

**ALZHEIMER SOCIETY OF
PETERBOROUGH, KAWARTHA
LAKES, NORTHUMBERLAND &
HALIBURTON**

FINANCIAL STATEMENTS

MARCH 31, 2021

**ALZHEIMER SOCIETY OF
PETERBOROUGH, KAWARTHA
LAKES, NORTHUMBERLAND &
HALIBURTON**

FINANCIAL STATEMENTS

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TABLE OF CONTENTS

	Page Number
INDEPENDENT AUDITOR'S REPORT	
FINANCIAL STATEMENTS	
Statement of Financial Position	1
Statement of Changes in Fund Balances	2
Statement of Operations	3
Statement of Cash Flows	4
Notes to the Financial Statements	5 - 11
Schedules to the Financial Statements	12 - 13

INDEPENDENT AUDITOR'S REPORT

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

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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, 2021, 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, 2021, 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 evidence. Accordingly, our verification of these revenues was limited to the amounts recorded by the organization and we were not able to determine whether any adjustments might be necessary to revenue, excess (deficiency) of revenue over expenses, assets and fund balances.

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.

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Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the 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 22, 2021

**ALZHEIMER SOCIETY OF PETERBOROUGH,
KAWARTHA LAKES, NORTHUMBERLAND &
HALIBURTON**



STATEMENT OF FINANCIAL POSITION
As at March 31, 2021

	2021	2020
	\$	\$
ASSETS		
Current assets		
Cash	558,111	406,474
Accounts receivable	12,588	40,550
Prepaid expenses	16,496	16,028
Short-term investments (note 3)	229,320	153,700
	816,515	616,752
Long-term investments (note 3)	369,169	430,414
Tangible capital assets (note 5)	56,432	84,126
	1,242,116	1,131,292
LIABILITIES AND FUND BALANCES		
Current liabilities		
Accounts payable and accrued liabilities	236,168	157,979
Government remittances payable	3,005	30,357
Deferred capital contributions (note 6)	16,801	25,202
Deferred revenue (note 7)	180,189	38,386
	436,163	251,924
Fund balances		
Externally restricted (note 8)	18,467	17,954
Internally restricted (note 8)	747,855	802,490
Equity in tangible capital assets	39,631	58,924
	805,953	879,368
	1,242,116	1,131,292

The accompanying notes are an integral part of these financial statements

**ALZHEIMER SOCIETY OF PETERBOROUGH, KAWARTHA LAKES,
NORTHUMBERLAND & HALIBURTON**



**STATEMENT OF CHANGES IN FUND BALANCES
For the Year Ended March 31, 2021**

	Operating Fund 2021 \$	Equity in Tangible Capital Assets 2021 \$	Externally Restricted Fund 2021 \$	Internally Restricted Funds 2021 \$	Total 2021 \$	Total 2020 \$
Fund balances - beginning of year	-	58,924	17,954	802,490	879,368	885,208
Excess (deficiency) of revenue over expenses for the year	(50,154)	(23,774)	513	-	(73,415)	(5,840)
Board approved transfer of surplus and purchase of tangible capital assets	50,154	4,481	-	(54,635)	-	-
Fund balances - end of year	-	39,631	18,467	747,855	805,953	879,368

The accompanying notes are an integral part of these financial statements

**ALZHEIMER SOCIETY OF PETERBOROUGH,
KAWARTHA LAKES, NORTHUMBERLAND &
HALIBURTON**



STATEMENT OF OPERATIONS
For the Year Ended March 31, 2021

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Revenue			
Grants			
Ontario Health Agency	992,800	793,354	898,726
Alzheimer Society of Ontario	34,000	26,493	19,392
Other	45,250	59,727	26,218
Ontario Trillium Foundation	153,123	56,230	-
Donations (Schedule 1)	249,411	156,713	228,235
Fundraising activities - net (Schedule 2)	98,500	65,447	121,282
Investment income	1,378	14,707	16,733
Other	9,500	9,089	9,408
Total revenue	1,583,962	1,181,760	1,319,994
Expenses			
Salaries and benefits	1,197,894	1,015,164	1,006,601
Direct service costs (Schedule 3)	163,309	30,630	86,425
Public awareness (Schedule 4)	26,762	298	10,274
Research and awards	800	500	300
Facilities	125,919	105,585	122,076
Office (Schedule 5)	55,290	54,095	70,521
Amortization	2,000	29,363	29,472
Covid-19 costs	-	16,728	165
Loss on disposal of tangible capital assets	-	2,812	-
Total expenses	1,571,974	1,255,175	1,325,834
Excess (Deficiency) of Revenue over Expenses for the Year	11,988	(73,415)	(5,840)

The accompanying notes are an integral part of these financial statements

**ALZHEIMER SOCIETY OF PETERBOROUGH,
KAWARTHA LAKES, NORTHUMBERLAND &
HALIBURTON**



STATEMENT OF CASH FLOWS
For the Year Ended March 31, 2021

	2021	2020
	\$	\$
CASH PROVIDED FROM (USED FOR):		
Operating activities		
Excess (deficiency) of revenue over expenses for the year	(73,415)	(5,840)
Non-cash charges to operations		
Amortization expense	29,363	29,472
Amortization of deferred capital contributions	(8,401)	(8,401)
Loss on disposal of tangible capital assets	2,812	-
	<u>(49,641)</u>	<u>15,231</u>
Changes in non-cash working capital items		
Accounts receivable	27,962	(16,426)
Prepaid expenses	(468)	(3,348)
Accounts payable and accrued	78,189	47,623
Government remittances payable	(27,352)	(732)
Deferred revenue	133,403	24,644
	<u>211,734</u>	<u>51,761</u>
Net increase in cash from operating activities	<u>162,093</u>	<u>66,992</u>
Investing activities		
Disposal of investments	143,225	119,365
Purchase of investments	(149,200)	(125,000)
Purchase of tangible capital assets	(4,481)	(15,529)
Net decrease in cash from investing activities	<u>(10,456)</u>	<u>(21,164)</u>
Change in cash	151,637	45,828
Cash - beginning of year	406,474	360,646
Cash - end of year	558,111	406,474

The accompanying notes are an integral part of these financial statements

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021

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.

