

**Alzheimer Society of
Simcoe County**
Financial Statements
For the year ended March 31, 2024

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Independent Auditor's Report

To the Board of Directors and Members of the Alzheimer Society of Simcoe County

Qualified Opinion

We have audited the accompanying financial statements of the Alzheimer Society of Simcoe County (the Society), which comprise the statement of financial position as at March 31, 2024, and the statements of 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, 2024, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from 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 Society. Therefore, we were not able to determine whether any adjustments might be necessary to donation and fundraising revenues, excess of revenues over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, current assets as at March 31, 2024 and 2023, and net assets as at April 1 and March 31 for both the 2024 and 2023 years. Our audit opinion on the financial statements for the year ended March 31, 2023 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

Barrie, Ontario
May 27, 2024

Alzheimer Society of Simcoe County Statement of Financial Position

March 31 2024 2023

Assets

Current

Cash (note 3)	\$	271,902	\$	289,455
Investments (note 2)		479,654		352,133
Due from Ministry		93,000		-
Accounts receivable		16,491		30,027
HST receivable		15,594		16,617
Prepaid expenses		11,389		19,151
		888,030		707,383

Capital Assets, at cost less accumulated amortization (note 4)		47,142		31,865
	\$	935,172	\$	739,248

Liabilities and Net Assets

Current Liabilities

Accounts payable and accrued liabilities	\$	214,463	\$	124,535
Government remittances payable		10,786		7,549
Due to Ministry (note 9)		19,989		19,989
Canada Emergency Business Account (CEBA) Loan (note 8)		-		30,000
Deferred revenues		80,320		88,074
		325,558		270,147


Deferred Contributions Related to Capital Assets (note 5)		36,190		23,600
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Commitments (note 6)

Net Assets (note 7)

Unrestricted		423,424		295,501
Internally restricted reserve fund		150,000		150,000
		573,424		445,501
	\$	935,172	\$	739,248

On behalf of the Board:

_____  _____ Director

_____  _____ Director

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

Alzheimer Society of Simcoe County Statement of Operations

For the year ended March 31

2024

2023

Revenues

Ministry of Health - base	\$ 898,198	\$ 734,152
- one-time	138,895	93,255
Fundraising	146,617	135,816
General donations	114,072	84,423
Expenditure recoveries	87,574	43,596
Memorial donations	76,982	58,812
Canadian Red Cross grant	45,519	-
Ontario Trillium Foundation grant	33,691	102,709
Alzheimer Society of Ontario revenue sharing	23,841	93,039
Interest income	12,042	7,722
Other grants	10,740	10,907
Amortization of deferred contributions related to capital assets (note 5)	8,476	7,619
	1,596,647	1,372,050

Expenses

Education and Support Programs - Ministry

Compensation	550,963	418,428
Supplies	5,831	11,833
Sundry	43,340	36,804
Equipment	8,094	7,277
Buildings and grounds	35,454	33,304
	643,682	507,646

First Link - Ministry

Compensation	85,289	80,208
Supplies	747	338
Sundry	9,084	8,541
Equipment	1,059	163
	96,179	89,250

In-Home Recreation Program - Ministry

Compensation	145,510	78,248
Supplies	21,367	19,046
Sundry	17,500	8,157
Equipment	-	1,901
	184,377	107,352

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

Alzheimer Society of Simcoe County Statement of Operations

For the year ended March 31	2024	2023
Expenses (continued)		
General Operations		
Compensation	155,988	279,751
Supplies	7,255	5,253
Sundry	152,974	118,206
Equipment	13,263	6,655
Buildings and grounds	38,299	43,473
	367,779	453,338
Minds in Motion Program - Ministry		
Compensation	93,140	104,685
Supplies	1,925	2,847
Sundry	24,642	20,775
Equipment	189	890
Building and grounds	177	2,537
	120,073	131,734
The Canadian Red Cross Society		
Compensation	43,680	-
Supplies	267	-
Sundry	1,572	-
	45,519	-
Total expenses	1,457,609	1,289,320
Excess of revenues over expenses before amortization expense	139,038	82,730
Amortization expense	(11,115)	(10,370)
Excess of revenues over expenses for the year	\$ 127,923	\$ 72,360

