

Alzheimer Society Peel
Statement of Changes in Fund Balances

For the year ended March 31

	Internally Restricted Fund	Unrestricted Fund	Invested in Capital Assets (Note 6)	Total 2023	Total 2022
Fund balances , beginning of year	\$1,765,000	\$1,186,792	\$ 340,477	\$ 3,292,269	\$ 2,780,595
Excess (deficiency) of revenue over expenses for the year	-	999,958	(46,295)	953,663	511,674
Transfer to Internally Restricted Fund	300,000	(300,000)	-	-	-
Fund balances , end of year	\$2,065,000	\$1,886,750	\$ 294,182	\$ 4,245,932	\$ 3,292,269

The accompanying notes are an integral part of these financial statements.

Alzheimer Society Peel Statement of Operations

For the year ended March 31

	General	Ontario Health Central	Total 2023	Total 2022
Revenue				
Ontario Health Central	\$ -	\$ 17,457,177	\$ 17,457,177	\$ 16,420,085
One time pandemic funding	-	82,939	82,939	1,081,168
Client fees	240,210	-	240,210	53,563
Fundraising and other	652,890	-	652,890	552,388
Donations	26,270	-	26,270	124,433
Government subsidies	305,195	-	305,195	526,046
Memoriam	46,893	-	46,893	61,136
Investment income	171,852	-	171,852	85,770
	1,443,310	17,540,116	18,983,426	18,904,589
Expenses				
Contract service	-	8,419,288	8,419,288	9,460,359
Wages and benefits	268,634	7,659,259	7,927,893	7,372,058
Occupancy	139,977	834,441	974,418	878,338
Office	20,763	240,228	260,991	230,053
One-time spending	-	79,347	79,347	81,829
Meals	-	62,885	62,885	23,664
Administrative and professional fees	134	58,704	58,838	56,789
Printing and literature	2,173	48,811	50,984	55,693
Client transportation	-	47,679	47,679	41,946
Program supplies	-	40,928	40,928	100,701
Travel	118	32,040	32,158	23,044
Promotion and fundraising	11,523	1,802	13,325	13,202
Conferences	30	12,869	12,899	5,435
Bad debts	-	1,835	1,835	88
	443,352	17,540,116	17,983,468	18,343,199
Excess of revenue over expenses before undernoted items	999,958	-	999,958	561,390
Other income (expenses)				
Amortization	(53,537)	(57,879)	(111,416)	(114,837)
Deferred capital contributions	7,242	57,879	65,121	65,121
Excess of revenue over expenses	\$ 953,663	\$ -	\$ 953,663	\$ 511,674

The accompanying notes are an integral part of these financial statements.

Alzheimer Society Peel Statement of Cash Flows

For the year ended March 31 **2023** **2022**

Cash provided by (used in)

Operating activities

Excess of revenue over expenses	\$ 953,663	\$ 511,674
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization	111,416	114,837
Deferred capital contributions	(65,121)	(65,121)
Changes in non-cash working capital balances		
Accounts receivable	(47,616)	1,027,845
Prepaid expenses	(101,867)	17,509
Accounts payable and accrued liabilities	2,080,344	915,132
Deferred revenue	(3,280)	(2,334)
	<u>2,927,539</u>	<u>2,519,542</u>

Investing activities

Purchase of investments	(33,026)	(255,000)
Redemption of investments	-	177,370
	<u>(33,026)</u>	<u>(77,630)</u>

Increase in cash during the year

2,894,513 2,441,912

Cash, beginning of year

5,764,290 3,322,378

Cash, end of year

\$ 8,658,803 \$ 5,764,290

Alzheimer Society Peel

Notes to Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies

Purpose of the Organization

The Alzheimer Society Peel (the "Society") is a non-profit corporation, incorporated under the laws of Ontario. Its mission is to alleviate the personal and social consequences of Alzheimer's disease and related dementias; to help find a cause, prevention and cure. The Society serves the Region of Peel through an office in Mississauga and locations throughout the region.

