

**Alzheimer Society Peel**  
**Financial Statements**  
For the year ended March 31, 2021

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## Independent Auditor's Report

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### 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, 2021, 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, 2021, 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, 2021 and 2020, current assets as at March 31, 2021 and 2020, and fund balances as at April 1 and March 31 for both 2021 and 2020 years. Our opinion on the financial statements for the year ended March 31, 2020 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 12, 2021

**Alzheimer Society Peel  
Statement of Financial Position**

**March 31** **2021** **2020**

**Assets**

**Current**

Cash	\$ 3,322,378	\$ 2,561,295
Accounts receivable	1,163,168	172,905
Prepaid expenses	88,296	48,089
	4,573,842	2,782,289

Investments (Note 2)	1,371,362	1,351,972
Capital assets (Note 4)	698,886	817,266
	6,644,090	4,951,527

**\$ 6,644,090** **\$ 4,951,527**

**Liabilities and Fund Balances**

**Current**

Accounts payable and accrued liabilities (Note 3)	\$ 3,543,328	\$ 2,226,722
Deferred revenue	11,474	14,103
	3,554,802	2,240,825


Deferred capital contributions (Note 5)	308,693	373,758
	3,863,495	2,614,583

**Fund balances**

Internally restricted fund	1,465,000	1,465,000
Unrestricted fund	925,402	428,436
Funds invested in capital assets (Note 6)	390,193	443,508
	2,780,595	2,336,944

**\$ 6,644,090** **\$ 4,951,527**

On behalf of the Board:

 George Douglas Director

 Danish Shaikh Director

**Alzheimer Society Peel**  
**Statement of Changes in Fund Balances**

**For the year ended March 31**

	<b>Internally Restricted Fund</b>	<b>Unrestricted Fund</b>	<b>Invested in Capital Assets (Note 6)</b>	<b>Total 2021</b>	<b>Total 2020</b>
<b>Fund balances, beginning of year</b>	<b>\$1,465,000</b>	<b>\$ 428,436</b>	<b>\$ 443,508</b>	<b>\$ 2,336,944</b>	\$ 2,071,864
Excess (deficiency) of revenue over expenses for the year	-	<b>496,966</b>	<b>(53,315)</b>	<b>443,651</b>	265,080
<b>Fund balances, end of year</b>	<b>\$1,465,000</b>	<b>\$ 925,402</b>	<b>\$ 390,193</b>	<b>\$ 2,780,595</b>	\$ 2,336,944

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

## Alzheimer Society Peel Statement of Operations

**For the year ended March 31**

	General	LHINs	Total 2021	Total 2020
<b>Revenue</b>				
Local Health Integration Networks	\$ -	\$ 10,805,504	\$ 10,805,504	\$ 10,305,319
One time funding (Note 11)	-	404,304	404,304	-
Client fees	-	-	-	800,145
Fundraising and other	422,900	-	422,900	468,410
Donations	86,386	-	86,386	145,892
Government subsidies (Note 11)	1,121,239	-	1,121,239	-
Memoriam	61,876	-	61,876	68,119
Investment income	41,305	-	41,305	62,089
	<b>1,733,706</b>	<b>11,209,808</b>	<b>12,943,514</b>	<b>11,849,974</b>
<b>Expenses</b>				
Wages and benefits	993,302	6,118,942	7,112,244	7,400,803
Contract service	-	3,925,495	3,925,495	2,374,992
Occupancy	214,270	471,676	685,946	733,466
Office	16,567	306,688	323,255	313,647
Administrative and professional fees	132	210,980	211,112	110,454
One-time spending	-	56,376	56,376	26,567
Printing and literature	3,129	38,918	42,047	135,228
Client transportation	-	32,302	32,302	33,631
Program supplies	-	20,747	20,747	106,157
Travel	23	17,533	17,556	57,739
Promotion and fundraising	9,317	1,627	10,944	41,381
Conferences	-	5,351	5,351	29,833
Bad debts	-	3,109	3,109	5,063
Meals	-	64	64	149,151
Loss on disposal of capital assets	-	-	-	2,011
	<b>1,236,740</b>	<b>11,209,808</b>	<b>12,446,548</b>	<b>11,520,123</b>
<b>Excess of revenue over expenses before undernoted items</b>	<b>496,966</b>	<b>-</b>	<b>496,966</b>	<b>329,851</b>
<b>Other income (expenses)</b>				
Amortization	(60,445)	(57,935)	(118,380)	(135,383)
Deferred capital contributions	7,130	57,935	65,065	70,612
<b>Excess of revenue over expenses</b>	<b>\$ 443,651</b>	<b>\$ -</b>	<b>\$ 443,651</b>	<b>\$ 265,080</b>

