

Financial Statements of

**ALZHEIMER SOCIETY SUDBURY –
MANITOULIN NORTH BAY & DISTRICTS
SOCIÉTÉ ALZHEIMER SUDBURY-
MANITOULIN NORTH BAY ET DISTRICTS**

And Independent Auditor's Report thereon

Year ended March 31, 2024



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INDEPENDENT AUDITOR'S REPORT

To the Members of Alzheimer Society Sudbury - Manitoulin North Bay & Districts Société Alzheimer Sudbury-Manitoulin North Bay et Districts

Qualified Opinion

We have audited the financial statements of Alzheimer Society Sudbury - Manitoulin North Bay & Districts Société Alzheimer Sudbury-Manitoulin North Bay et Districts (the Entity), which comprise:

- the statement of financial position as at March 31, 2024
- the statement of operations and changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and the 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 possible effects of the matter described in the “***Basis for Qualified Opinion***” section of our auditor’s report, the accompanying financial statements present fairly, in all material respects, the financial position of the Entity 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 Entity derives revenue from donations and fundraising activities, 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 Entity.

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 fundraising revenues and excess (deficiency) of revenues over expenses reported in the statements of operations for the years ended March 31, 2024 and March 31, 2023.



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- the fund balances, at the beginning and end of the year, reported in the statements of operations and changes in fund balances for the years ended March 31, 2024 and March 31, 2023
- the excess (deficiency) of revenues over expenses reported in the statements of cash flows for the years ended March 31, 2024 and March 31, 2023

Our 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 Entity 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.

Responsibility 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 Entity’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 Entity or to cease operations or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Entity’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 qualified 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.



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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 risk 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 qualified 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, internal 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 purposes of expressing an opinion on the effectiveness of the Entity'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 the events or conditions that may cast significant doubt on the Entity'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 Entity's 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, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P'.

Chartered Professional Accountants, Licensed Public Accountants

Sudbury, Canada

August 15, 2024

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Statement of Financial Position

March 31, 2024, with comparative information for 2023

	2024			2023
	Operating	Capital	Total	Total
Assets				
Current assets:				
Cash	\$ 1,250,039	\$ -	\$ 1,250,039	\$ 900,831
Investments (note 2)	1,203,257	-	1,203,257	1,125,655
Accounts receivable (note 3)	163,389	-	163,389	186,703
Prepaid expenses	6,509	-	6,509	6,449
	2,623,194	-	2,623,194	2,219,638
Capital assets (note 4)	-	172,205	172,205	249,633
	\$ 2,623,194	\$ 172,205	\$ 2,795,399	\$ 2,469,271

Liabilities and Fund Balances

Current liabilities:

Accounts payable and accrued liabilities (note 5)	\$ 361,114	\$ -	\$ 361,114	\$ 372,402
Deferred revenue (note 6)	255,218	-	255,218	195,985
	616,332	-	616,332	568,387
Fund balances	2,006,862	172,205	2,179,067	1,900,884
Contingent liability (note 7)				
Commitment (note 8)				
	\$ 2,623,194	\$ 172,205	\$ 2,795,399	\$ 2,469,271

See accompanying notes to financial statements.

On behalf of the Board:

August 15, 2024

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Statement of Operations and Changes in Fund Balances

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

	Society		Programs		Capital		Total	Total
	2024	2023	2024	2023	2024	2023	2024	2023
Revenue:								
Ministry of Health - core	\$ -	\$ -	\$ 3,064,526	\$ 2,917,346	\$ -	\$ -	\$ 3,064,526	\$ 2,917,346
User fees	-	-	133,203	131,452	-	-	133,203	131,452
Other income	199,106	147,238	1,891	6,500	-	-	200,997	153,738
Donations	146,991	132,977	-	-	-	-	146,991	132,977
Fundraising	116,397	96,140	-	-	-	-	116,397	96,140
Property tax recoveries	-	-	23,099	32,990	-	-	23,099	32,990
Investment income	68,500	43,084	888	254	-	-	69,388	43,338
Bingo	-	-	14,604	4,058	-	-	14,604	4,058
ASO direct mail campaign	18,251	23,866	-	-	-	-	18,251	23,866
	549,245	443,305	3,238,211	3,092,600	-	-	3,787,456	3,535,905
Expenses:								
Salaries and benefits	120,837	211,763	2,647,426	2,531,510	-	-	2,768,263	2,743,273
Other	88,209	57,211	4,425	27,104	-	-	92,634	84,315
Building occupancy	-	-	162,542	166,810	-	-	162,542	166,810
Client services	-	4,117	94,956	92,733	-	-	94,956	96,850
Travel	-	-	98,869	88,129	-	-	98,869	88,129
Office	112	275	50,132	74,695	-	-	50,244	74,970
Meals	-	-	56,988	49,634	-	-	56,988	49,634
Property taxes	-	-	44,441	44,569	-	-	44,441	44,569
Training	1,389	8,602	9,911	9,407	-	-	11,300	18,009
Data processing	-	-	9,780	22,764	-	-	9,780	22,764
Supplies	-	23	20,828	21,140	-	-	20,828	21,163
Professional fees	8,895	17,488	18,155	8,671	-	-	27,050	26,159
Insurance	-	-	15,310	16,420	-	-	15,310	16,420
Fundraising	13,006	5,811	-	-	-	-	13,006	5,811
Advertising	1,977	700	6,481	3,687	-	-	8,458	4,387
Meetings	23	80	2,576	199	-	-	2,599	279
Amortization of capital assets	-	-	-	-	77,428	85,253	77,428	85,253
	234,448	306,070	3,242,820	3,157,472	77,428	85,253	3,554,696	3,548,795
Excess (deficiency) of revenue over expenses before undernoted	314,797	137,235	(4,609)	(64,872)	(77,428)	(85,253)	232,760	(12,890)
Unrealized gain (loss) on investments	45,423	(26,139)	-	-	-	-	45,423	(26,139)
Excess (deficiency) of revenue over expenses	360,220	111,096	(4,609)	(64,872)	(77,428)	(85,253)	278,183	(39,029)
Fund balances, beginning of year	1,651,251	1,543,826	-	-	249,633	396,087	1,900,884	1,939,913
Transfers - capital additions and surpluses	(4,609)	(3,671)	4,609	100,882	-	(61,201)	-	-
Fund balances, end of year	\$ 2,006,862	\$ 1,651,251	\$ -	\$ 36,010	\$ 172,205	\$ 249,633	\$ 2,179,067	\$ 1,900,884

