ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

FINANCIAL STATEMENTS

MARCH 31, 2024

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ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

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INDEPENDENT AUDITOR'S REPORT

To the Directors of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton

Qualified Opinion
We have audited the financial statements of Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton (the Organization), which comprise the statement of financial position as at March 31, 2024, the statements of operations, changes in fund balances 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 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 Organization as at March 31, 2024, 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 most not-for-profit organizations, Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton derives revenue 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 Organization. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donations revenue, excess (deficiency) of revenue over expenses, assets and fund balances, and cash flows from operations for the years ended March 31, 2024 and 2023 and assets and fund balances as at March 31, 2024 and 2023. Our opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effects of this scope limitation.

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 Organization 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.

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 Organization'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 Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization'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 Organization'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 Organization'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 Organization 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.

Baker Tilly KDN LLP

Chartered Professional Accountants
Licensed Public Accountants

Peterborough, Ontario
June 19, 2024

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ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

STATEMENT OF FINANCIAL POSITION
As at March 31, 2024

	2024 $	2023 $
ASSETS		
Current assets		
Cash	423,572	360,575
Accounts receivable	126,117	31,575
Prepaid expenses	13,155	25,313
Short-term investments (note 3)	379,263	669,850
	942,107	1,087,313
Long-term investments (note 3)	457,927	88,825
Tangible capital assets (note 5)	24,180	33,915
	1,424,214	1,210,053
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	96,162	68,603
Payable to Province of Ontario	481,345	284,497
Government remittances payable	10,510	5,366
Deferred capital contibutions (note 7)	21,042	26,417
Deferred revenue (note 8)	40,315	75,462
	649,374	460,345
Fund balances		
Externally restricted (note 9)	20,678	19,440
Internally restricted (note 9)	751,024	722,770
Equity in tangible capital assets	3,138	7,498
	774,840	749,708
	1,424,214	1,210,053

The accompanying notes are an integral part of these financial statements

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ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended March 31, 2024

	Operating Fund 2024 $	Equity in Tangible Capital Assets 2024 $	Externally Restricted Fund 2024 $	Internally Restricted Funds 2024 $	Total 2024 $	Total 2023 $
Fund balances - beginning of year	-	7,498	19,440	722,770	749,708	771,503
Excess (deficiency) of revenue over expenses for the year	28,254	(4,360)	1,238	-	25,132	(21,795)
Approved transfer by board	(28,254)	-	-	28,254	-	-
Fund balances - end of year	-	3,138	20,678	751,024	774,840	749,708

The accompanying notes are an integral part of these financial statements

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ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

STATEMENT OF OPERATIONS
For the Year Ended March 31, 2024

	Budget 2024 $ (Unaudited)	Actual 2024 $	Actual 2023 $
Revenue			
Grants			
Ontario Health Agency	778,760	984,459	1,020,594
Alzheimer Society of Ontario	33,248	20,347	117,624
Ontario Trillium Foundation - communications	-	54,265	39,046
Ontario Trillium Foundation - Minds in Motion	51,809	221,383	190,302
Donations (Schedule 1)	352,535	282,740	205,412
Fundraising activities - net (Schedule 2)	169,150	168,331	109,167
Investment income	18,719	38,363	18,973
Other	-	8,598	9,091
Total revenue	1,404,221	1,778,486	1,710,209
Expenses			
Salaries and benefits	1,045,441	1,336,201	1,308,952
Direct service costs (Schedule 3)	133,361	173,367	139,794
Public awareness - Meetings	24,949	23,991	34,033
Research and awards	1,000	500	500
Facilities	95,520	122,153	93,752
Office (Schedule 4)	66,585	84,419	74,291
Amortization	9,427	12,723	34,242
One time costs	-	-	46,440
Total expenses	1,376,283	1,753,354	1,732,004
Excess (Deficiency) of Revenue over Expenses for the Year	27,938	25,132	(21,795)

The accompanying notes are an integral part of these financial statements

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ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2024

	2024 $	2023 $
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	25,132	(21,795)
Non-cash charges to operations		
Amortization expense	12,723	34,242
Amortization of deferred capital contributions	(8,363)	(15,768)
	29,492	(3,321)
Changes in non-cash working capital items		
Accounts receivable	(94,542)	33
Prepaid expenses	12,158	(9,285)
Accounts payable and accrued liabilities	224,407	(11,091)
Government remittances payable	5,144	(1,623)
Deferred revenue	(35,147)	(185,057)
	112,020	(207,023)
Net increase/(decrease) in cash from operating activities	141,512	(210,344)
Investing activities		
Disposal of investments	720,110	437,686
Purchase of investments	(798,625)	(615,248)
Purchase of tangible capital assets	(2,988)	(21,575)
Deferred capital contributions received	2,988	21,575
Net decrease in cash from investing activities	(78,515)	(177,562)
Change in cash	62,997	(387,906)
Cash - beginning of year	360,575	748,481
Cash - end of year	423,572	360,575

The accompanying notes are an integral part of these financial statements

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1. NATURE OF OPERATIONS

Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton was incorporated on August 18, 1983 under the Ontario Business Corporation Act as a not-for-profit organization without share capital. The objectives of the Organization are to promote public education, family support, advocacy and support of research for Alzheimer disease.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations. Significant aspects of the accounting policies are as follows:

(a) Recognition of Revenues and Expenses

The Alzheimer Society of Peterborough, Kawartha Lakes, Northumberland & Haliburton uses the deferral method of accounting.