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

## Alzheimer Society Peel Statement of Cash Flows

For the year ended March 31	2021	2020
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 443,651	\$ 265,080
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization	118,380	135,383
Deferred capital contributions	(65,065)	(70,612)
Loss on disposal of capital assets	-	2,011
Changes in non-cash working capital balances		
Accounts receivable	(990,263)	45,885
Prepaid expenses	(40,207)	30,416
Accounts payable and accrued liabilities	1,316,606	446,257
Deferred revenue	(2,629)	(1,144)
	<b>780,473</b>	<b>853,276</b>
<b>Investing activities</b>		
Purchase of investments	(612,371)	(835,056)
Redemption of investments	592,981	532,564
Proceeds on disposal of capital assets	-	4,000
	<b>(19,390)</b>	<b>(298,492)</b>
<b>Increase in cash during the year</b>	<b>761,083</b>	<b>554,784</b>
<b>Cash, beginning of year</b>	<b>2,561,295</b>	<b>2,006,511</b>
<b>Cash, end of year</b>	<b>\$ 3,322,378</b>	<b>\$ 2,561,295</b>

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

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# Alzheimer Society Peel

## Notes to Financial Statements

**March 31, 2021**

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### 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 the Mississauga Halton and Central West Local Health Integration Networks ("LHINs") are reflected in the LHINs 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 the LHINs 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 the LHINs 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.



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# Alzheimer Society Peel

## Notes to Financial Statements

March 31, 2021

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### 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 (2020 - \$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

The estimated useful lives of capital assets are reviewed by management and adjusted if necessary.

#### 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 (2020 - \$150,000) from the Unrestricted Fund to the Internally Restricted Fund.

## Alzheimer Society Peel Notes to Financial Statements

**March 31, 2021**

### 2. Investments

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 192,938	\$ 176,335
Canadian Tire Bank, \$100,000, December 2025, bearing interest at 1.79% annually	100,000	-
Concentra Bank, \$100,000, July 2023, bearing interest at 1.11% annually	100,000	-
Daimler CDA, \$50,000, November 2020, bearing interest at 2.30% annually	-	50,000
Enbridge, \$53,000, June 2023, bearing interest at 3.94% annually	53,770	54,134
Escalating GIC, June 2022, bearing interest at 0.75% annually	13,395	13,395
Ford Credit Canada, \$100,000, May 2021, bearing interest at 2.58% annually	99,978	100,044
Haventree Bank, \$100,000, July 2022, bearing interest at 1.01% annually	100,000	-
HSBC Bank, \$50,000, July 2020, bearing interest at 1.816% annually	-	49,979
ICICI Bank, \$100,000 July 2024, bearing interest at 1.20% annually	100,000	-
Province of Alberta, \$100,000, September 2022, bearing interest at 1.60% annually	103,072	102,386
Province of British Columbia, \$100,000, December 2020, bearing interest at 3.70% annually	-	101,673
Province of Ontario, \$100,000, March 2022, bearing interest at 1.35% annually	100,209	99,726
Province of New Brunswick, \$100,000, December 2021, bearing interest at 3.35% annually	101,423	103,251

**Alzheimer Society Peel  
Notes to Financial Statements**

**March 31, 2021**

**2. Investments (continued)**

	2021	2020
Res Loblaw Companies Ltd., \$57,506, November 2027	\$ 50,003	\$ -
Royal Bank of Canada, \$306,000, July 14, 2020, bankers acceptance	-	304,671
Sunlife Financial Trust, \$100,000, June 2021, bearing interest at 1.25% annually	100,000	-
Telus Corp, \$53,000, March 2023, bearing interest at 3.35% annually	53,225	53,346
Volkswagon Credit Canada, \$100,000, June 2020, bearing interest at 2.15% annually	-	100,052
Equities	103,349	42,980
	\$ 1,371,362	\$ 1,351,972

**3. Accounts Payable and Accrued Liabilities**

Included in accounts payable and accrued liabilities are government remittances payable of \$12,797 (2020 - \$86,448).

Amounts due to the LHINs of \$2,361,280 (2020 - \$1,420,827) are included in accounts payable and accrued liabilities.