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

Alzheimer Society of Simcoe County Statement of Cash Flows

For the year ended March 31	2024	2023
Cash flows from operating activities		
Excess of revenues over expenses for the year	\$ 127,923	\$ 72,360
Charges (credits) to operations not involving cash		
Amortization of capital assets	11,115	10,370
Amortization of deferred contributions related to capital assets	(8,476)	(7,619)
	130,562	75,111
Changes in non-cash working capital balances		
Accounts receivable	13,536	(23,653)
Prepaid expenses	7,762	(9,489)
Accounts payable and accrued liabilities	89,928	66,723
Government remittances payable	3,237	1,092
Deferred revenues	(7,754)	24,827
Due to/from Ministry	(93,000)	(36,164)
HST receivable	1,023	(6,853)
	145,294	91,594
Cash flows from investing activities		
Additions to capital assets	(26,392)	(28,187)
Increase in investments	(127,521)	(7,733)
	(153,913)	(35,920)
Cash flows from financing activities		
Deferred contributions related to capital assets	21,066	17,767
Repayment of Canada Emergency Business Account (CEBA) Loan	(30,000)	-
	(8,934)	17,767
Increase (decrease) in cash during the year	(17,553)	73,441
Cash, beginning of year	289,455	216,014
Cash, end of year	\$ 271,902	\$ 289,455

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

Alzheimer Society of Simcoe County

Notes to the Financial Statements

March 31, 2024

1. Significant Accounting Policies

Nature of Organization The Alzheimer Society of Simcoe County (the "Society") is incorporated without share capital under the laws of Ontario. Its main function is to provide service and support for Alzheimer patients and their families. The Society is a registered charity and, as such, is exempt from income tax and may issue income tax receipts to donors.

Basis of Presentation These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.

Use of Estimates The preparation of financial statements in accordance 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 revenues and expenses during the reporting period. The principal estimates used in the preparation of these financial statements are the amount due to the Ministry of Health, the estimated useful life of capital assets and the fair value of financial instruments. Actual results could differ from management's best estimates as additional information becomes available in the future.

Revenue Recognition The Society follows the deferral method of accounting for contributions.

Operating revenue, including grants and subsidies are recorded as revenue in the period to which they relate. Grants approved but not received at the end of an accounting period are accrued. When a portion of a grant relates to a future period it is deferred and recognized in that future period.

Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.

Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.

Contributions restricted for the purchase of capital assets are deferred and amortized into revenue on a straight-line basis at a rate corresponding with the amortization rate for the related capital assets.

Alzheimer Society of Simcoe County

Notes to the Financial Statements

March 31, 2024

1. Significant Accounting Policies (continued)

Financial Instruments Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any unrealized gains and losses reported in operations. In addition, all bonds and guaranteed investment certificates have been designated to be in the fair value category, with gains and losses reported in operations. All other financial instruments are 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 expensed for those items remeasured at fair value at each statement of financial position date and charged to the financial instrument for those measured at amortized cost.

Capital Assets Purchased capital assets of \$1,000 and greater are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Where fair value cannot be reasonably determined, contributed assets are recorded at a nominal amount.

Amortization is provided on capital assets on the straight-line basis over their estimated useful lives as follows:

Computers and software	4 years
Equipment	5 years
Furniture and fixtures	10 years

In-Kind Contributions Contributions of assets are recognized in the period they are donated at their fair market value when a fair value can be reasonably estimated and when the assets are used in the normal course of the Society's operations and would otherwise been purchased.

The Society is dependent on the voluntary services of many individuals. Due to the inherent difficulty in estimating their fair value, these services are not recorded in these financial statements.