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 can be reasonably estimated and collection is reasonably assured.

Capital contributions are deferred and amortized on the same basis and rate as the amortization of the related tangible capital assets.

Fundraising and donations are recognized as revenue when received.

Investment income is recognized as revenue when earned in the appropriate fund.

Operating grant claims for allowable operating costs are recorded as revenue in the current year. The reimbursement for these costs is dependant ultimately upon their acceptance by the various funders.

Expenses are reported on the accrual basis of accounting. The accrual basis of accounting recognizes expenses in the period the goods or services are acquired and a legal liability is incurred.

(b) 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 year.

Key areas where management has made complex or subjective judgments (often as a result of matters that are inherently uncertain) include, among others, accounts receivable, accounts payable, useful lives of tangible capital assets and amortization. Actual results could differ from these and other estimates, the impact of which would be recorded in future periods.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(c) Fund Accounting

In order to ensure observance of limitations and restrictions placed on the use of the resources available to the Organization, the accounts are maintained in accordance with the principles of fund accounting. Under these principles, resources are classified for accounting purposes into funds that are in accordance with particular activities or objectives specified. These funds are classified as follows:

(i) Operating Fund

The operating fund includes results of day-to-day operating transactions and unrestricted contributions.

(ii) Internally Restricted Funds

Internally restricted funds represent amounts that have been designated by the Board of Directors for use in meeting future requirements of the organization. These include:

The Operating reserve, which has been designated for the use in funding future deficits in the operating fund; and

The Capital Campaign fund, which has been designated for the purchase of tangible capital assets.

(iii) Externally Restricted Fund

Externally restricted fund represents funds designated by the donor for restricted use within the Organization. This is comprised of the Burgess Estate fund, which is to be used for future education and research expenditures.

(iv) Equity in Tangible Capital Assets

Equity in tangible capital assets includes the Organization's assets, revenue and expenses related to capital assets.

(d) Income Taxes

As a registered charitable organization under the Federal Income Tax Act, the Organization is exempt from income taxes and is prohibited from distributing any of its earnings to or for the personal benefit of the members.

(e) Donated Services

Volunteers contribute significant time to assist the Organization in carrying out its programs and administration. Because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(f) Tangible Capital Assets

Tangible capital assets are recorded at cost which includes all amounts that are directly attributable to acquisition, construction, development or betterment of the asset. The cost, less residual value, if any, of tangible capital assets is amortized, over the expected useful life of the asset, as follows:

Furniture and fixtures	- straight line over five years
Computer equipment	- straight line over five years
Computer software	- straight line over three years
Leasehold improvements	- straight line over life of lease

Contributed tangible capital assets are recorded at the fair value of the assets on the date of transfer.

Tangible capital assets are reviewed for impairment whenever events or conditions indicate that the assets no longer contribute to the Organization's abilty to provide services or that the service potential of the assets are less than their net carrying amount. When conditions indicate that a tangible capital asset is impaired, the net carrying amount of the asset is written down to the asset's fair value or replacement cost.

(g) Measurement of Financial Instruments

(i) Measurement

The Organization initially measures its financial assets and financial liabilities at fair value adjusted by, in the case of a financial instrument that will not be measured subsequently at fair value, the amount of transaction costs directly attributable to the instrument.

The Organization subsequently measures its financial assets and financial liabilities at amortized cost. Changes in fair value are recognized in the excess of revenues over expenses.

Financial assets measured at amortized cost include cash, accounts receivable and investments.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

(ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of possible impairment. When a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset or group of assets, a write-down is recognized in the statement of operations.

3. INVESTMENTS

The investments consist of interest bearing GICs. The GIC investments earn interest in the range of 2.47% to 5.90% and are due between fiscal 2025 and 2026. GIC investments are recorded at cost plus accrued interest.

4. ECONOMIC DEPENDENCE

The Organization's major source of revenue is the operating grant from the Ontario Health Agency via the Local Health Integration Network. The nature and extent of this revenue is of such significance as to affect the viability of the Organization and, accordingly, it can be said that the Organization is economically dependent on these funds.