The Society is registered as a charitable organization, is exempt from income tax and is able to issue income tax receipts for donations.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Statement of Operations Presentation

Revenues and expenses related to programs funded by Ontario Health Central (formerly Mississauga Halton and Central West Local Health Integration Networks) are reflected in the Ontario Health Central column. The programs include five adult day program centres, respite care, counselling and education. Any revenue that has not been spent by March 31 is repayable to Ontario Health Central unless specific approval has been received to defer the unspent balance.

Revenues and expenses related to general Society administration and governance, fundraising and programs not funded by Ontario Health Central are reflected in the General column.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year the related expense is incurred. Unrestricted contributions are recognized as revenue when received or receivable, if the amount can be reasonably estimated and collection is reasonably assured. Deferred revenue relates to grants received in advance for programs taking place in the next fiscal year.

Revenue from memoriam, fundraising and donations is recognized when received.

Client and travel fees are recognized when the services are provided.

Investment income includes interest and is recognized on an accrual basis when earned.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities are recorded at fair value, with all other financial instruments 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 charged to the financial instrument for those measured at amortized cost.

Alzheimer Society Peel

Notes to Financial Statements

March 31, 2023

1. Summary of Significant Accounting Policies (continued)

Contributed Goods and Services

Goods

The Society reflects contributions of goods at fair value when the fair value can be reasonably estimated, the goods will be used in normal activities and would otherwise have been purchased. Goods of \$Nil were contributed during the year (2022 - \$Nil).

Services

Volunteers contribute time to assist the Society in carrying out its programs. As a result of the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

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 at the date of the financial statements and the reported amounts of revenue and expenses during the reporting periods. Actual results could differ from those estimates.

Capital Assets

Capital assets are recorded at cost less accumulated amortization. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the capital assets over their estimated useful lives. The annual amortization rates are as follows:

Alarm systems and telephone	- 10 years
Computers	- 3 years
Furniture and equipment	- 5 and 10 years
Leasehold improvements	- over term of lease
Respite home - building	- 25 years
Vehicles	- 10 years

Funds

The Funds Invested in Capital Assets represents funds used for the acquisition of capital assets. All amortization of capital assets is charged to this account.

The Internally Restricted Fund was established for general operating contingencies and unforeseen future expenditures. The funds are not available for use by the Society without the prior approval of the Board of Directors. The Board of Directors approved a transfer of \$300,000 (2022 - \$300,000) from the Unrestricted Fund to the Internally Restricted Fund.

Alzheimer Society Peel Notes to Financial Statements

March 31, 2023

2. Investments

	<u>2023</u>	<u>2022</u>
Cash and cash equivalents	\$ 193,923	\$ 192,939
Fixed income, earning interest from 1.11% - 10%, maturing between June 2023 - November 2027 (2022 - 0.75% - 3.94%; June 2022 - November 2027)	1,119,768	1,095,565
Equities	168,327	160,488
	<u>\$ 1,482,018</u>	<u>\$ 1,448,992</u>

3. Capital Assets

	<u>2023</u>		<u>2022</u>	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Ontario Health Central programs				
Leasehold improvements	\$ 651,561	\$ 521,210	\$ 651,561	\$ 466,194
Alarm systems and telephone	96,854	95,354	96,854	93,854
Furniture and equipment	111,495	111,155	111,495	109,791
Computer	67,297	67,297	67,297	67,297
	<u>927,207</u>	<u>795,016</u>	<u>927,207</u>	<u>737,136</u>
Trillium funded				
Respite home - building	144,836	98,578	144,836	91,338
Alarm system	13,214	13,214	13,214	13,214
	<u>158,050</u>	<u>111,792</u>	<u>158,050</u>	<u>104,552</u>
Music for Memories				
Equipment	6,778	6,778	6,778	6,778
Other				
Respite home - building	605,204	448,484	605,204	423,323
Leasehold improvements	339,670	302,682	339,670	281,547
Respite home - land	100,476	-	100,476	-
Furniture and equipment	93,522	93,522	93,522	93,522
Alarm system and telephone	30,578	30,578	30,578	30,578
Computer	20,649	20,649	20,649	20,649
	<u>1,190,099</u>	<u>895,915</u>	<u>1,190,099</u>	<u>849,619</u>
	<u>\$ 2,282,134</u>	<u>\$ 1,809,501</u>	<u>\$ 2,282,134</u>	<u>\$ 1,698,085</u>
Net book value		<u>\$ 472,633</u>		<u>\$ 584,049</u>