Allocation of Expenses The Society operates four separate programs: Education and Support Programs - Ministry, First Link - Ministry, Minds in Motion Program - Ministry, In-Home Recreation Program - Ministry, and General Operations. The costs of each program includes the expenses as detailed on the statement of operations. The Society also incurs a number of general and administrative expenses that are common to the administration of the Society and each of its programs. The Society allocates certain general and administration expenses to the programs on a pro rata basis based on budgeted amounts.

Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2024

2. Investments

	2024	2023
Guaranteed Investment Certificate, CDN Western Trust, 1.11%, matured November 20, 2023	\$ -	\$ 44,836
Guaranteed Investment Certificate, Home Equity Bank, 2.30%, matured December 11, 2023	-	29,510
Guaranteed Investment Certificate, Home Trust Company, 1.04%, matured February 16, 2024	-	36,974
Guaranteed Investment Certificate, Versa Bank, 1.16%, matured March 4, 2024	-	36,085
Guaranteed Investment Certificate, General Bank of CDA, 2.05%, matures November 18, 2024	47,437	47,437
Guaranteed Investment Certificate, Equitable Bank, 2.54%, matures February 10, 2025	28,517	28,517
Guaranteed Investment Certificate, Royal Bank of Canada, 4.35%, matures August 18, 2025	80,567	80,567
Guaranteed Investment Certificate, Equitable Bank, 4.35%, matures March 9, 2026	39,570	39,570
Guaranteed Investment Certificate, Vancity Credit Union, 4.95%, matures December 14, 2026	32,322	-
Guaranteed Investment Certificate, CDN Western Bank, 4.71%, matures February 16, 2027	38,000	-
Guaranteed Investment Certificate, Home Equity Bank, 4.85%, matures December 8, 2027	50,176	-
Guaranteed Investment Certificate, Royal Bank of Canada, 5.05%, matures November 21, 2028	45,000	-
Guaranteed Investment Certificate, Fairstone Bank, 4.81%, matures December 8, 2028	50,177	-
Guaranteed Investment Certificate, Home Trust Company, 4.37%, matures March 5, 2029	53,000	-
Mutual Fund, RBC Investment Corporate Series A (29 units)	288	-
Accrued interest	14,600	8,637
	\$ 479,654	\$ 352,133

The carrying value plus accrued interest of the investments approximates market value as at March 31, 2024.

Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2024

3. Cash

The Society's bank accounts are held at one chartered bank. The bank accounts earn interest at a variable rate dependent on the monthly minimum balances.

4. Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and fixtures	\$ 23,874	\$ 6,645	\$ 18,548	\$ 3,640
Computers and software	61,461	31,548	40,396	23,439
	\$ 85,335	\$ 38,193	\$ 58,944	\$ 27,079
Net book value		\$ 47,142		\$ 31,865

5. Deferred Contributions Related to Capital Assets

Deferred contributions represent the unamortized amount of grants and restricted donations received to be used in the purchase of certain assets or in the settlement of certain obligations. The amortization of these contributions is recorded as revenue in the statement of operations.

	2024		2023	
Balance, beginning of year	\$ 23,600		\$ 13,452	
Ministry funding for the purchase of capital assets	21,066		17,767	
Amounts amortized to revenue	(8,476)		(7,619)	
Balance, end of year	\$ 36,190		\$ 23,600	

Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2024

6. Commitments

The Society has entered into an agreement to provide finance and payroll services which extends to June 30, 2024 with the option to extend for an additional one year period.

The Society operates from leased premises in Barrie under the terms of an agreement which extends to October 31, 2029. The Society also operates from leased premises in Orillia under the terms of an agreement that extends to February 28, 2025.

In addition, the Society has operating leases for copier equipment and office equipment which extend to November 2025 and networks leases which extend to December 31, 2026.

