

Financial Statements of

# **ALZHEIMER SOCIETY PEEL**

Year ended March 31, 2024

# ALZHEIMER SOCIETY PEEL

## Table of Contents

Year ended March 31, 2024

---

	Page
<b>Independent Auditor’s Report</b>	
<b>Financial Statements:</b>	
Statement of Financial Position .....	1
Statement of Operations .....	2
Statement of Changes in Net Assets .....	3
Statement of Cash Flows .....	4
Notes to Financial Statements .....	5-11

**KPMG LLP**

Commerce Place  
21 King Street West, Suite 700  
Hamilton, ON L8P 4W7  
Canada  
Telephone 905 523 8200  
Fax 905 523 2222

## **INDEPENDENT AUDITOR'S REPORT**

To the Members of the 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, 2024
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(hereinafter referred to as the "financial statements").

In our opinion, except for the effects of the matters described in the "***Basis for Qualified Opinion***" paragraph, the financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2024, 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 not-for-profit organizations, the Society derives revenue from donation and fundraising revenue, the completeness of which is not susceptible of satisfactory audit verification. Accordingly, verification of this revenue 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:

- the current assets reported in the statements of financial position as at March 31, 2024 and March 31, 2023
- the donations and fundraising revenues and excess of revenue over expenses reported in the statements of operations for the years ended March 31, 2024 and March 31, 2023
- the fund balances, at the beginning and end of the year, reported in the statements of changes in net assets for the years ended March 31, 2024 and March 31, 2023
- the excess of revenue over expenses reported in the statements of cash flows for the years ended March 31, 2024 and March 31, 2023



The opinion on the financial statements for the year ended March 31, 2023 was qualified 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 auditor’s 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 opinion.

#### ***Other Matter - Comparative Information***

The financial statements of the Society as at and for the year ended March 31, 2023 were audited by another auditor who expressed a qualified opinion on those statements on June 16, 2023 due to the matter described in the “**Basis for Qualification Opinion**” section.

#### ***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 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 the financial statements.



Page 3

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.
- 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, stylized font and is underlined with a single horizontal stroke.

Chartered Professional Accountants, Licensed Public Accountants

Hamilton, Canada

June 4, 2024

# ALZHEIMER SOCIETY PEEL

## Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024	2023
<b>Assets</b>		
Current assets:		
Cash	\$ 8,692,623	\$ 8,658,803
Accounts receivable	418,997	182,939
Prepaid expenses	172,677	172,654
	<u>9,284,297</u>	<u>9,014,396</u>
Investments (note 3)	1,618,356	1,482,018
Capital assets (note 4)	1,116,479	472,633
	<u>\$ 12,019,132</u>	<u>\$ 10,969,047</u>

## Liabilities and Net Assets

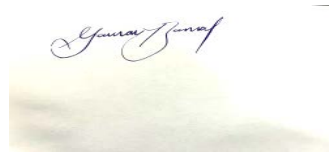
Current liabilities:		
Accounts payable and accrued liabilities (note 5)	\$ 6,480,293	\$ 6,538,804
Deferred revenue	2,565	5,860
	<u>6,482,858</u>	<u>6,544,664</u>
Deferred capital contributions (note 6)	114,236	178,451
Fund balances:		
Internally restricted	2,065,000	2,065,000
Unrestricted	2,354,795	1,886,750
Invested in capital assets (note 7)	1,002,243	294,182
	<u>5,422,038</u>	<u>4,245,932</u>
Economic dependence (note 8)		
Commitments (note 9)		
Contingencies (note 11)		
	<u>\$ 12,019,132</u>	<u>\$ 10,969,047</u>

See accompanying notes to financial statements.

Approved on behalf of the Board:



Director



Director

# ALZHEIMER SOCIETY PEEL

## Statement of Operations

Year ended March 31, 2024, with comparative information for 2023

	General	Ontario Health Central	2024 Total	2023 Total
Revenue:				
Ontario Health Central	\$ —	\$ 19,211,130	\$ 19,211,130	\$ 17,457,177
One-time pandemic funding	—	—	—	82,939
Client fees	325,951	—	325,951	240,210
Fundraising and other	417,062	—	417,062	652,890
Donations	27,518	—	27,518	26,270
Government subsidies	41,130	—	41,130	305,195
Memoriam	43,554	—	43,554	46,893
Investment income	435,842	—	435,842	171,852
	1,291,057	19,211,130	20,502,187	18,983,426
Expenses:				
Contract services	—	9,233,046	9,233,046	8,419,288
Wages and benefits	131,947	8,334,316	8,466,263	7,927,893
Occupancy	—	980,095	980,095	974,418
Office	17,815	245,657	263,472	260,991
Meals	—	90,236	90,236	62,885
Administrative and professional	228	62,263	62,491	58,838
Program supplies	—	56,103	56,103	40,928
Client transportation	—	51,765	51,765	47,679
Printing and literature	2,260	49,060	51,320	50,984
Travel	488	48,312	48,800	32,158
One-time spending	—	42,811	42,811	79,347
Promotion and fundraising	29,537	8,044	37,581	13,325
Conferences	852	8,385	9,237	12,899
Bad debts	—	1,037	1,037	1,835
	183,127	19,211,130	19,394,257	17,983,468
Excess of revenue over expenses before the undernoted items	1,107,930	—	1,107,930	999,958
Other income (expenses):				
Other income	133,462	—	133,462	—
Amortization of capital assets	(72,528)	(56,973)	(129,501)	(111,416)
Amortization of deferred capital contributions	7,242	56,973	64,215	65,121
	68,176	—	68,176	(46,295)
Excess of revenue over expenses	\$ 1,176,106	\$ —	\$ 1,176,106	\$ 953,663

See accompanying notes to financial statements.

# ALZHEIMER SOCIETY PEEL

## Statement of Changes in Fund Balances

Year ended March 31, 2024, with comparative information for 2023

	Internally restricted	Unrestricted	Invested in capital assets (note 6)	2024 Total	2023 Total
Fund balances, beginning of year	\$ 2,065,000	\$ 1,886,750	\$ 294,182	\$ 4,245,932	\$ 3,292,269
Excess of revenue over expenses	—	1,241,392	(65,286)	1,176,106	953,663
Purchases of capital assets	—	(773,347)	773,347	—	—
Transfer to internally restricted funds	—	—	—	—	—
Balance, end of year	\$ 2,065,000	\$ 2,354,795	\$ 1,002,243	\$ 5,422,038	\$ 4,245,932

See accompanying notes to financial statements.

# ALZHEIMER SOCIETY PEEL

## Statement of Cash Flows

Year ended March 31, 2024, with comparative information for 2023

	2024	2023
Cash provided by (used in):		
Operating activities:		
Excess of revenue over expenses	\$ 1,176,106	\$ 953,663
Items not involving cash:		
Amortization of capital assets	129,501	111,416
Amortization of deferred capital contributions	(64,215)	(65,121)
Change in non-cash operating working capital:		
Accounts receivable	(236,058)	(47,616)
Prepaid expenses	(23)	(101,867)
Accounts payable and accrued liabilities	(58,511)	2,080,344
Deferred revenue	(3,295)	(3,280)
	943,505	2,927,539
Investing activities:		
Purchase of investments	(136,338)	(33,026)
Purchase of capital assets	(773,347)	—
	(909,685)	(33,026)
Increase in cash	33,820	2,894,513
Cash, beginning of year	8,658,803	5,764,290
Cash, end of year	\$ 8,692,623	\$ 8,658,803

See accompanying notes to financial statements.

# ALZHEIMER SOCIETY PEEL

Notes to Financial Statements

Year ended March 31, 2024

---

## 1. 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.

## 2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations. Significant aspects of the accounting policies adopted by the Organization are as follows:

### (a) 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.

### (b) 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, realized and unrealized gains and losses and is recognized on an accrual basis when earned.

# ALZHEIMER SOCIETY PEEL

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 2. Significant accounting policies (continued):

### (c) 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.

### (d) Contributed goods and services:

#### (i) 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 (2023 - \$Nil).

#### (ii) 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.

### (e) 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:

Asset	Useful life
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

# ALZHEIMER SOCIETY PEEL

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 2. Significant accounting policies (continued):

### (f) 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 \$nil (2023 - \$300,000) from the Unrestricted Fund to the Internally Restricted Fund.

### (g) Use of estimates:

The preparation of financial statements in conformity with the Canadian accounting standards for not-for-profit Society's 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 revenue and expenses during the period. Actual results could differ from those estimates.