## Alzheimer Society Peel Notes to Financial Statements

March 31, 2021

### 4. Capital Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
<b>LHINs programs</b>				
Leasehold improvements	\$ 651,561	\$ 411,178	\$ 651,561	\$ 356,163
Alarm systems and telephone	96,854	92,354	96,854	90,798
Furniture and equipment	111,495	108,428	111,495	107,064
Computer	67,297	67,297	67,297	67,297
	<b>927,207</b>	<b>679,257</b>	927,207	621,322
<b>Trillium funded</b>				
Respite home - building	144,836	84,097	144,836	76,853
Alarm system	13,214	13,214	13,214	13,214
	<b>158,050</b>	<b>97,311</b>	158,050	90,067
<b>Music for Memories</b>				
Equipment	6,778	6,778	6,778	6,778
<b>Other</b>				
Respite home - building	605,204	398,163	605,204	373,005
Leasehold improvements	339,670	257,971	339,670	231,234
Respite home - land	100,476	-	100,476	-
Furniture and equipment	93,522	92,541	93,522	91,235
Alarm system and telephone	30,578	30,578	30,578	30,578
Computer	20,649	20,649	20,649	20,649
	<b>1,190,099</b>	<b>799,902</b>	1,190,099	746,701
	<b>\$ 2,282,134</b>	<b>\$ 1,583,248</b>	\$ 2,282,134	\$ 1,464,868
Net book value		<b>\$ 698,886</b>		<b>\$ 817,266</b>

## Alzheimer Society Peel Notes to Financial Statements

**March 31, 2021**

### 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	LHINs	2021	2020
<b>Balance</b> , beginning of year	\$ 67,873	\$ 305,885	\$ 373,758	\$ 444,370
Amortization of deferred capital contributions	(7,130)	(57,935)	(65,065)	(70,612)
<b>Balance</b> , end of year	\$ 60,743	\$ 247,950	\$ 308,693	\$ 373,758

### 6. Funds Invested in Capital Assets

Funds invested in capital assets consists of the following:

	2021	2020
Capital assets	\$ 698,886	\$ 817,266
Deferred capital contributions	(308,693)	(373,758)
	\$ 390,193	\$ 443,508

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

	2021	2020
Amortization of capital assets	\$ (118,380)	\$ (135,383)
Amortization of deferred capital contributions	65,065	70,612
Loss on disposal of capital assets	-	(2,011)
Proceeds on disposal of capital assets	-	(4,000)
	\$ (53,315)	\$ (70,782)

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## Alzheimer Society Peel Notes to Financial Statements

**March 31, 2021**

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### 7. Economic Dependence

Funding provided by the LHINs accounted for 88% (2020 - 87%) of program revenue. Continuation of many of these programs would be in doubt if funding were reduced. Funding is renewed annually.

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### 8. Commitments

#### Operating leases

The Society has entered into property leases as follows:

- Mississauga - from November 1, 2017 to October 31, 2023 with monthly payments ranging from \$7,538 to \$9,163
- Brampton - from April 1, 2021 to March 31, 2024 with monthly payments of \$8,011
- 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 \$1,646 per month. The leases expire between May 2020 and July 2023.

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

2022	\$ 396,346
2023	332,268
2024	276,353
2025	156,564
2026	<u>38,107</u>
Total	<u>\$ 1,199,638</u>

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### 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.

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## Alzheimer Society Peel Notes to Financial Statements

**March 31, 2021**

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### 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

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### 11. COVID-19

On March 11, 2020, the World Health Organization declared the outbreak of coronavirus ("COVID-19") a pandemic. The Society's operations are considered essential and continued to operate throughout the pandemic with the exception of day programs which were closed for the fiscal year.

During the year, the Society received funding for several initiatives from the Local Health Integration Networks to support increased operational and staffing costs. The Society received and utilized \$130,990 in Pandemic Pay, \$226,514 in Temporary Wage Enhancements, and \$46,800 in Community Support Services.

The Society qualified for the Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Rent Subsidy ("CERS") from the Government of Canada during the year. Included in Government subsidies revenue is \$912,471 related to CEWS and \$208,768 related to CERS. Included in accounts receivable is \$66,438 related to CEWS and \$32,846 related to CERS.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Society is not fully able to estimate the future effects of the COVID-19 outbreak on its operations, financial condition, or liquidity at this time.