The minimum annual payments for the next four fiscal years and thereafter under the terms of these agreements are as follows:

March 31, 2025	\$	84,555
March 31, 2026		68,478
March 31, 2027		69,558
March 31, 2028		69,036
Thereafter		40,653
	\$	332,280

7. Net Assets

Unrestricted

	2024	2023
Balance, beginning of the year	\$ 295,501	\$ 223,141
Excess of revenues over expenses for the year	127,923	72,360
Balance, end of the year	\$ 423,424	\$ 295,501

Internally Restricted Reserve Fund

The Society has established a reserve fund from the bequest donation that was received in 2011 and 2012. This reserve fund will be used for future expenses as approved by the board of directors.

	2024	2023
Balance, beginning of the year and end of year	\$ 150,000	\$ 150,000

Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2024

8. Government Assistance

In 2020, the Society received the Canada Emergency Business Account (CEBA) loan for \$40,000. The Federal program was designed to help cover operating costs for companies experiencing temporary revenue reductions as a result of COVID-19. The program provides an interest free loan to eligible entities with the possibility for a portion to be forgiven if three quarters of the loan is repaid by December 31, 2023. As a result, \$10,000 of this loan was recognized as income in 2020. In the event the loan is not repaid by January 18, 2024, the loan is converted to a 2 year loan with 5% interest rate, monthly interest payments only required on a monthly basis commencing January 31, 2024, with a maturity date of the full principal amount on December 31, 2025. During the year, the Society repaid the \$40,000 CEBA loan and thus, the \$10,000 forgivable portion was not required to be repaid.

9. Economic Dependence

The Society received 65% (2023 - 60%) of its revenue from the Ministry of Health.

10. Contingencies

The Society receives funding from the Ministry of Health. The amount of funding provided to the Society is subject to final review and approval by the Ministry. As at the date of these financial statements, funding for the period April 1, 2021 to March 31, 2022, April 1, 2022 to March 31, 2023 and April 1, 2023 to March 31, 2024 had not been subject to this review process. As at March 31, 2024, \$19,989 (2023 - \$19,989) has been recorded by the Society as due to the Ministry. Any future adjustments required as a result of this review will be accounted for in the year the adjustment is determined.

Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2024

11. Financial Instrument Risk

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of fixed income denominated investments.

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Society is exposed to credit risk arising from its accounts receivable. Credit risk is the risk that the counterparty to the transaction will not pay. The majority of the Society's receivables are from government sources and the Society works to ensure they meet all eligibility criteria in order to qualify to receive the funding. The Society is also exposed to credit risk arising from its bank and investment accounts being held at financial institutions in excess of the amount insured by agencies of the federal government in the amount of \$100,000.

Liquidity Risk

Liquidity risk is the risk that the Society encounters difficulty in meeting its obligations associated with financial liabilities. Liquidity risk includes the risk that, as a result of operational liquidity requirements, the Society will not have sufficient funds to settle a transaction on the due date; will be forced to sell financial assets at a value which is less than what they are worth; or may be unable to settle or recover a financial asset. Liquidity risk arises from accounts payable and accrued liabilities, government remittances payable, amounts due to the Ministry.

There have been no changes to the Society's financial instrument risk exposure from the prior year.

Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2024

12. Allocation of Expenses

The Society classifies their expenses by function and allocates corporate administrative expenses from one function to another as described in note 1 - Significant Accounting Policies. Expenses have been allocated to various programs as follows:

	MIM Program	Ministry Programs	General Operations	2024 Total
Sundry	\$ 7,700	\$ 27,452	\$ 86,753	\$ 121,905
Equipment	-	3,255	8,914	12,169
Building and grounds	177	35,350	38,299	73,826
	\$ 7,877	\$ 66,057	\$ 133,966	\$ 207,900

	MIM Program	Ministry Programs	General Operations	2023 Total
Sundry	\$ 6,597	\$ 26,389	\$ 45,392	\$ 78,378
Equipment	-	3,060	5,125	8,185
Building and grounds	2,537	33,304	43,473	79,314
	\$ 9,134	\$ 62,753	\$ 93,990	\$ 165,877