Alzheimer Society Peel Notes to Financial Statements

March 31, 2023

4. Accounts Payable and Accrued Liabilities

Amounts due to the Ontario Health Central of \$5,340,274 (2022 - \$3,668,198) are included in accounts payable and accrued liabilities.

5. Deferred Capital Contributions

Deferred capital contributions represents funding received for capital asset acquisitions that are being amortized.

Revenue is recognized over the life of the capital assets on the same basis as amortization. Accordingly, deferred capital contributions equal the corresponding net book value of funded capital assets.

	Trillium	Ontario Health Central	2023	2022
Balance , beginning of year	\$ 47,325	\$ 196,247	\$ 243,572	\$ 308,693
Amortization of deferred capital contributions	(7,242)	(57,879)	(65,121)	(65,121)
Balance , end of year	<u>\$ 40,083</u>	<u>\$ 138,368</u>	<u>\$ 178,451</u>	<u>\$ 243,572</u>

6. Funds Invested in Capital Assets

Funds invested in capital assets consists of the following:

	2023	2022
Capital assets	\$ 472,633	\$ 584,049
Deferred capital contributions	(178,451)	(243,572)
	<u>\$ 294,182</u>	<u>\$ 340,477</u>

The following capital asset activity has been reflected in the statement of changes in fund balances:

	2023	2022
Amortization of capital assets	\$ (111,416)	\$ (114,838)
Amortization of deferred capital contributions	65,121	65,121
	<u>\$ (46,295)</u>	<u>\$ (49,717)</u>

Alzheimer Society Peel

Notes to Financial Statements

March 31, 2023

7. Economic Dependence

Funding provided by the Ontario Health Central accounted for 92% (2022 - 93%) of program revenue. Continuation of many of these programs would be in doubt if funding were reduced. Funding is renewed annually.

8. Commitments

Operating leases

The Society has entered into property leases as follows:

Mississauga	-	from November 1, 2017 to October 31, 2027 with monthly payments ranging from \$7,538 to \$11,693
Brampton	-	from April 1, 2021 to April 30, 2023 with monthly payments of \$8,011
Evelyn's Place	-	from July 1, 2023 to June 28, 2038 with monthly payments ranging from \$15,973 to \$27,189
Meadowvale	-	from February 1, 2021 to January 31, 2026 with monthly payments ranging from \$3,595 to \$3,811
Brunel Road	-	from January 1, 2010 to December 31, 2024 with monthly payments ranging from \$9,167 to \$12,375

In addition to the above are charges for common expenses, property taxes and HST.

The Society has also entered into several leases for office equipment totalling \$2,089 per month. The leases expire between March 2028 and May 2029.

The commitments for leases for the next five years and thereafter are as follows:

2024	\$ 389,193
2025	409,392
2026	317,986
2027	304,330
2028	261,180
Thereafter	<u>2,129,271</u>
Total	<u>\$ 3,811,352</u>

9. Financial Instruments

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate because of changes in market interest rates. The Society manages its investments to ensure funds are available when needed. The investment policy is primarily directed to reduce risk and interest earned is of secondary importance. The Society therefore believes its exposure to interest rate risk is minimal. There were no changes in risk from the prior year.

Alzheimer Society Peel
Notes to Financial Statements

March 31, 2023

10. Contingencies

The Society from time to time, is subject to various legal proceedings and claims. Management is of the view that these will not have a material adverse effect on its results of operations.