5. TANGIBLE CAPITAL ASSETS

Tangible capital assets consist of the following:

	Cost	Accumulated Amortization	Net Book Value 2024	2023
	$	$	$	$
Furniture and fixtures	97,757	94,466	3,291	7,498
Computer equipment	27,628	14,071	13,557	16,402
Leasehold improvements	48,813	41,481	7,332	10,015
Computer software	11,093	11,093	-	-
	185,291	161,111	24,180	33,915

6. COMMITMENTS

The Organization has entered into lease agreements for premises. Future lease obligations are as follows:

2025	$106,439
2026	106,949
2027	107,030
2028	107,969
2029	107,969
	536,356

7. DEFERRED CAPITAL CONTRIBUTIONS

Deferred capital contributions relate to grant and donation funding received for the purchase of tangible capital assets. Deferred capital contribution balances are as follows:

	2024 $	2023 $
Ontario Health Agency	8,911	11,881
Specific donations	12,131	14,536
	21,042	26,417

The continuity of Deferred capital contributions is as follows:

	2024 $	2023 $
Balance - beginning of year	26,417	20,610
Add amounts received:		
Ontario Health Agency	-	14,851
Specific donations	2,988	6,724
	2,988	21,575
Less transfer to operations:		
Amortization of Ontario Health Agency contributions	2,970	7,990
Amortization of specific donations contributions	5,393	7,778
	8,363	15,768
Balance - end of year	21,042	26,417

8. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	2024 $	2023 $
Minds in Motion	38,672	44,152
Other	1,643	31,310
	40,315	75,462

The continuity of deferred revenue - other is as follows:

	2024 $	2023 $
Balance - beginning of year	75,462	260,519
Add amounts received:		
Grant revenues - Minds in Motion	194,484	-
Donations and program fees - Minds in Motion	21,507	5,735
OTF communication	-	11,900
Other	-	27,931
	215,991	45,566
Less transfer to operations:		
Minds in Motion	221,471	191,989
OTF communication	-	38,634
Other	29,667	-
	251,138	230,623
Balance - end of year	40,315	75,462

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9. INTERNALLY AND EXTERNALLY RESTRICTED FUNDS

The restricted funds consist of the following:

	2024 $	2023 $
Internally Restricted		
Operating reserve	751,024	722,770
Externally Restricted		
Burgess Estate Fund	20,678	19,440

10. FINANCIAL INSTRUMENTS

Transactions in financial instruments may result in an entity assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of financial statements in assessing the extent of risk related to financial instruments. In the opinion of management, the Organization is not exposed to any significant liquidity or currency risk.

(a) Interest rate risk

Interest rate risk is the risk that the value of financial instruments will fluctuate due to changes in market interest rates. The value of fixed income securities will generally rise if interest rates fall and conversely fall when rates rise.

These risks are generally outside the control of the Organization but are mitigated by the Organization's investment policies.

(b) Credit risk

Credit risk is the risk that one party to a transaction will fail to discharge an obligation and cause the other party to incur a financial loss. The Organization has limited exposure to credit risk as the majority of receivables are due from Municipal, Provincial and Federal levels of government.

(c) Liquidity risk

Liquidity risk is the risk that the Organization cannot repay its obligations when they become due to its creditors.

The Organization has liquidity risk related to accounts payable of $588,017 (2023 - $358,466).

ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES, NORTHUMBERLAND & HALIBURTON

SCHEDULES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2024

Schedule 1 - Donations

	Budget 2024 $ (Unaudited)	Actual 2024 $	Actual 2023 $
Memorial	33,000	39,901	43,352
General	258,410	180,443	137,165
Bequests	61,125	62,396	24,895
	352,535	282,740	205,412

Schedule 2 - Fundraising Activites - Net

	Budget 2024 $ (Unaudited)	Actual 2024 $	Actual 2023 $
Fundraising revenues	187,400	186,546	128,236
Fundraising costs	(18,250)	(18,215)	(19,069)
	169,150	168,331	109,167

Schedule 3 - Direct Service Costs

	Budget 2024 $ (Unaudited)	Actual 2024 $	Actual 2023 $
Caregivers and staff travel	17,942	24,517	15,923
Training and education	15,992	29,068	11,589
Client services	99,427	119,782	111,598
Volunteers	-	-	684
	133,361	173,367	139,794

Schedule 4 - Office

	Budget 2024 $ (Unaudited)	Actual 2024 $	Actual 2023 $
Photocopying and printing	4,688	4,038	3,507
Office supplies	8,141	20,865	13,832
Information and telecommunication services	32,719	39,170	35,945
Postage and courier	6,144	3,138	2,517
Bank charges	1,148	1,975	1,947
Insurance	3,995	3,293	4,218
Professional services	9,375	11,940	12,147
Association fees	375	-	178
	66,585	84,419	74,291