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021**

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.

**NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021**

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(d) 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 ability 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.

(e) 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.

(f) 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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021

2. SIGNIFICANT ACCOUNTING POLICIES, continued

(g) 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.

3. INVESTMENTS

The investments consist of interest bearing GICs. The GIC investments earn interest in the range of 0.78% to 2.47% and are due between fiscal 2022 and 2024. 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	
	\$	\$	2021	2020
	\$	\$	\$	\$
Furniture and fixtures	92,942	51,156	41,786	57,566
Computer equipment	1,219	731	488	731
Leasehold improvements	35,396	21,238	14,158	22,130
Computer software	11,093	11,093	-	3,699
	140,650	84,218	56,432	84,126

6. 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:

	2021	2020
	\$	\$
Ontario Health Agency	7,185	10,777
Specific donations	9,616	14,425
	16,801	25,202

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021

7. DEFERRED REVENUE

Included in deferred revenue are the following amounts:

	2021	2020
	\$	\$
Minds in motion	176,405	36,221
Other	3,784	2,165
	<u>180,189</u>	<u>38,386</u>

The continuity of deferred revenue is as follows:

	2021	2020
	\$	\$
Balance - beginning of year	38,386	11,711
Add amounts received:		
Grant revenues - minds in motion	220,250	22,500
Donations - minds in motion	290	28,177
Program fees - minds in motion	-	7,860
Other	3,784	2,165
	<u>224,324</u>	<u>60,702</u>
Less transfer to operations:		
Minds in motion	80,356	34,027
Other	2,165	-
	<u>82,521</u>	<u>34,027</u>
Balance - end of year	<u>180,189</u>	<u>38,386</u>

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021

8. INTERNALLY AND EXTERNALLY RESTRICTED FUNDS

The restricted funds consist of the following:

	2021	2020
	\$	\$
Internally Restricted		
Operating reserve	518,000	518,000
Capital campaign	229,855	284,490
	747,855	802,490
Externally Restricted		
Burgess Estate Fund	18,467	17,954

9. CHARITABLE REMAINDER TRUSTS

The organization has been named the residual beneficiary under charitable remainder trust agreements for investments with a market value of \$20,473 (2020 - \$19,784). The income from the trusts are paid to the donors during their lifetimes and the principal amounts pass to the organization on the death of the donors. These amounts are not included in the financial statements.

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.

NOTES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021

11. COMMITMENTS

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

2022	\$85,264
2023	85,264
2024	84,844
2025	7,000
	<u>262,372</u>

12. BUDGET FIGURES

Budget figures are not subject to audit.

13. UNCERTAINTY CAUSED BY COVID-19

On March 11, 2020, the World Health Organization categorized COVID-19 as a pandemic. The potential economic effects within the Organization's environment and in the global markets, possible disruption in supply chains, and measures being introduced at various levels of government to curtail the spread of the virus (such as travel restrictions, closures of non-essential municipal and private operations, imposition of quarantines and social distancing) could have a material impact on the Organization's operations. The extent of the impact of this outbreak and related containment measures on the Organization's operations cannot be reliably estimated at this time.

**ALZHEIMER SOCIETY OF PETERBOROUGH,
KAWARTHA LAKES, NORTHUMBERLAND &
HALIBURTON**



**SCHEDULES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021**

Schedule 1 - Donations

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Memorial	68,500	33,120	53,083
General	164,411	82,403	79,276
Bequests	16,500	41,190	95,876
	249,411	156,713	228,235

Schedule 2 - Fundraising Activities - Net

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Fundraising revenues	117,500	74,327	136,518
Fundraising costs	(19,000)	(8,880)	(15,236)
	98,500	65,447	121,282

Schedule 3 - Direct Service Costs

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Caregivers and staff travel	56,481	3,951	41,386
Training and education	13,344	6,382	6,625
Client services	93,484	20,147	37,156
Volunteers	-	150	1,258
	163,309	30,630	86,425

The accompanying notes are an integral part of these financial statements

**ALZHEIMER SOCIETY OF PETERBOROUGH,
KAWARTHA LAKES, NORTHUMBERLAND &
HALIBURTON**



**SCHEDULES TO THE FINANCIAL STATEMENTS
For the Year Ended March 31, 2021**

Schedule 4 - Public Awareness

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Meetings	26,762	298	8,497
Seminars, conferences and workshops	-	-	1,777
	26,762	298	10,274

Schedule 5 - Office

	Budget 2021 \$ (Unaudited)	Actual 2021 \$	Actual 2020 \$
Photocopying and printing	5,750	3,007	9,502
Office supplies	6,000	3,161	5,103
Information and telecommunication services	23,040	28,788	39,443
Postage and courier	4,900	4,495	189
Bank charges	1,500	1,089	2,087
Insurance	2,500	1,981	2,138
Professional services	11,000	11,150	11,423
Association fees	600	424	636
	55,290	54,095	70,521

The accompanying notes are an integral part of these financial statements