See accompanying notes to financial statements.

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Statement of Cash Flows

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

	2024	2023
Cash flows from operating activities:		
Excess (deficiency) of revenue over expenses	\$ 278,183	\$ (39,029)
Adjustments for:		
Amortization of capital assets	77,428	85,253
Unrealized loss (gain) on investments	(45,423)	26,139
	310,188	72,363
Change in non-cash working capital:		
Decrease in accounts receivable	23,314	66,248
Decrease (increase) in prepaid expenses	(60)	2,403
Increase (decrease) in accounts payable and accrued liabilities	(11,288)	92,729
Increase in deferred revenue	59,233	76,428
	381,387	310,171
Cash flows from investing activities:		
Purchase of capital assets	-	(13,799)
Increase in investments	(32,179)	(26,168)
	(32,179)	(39,967)
Increase in cash	349,208	270,204
Cash beginning of year	900,831	630,627
Cash end of year	\$ 1,250,039	\$ 900,831

See accompanying notes to financial statements.

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Notes to Financial Statements

Year ended March 31, 2024

Alzheimer Society Sudbury - Manitoulin North Bay & Districts Société Alzheimer Sudbury-Manitoulin North Bay et Districts (the "Society") operates as a Chapter of the Alzheimer Society of Ontario and is incorporated without share capital under the Ontario Corporations Act.

1. Significant accounting policies:

(a) Basis of presentation:

In order to ensure observance and restrictions placed on the use of resources, the accounts are maintained in accordance with the principles of fund accounting. The operating fund accounts for all revenue and expenses related to current operations. The capital fund accounts for the equity in capital assets.

(b) Revenue recognition:

The financial statements are prepared according to the restricted fund method of accounting. Under this method, the following principles have been applied:

- Contributions are recorded as revenue in the respective funds based on their nature, source and the restrictions stipulated by the donor.
- Contributions including pledges and donations are recognized as revenue when received.
- Deferred revenues represent amounts collected but for which related expenses have not yet been incurred or goods delivered. The amounts will be recognized as revenues in the fiscal year the services are performed, or the purchases are made.

(c) Capital assets:

Capital assets are stated at cost. Amortization is provided on the straight-line basis using the following annual rates:

Asset	Rate
Leasehold improvements	5%
Landscaping	33 1/3%
Furniture and equipment	33 1/3%
Computers	55%

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

1. Significant accounting policies (continued):

(d) Donated services:

The work of the Society is dependent on the voluntary services of many members. Since these services are not normally purchased by the Society and because of the difficulty of determining their fair value, donated services are not recognized in these financial statements.

(e) Use of estimates:

The preparation of financial statements 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 periods specified. Significant items subject to such estimates and assumptions include the carrying value of capital assets. Actual results could differ from those estimates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in earnings in the year in which they become known.

(f) Financial instruments:

Financial instruments are recorded at fair value on initial recognition. Freestanding derivative instruments that are not in a qualifying hedging relationship and equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost unless management has elected to carry the instruments at fair value. The Society has not elected to carry any such financial instruments at fair value.

Transaction costs incurred on the acquisition of financial instruments measured subsequently at fair value are expenses as incurred.

2. Investments:

The Society holds various pooled investments which are reflected at market value as of the year end date.

	2024		2023	
	Market value	Cost	Market value	Cost
Fixed income	\$ 485,545	\$ 554,178	\$ 488,817	\$ 558,643
Canadian income equity	256,861	204,067	240,038	193,079
Global equity	303,839	219,763	267,132	216,393
Alternative investments	159,279	150,091	131,862	122,876
Cash	(2,267)	(2,267)	(2,194)	(2,194)
	<u>\$ 1,203,257</u>	<u>\$ 1,125,832</u>	<u>\$ 1,125,655</u>	<u>\$ 1,088,797</u>

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

2. Investments (continued):

The investments are considered level 2 investments and the investments are recorded at their market value as of the year end date. Unrealized gains (losses) are reported within the statement of operations.