## 3. Investments:

	2024	2023
Cash and cash equivalents	\$ 435,892	\$ 193,923
Fixed income, earning interest from 1.79% - 10.00%, maturing between May 2025 – January 2033 (2023 - 1.11% - 10.00%; June 2023 – November 2027)	894,495	1,119,768
Equities	287,969	168,327
	\$ 1,618,356	\$ 1,482,018

# ALZHEIMER SOCIETY PEEL

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 4. Capital assets:

			2024	2023
	Cost	Accumulated amortization	Net book value	Net book value
Ontario Health Central programs:				
Leasehold improvements	\$ 258,457	\$ 183,239	\$ 75,218	\$ 130,351
Alarm systems and telephone	62,566	62,566	—	1,500
Furniture and equipment	111,495	111,495	—	340
Computer	48,800	48,800	—	—
	481,318	406,100	75,218	132,191
Trillium funded:				
Respite home - building	144,836	105,820	39,016	46,258
Alarm system	13,214	13,214	—	—
	158,050	119,034	39,016	46,258
Music for Memories:				
Equipment	6,778	6,778	—	—
Other:				
Respite home - building	605,204	290,717	314,487	156,720
Leasehold improvements	895,431	340,499	554,932	36,988
Respite home - land	100,476	—	100,476	100,476
Furniture and equipment	89,786	57,436	32,350	—
Alarm system and telephone	30,578	30,578	—	—
Computer	20,649	20,649	—	—
	1,742,124	739,879	1,002,245	294,184
	\$ 2,388,270	\$ 1,271,791	\$ 1,116,479	\$ 472,633

## 5. Accounts payable and accrued liabilities:

Amounts due to the Ontario Health Central of \$5,669,294 (2023 - \$5,340,274) are included in accounts payable and accrued liabilities.

# ALZHEIMER SOCIETY PEEL

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 6. 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		2024 Total		2023 Total
Balance, beginning of year	\$	40,083	\$	138,368	\$	178,451	\$	243,572
Amortization of deferred capital contributions		(7,242)		(56,973)		(64,215)		(65,121)
Balance, end of year	\$	32,841	\$	81,395	\$	114,236	\$	178,451

## 7. Funds invested in capital assets:

Funds invested in capital assets consists of the following:

		2024		2023
Capital assets	\$	1,116,479	\$	472,633
Deferred capital contributions		(114,236)		(178,451)
	\$	1,002,243	\$	294,182

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

		2024		2023
Amortization of capital assets	\$	(129,501)	\$	(111,416)
Amortization of deferred capital contributions		64,215		65,121
Purchases of capital assets		773,347		–
	\$	708,061	\$	(46,295)

## 8. Economic dependence:

Funding provided by the Ontario Health Central accounted for 94% (2023 - 92%) of program revenue. Continuation of many of these programs would be in doubt if funding were reduced. Funding is renewed annually.

# ALZHEIMER SOCIETY PEEL

Notes to Financial Statements (continued)

Year ended March 31, 2024

## 9. 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
Evelyn's Place:	from July 1, 2023 to June 30, 2038 with monthly payments ranging from \$8,141 to \$19,357
Meadowvale:	from February 1, 2021 to January 31, 2026 with monthly payments ranging from \$5,525 to \$5,741
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 totaling \$2,553 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:

2025	\$	464,095
2026		323,057
2027		336,078
2028		276,069
2029		188,013
Thereafter		1,944,407
		<hr/>
		\$ 3,531,719

## 10. Financial risks and concentrations of risk:

### (a) Credit risk:

Credit risk refers to the risk that a counterparty may default on its contractual obligations resulting in a financial loss. The Society is exposed to credit risk with respect to its accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not considered collectible in the allowance for doubtful accounts. The allowance for doubtful accounts at March 31, 2024 is \$nil (2023 - \$nil). There has been no change to the credit risk exposure from 2023.

# ALZHEIMER SOCIETY PEEL

Notes to Financial Statements (continued)

Year ended March 31, 2024

---

## **10. Financial risks and concentrations of risk (continued):**

### **(b) Liquidity risk:**

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis or at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements. The Society prepares budget and cash forecasts to ensure it has sufficient funds to fulfill its obligations. There has been no change to the liquidity risk exposure from 2023.

### **(c) 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 has been no change to the interest rate risk exposure from 2023.

## **11. 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.