3. Accounts receivable:

	2024	2023
Day Program receivables	\$ 19,622	\$ 27,458
Funding Agency	96,172	109,032
HST rebates	47,595	50,213
	\$ 163,389	\$ 186,703

4. Capital assets:

2024	Cost	Accumulated amortization	Net book value
Furniture and equipment	\$ 264,845	\$ 261,345	\$ 3,500
Landscaping	26,166	26,166	-
Leasehold improvements	1,353,521	1,186,006	167,515
Computers	34,839	33,649	1,190
	\$ 1,679,371	\$ 1,507,166	\$ 172,205

2023	Cost	Accumulated amortization	Net book value
Furniture and equipment	\$ 264,845	\$ 257,211	\$ 7,634
Landscaping	26,166	26,166	-
Leasehold improvements	1,353,521	1,118,330	235,191
Computers	34,839	28,031	6,808
	\$ 1,679,371	\$ 1,429,738	\$ 249,633

5. Accounts payable and accrued liabilities:

Included in accounts payable and accrued liabilities are government remittances payable of \$50,500 (2023 - \$25,999), which includes amounts payable for payroll related taxes.

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

6. Deferred revenue:

2024	Balance, beginning of year	Additions	Expenditures/ Transfers	Balance, end of year
Bingo	\$ 25,487	\$ 56,315	\$ (41,251)	\$ 40,551
Minds in Motion	13,825	200	(428)	13,597
Bequest	98,064	-	(9,314)	88,750
Reno / WF	1,000	12,034	-	13,034
Bike	8,336	-	(550)	7,786
NB-Proj. Lifesaver	-	15,013	-	15,013
Ins / Alya Care	40,000	-	-	40,000
Special Purpose	-	8,753	-	8,753
Music/Art Program	-	487	-	487
Senior's At Risk	2,031	-	-	2,031
Rec. Therapy	-	14,146	-	14,146
New Horizons for Seniors	7,242	5,280	(1,452)	11,070
	\$ 195,985	\$ 112,228	\$ (52,995)	\$ 255,218

2023	Balance, beginning of year	Additions	Expenditures/ Transfers	Balance, end of year
Bingo	\$ 2,716	\$ 26,829	\$ (4,058)	\$ 25,487
Minds in Motion	8,460	5,570	(205)	13,825
Bequest	98,064	-	-	98,064
Reno / WF	-	1,000	-	1,000
Bike	8,286	50	-	8,336
Ins / Alya Care	-	40,000	-	40,000
Senior's At Risk	2,031	-	-	2,031
New Horizons for Seniors	-	12,242	(5,000)	7,242
	\$ 119,557	\$ 85,691	\$ (9,263)	\$ 195,985

7. Contingent liability:

The Society receives the majority of its funding from the Ministry of Health (the "Ministry") through the Ontario Health North. The operations of the Society are therefore subject to audit by the Ministry, with possible audit adjustments repayable to the Ministry.

Any adjustments required to the audited financial statements due to these audits are made to operations in the year of the adjustments are communicated.

ALZHEIMER SOCIETY SUDBURY - MANITOULIN NORTH BAY & DISTRICTS SOCIÉTÉ ALZHEIMER SUDBURY-MANITOULIN NORTH BAY ET DISTRICTS

Notes to Financial Statements (continued)

Year ended March 31, 2024

8. Commitment:

The Society has entered into multi-year lease agreements for its premises in Sudbury and North Bay with the City of Greater Sudbury and Toth Z Real Estate Holdings North Bay respectively.

The City of Greater Sudbury lease agreement expires on June 30, 2026 and requires land taxes and utility payments equal to the Society's share of operating costs only. The Toth Z Real Estate Holdings North Bay lease agreement expires January 31, 2031 and requires the Society to pay total rent of \$5,534 plus utilities per month until January 31, 2026, and \$6,533 plus utilities per month from February 1, 2026 until January 31, 2031.

For the year ended March 31, 2024, total rent amounted to \$104,828 (2023 - \$111,270) and is included within building occupancy expenses on the statement of operations.

9. Comparative information:

Some of the comparative figures have been revised to conform with the current year's financial statement presentation.

10. Financial risks and concentration of credit risk:

(a) 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 risk exposures from 2023.

(b) 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 the accounts receivable. The Society assesses, on a continuous basis, accounts receivable and provides for any amounts that are not collectible in the allowance for doubtful accounts.

(c) Market risk:

Market risk is the risk that changes in market prices and interest rates will affect the Society's net earnings or the value of financial instruments. These risks are generally outside the control of the Society. The objective of the Society is to mitigate market risk exposures within acceptable limits, while maximizing returns. The Society mitigates its market risk by laddering its investments, so a portion is maturing each year.