

**Alzheimer Society of  
Simcoe County  
Financial Statements**  
For the year ended March 31, 2023

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## Independent Auditor's Report

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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, 2023, 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, 2023, 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, 2023 and 2022, current assets as at March 31, 2023 and 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the financial statements for the year ended March 31, 2022 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  
June 26, 2023

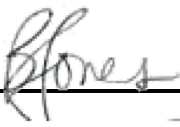
## Alzheimer Society of Simcoe County Statement of Financial Position


March 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash (note 2)	\$ 289,455	\$ 216,014
Investments (note 3)	352,133	344,400
Accounts receivable	30,027	6,374
HST receivable	16,617	9,764
Prepaid expenses	19,151	9,662
	707,383	586,214
Capital Assets, at cost less accumulated amortization (note 4)	31,865	14,048
	\$ 739,248	\$ 600,262

### Liabilities and Net Assets

<b>Current Liabilities</b>		
Accounts payable and accrued liabilities	\$ 124,535	\$ 57,812
Government remittances payable	7,549	6,457
Due to Ministry (note 10)	19,989	56,153
Canada Emergency Business Account (CEBA) Loan (note 5)	30,000	-
Deferred revenues	88,074	63,247
	270,147	183,669
Deferred Contributions Related to Capital Assets (note 6)	23,600	13,452
Canada Emergency Business Account (CEBA) Loan (note 5)	-	30,000
Commitments (note 7)		
<b>Net Assets (note 8)</b>		
Unrestricted	295,501	223,141
Internally restricted reserve fund	150,000	150,000
	445,501	373,141
	\$ 739,248	\$ 600,262

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** **2023** **2022**

### Revenues

Ministry of Health - base	\$ 734,152	\$ 680,455
- one-time	93,255	298
Fundraising	135,816	109,526
Ontario Trillium Foundation grant	102,709	-
Alzheimer Society of Ontario revenue sharing	93,039	22,391
General donations	84,423	70,403
Memorial donations	58,812	46,690
Expenditure recoveries	43,596	22,850
Grants	10,907	20,915
Interest income	7,722	6,843
Amortization of deferred contributions related to capital assets (note 6)	7,619	6,442
Government assistance (note 5)		
- Canada emergency wage subsidy (CEWS)	-	44,631
- Canadian emergency rent subsidy (CERS)	-	9,360
Bequest donations	-	200
	<b>1,372,050</b>	<b>1,041,004</b>

### Expenses

#### Education and Support Programs - Ministry

Compensation	418,428	396,380
Supplies	11,833	11,902
Sundry	36,804	46,959
Equipment	7,277	5,534
Buildings and grounds	33,304	30,379
	<b>507,646</b>	<b>491,154</b>

#### First Link - Ministry

Compensation	80,208	85,486
Supplies	338	91
Sundry	8,704	3,063
	<b>89,250</b>	<b>88,640</b>

## Alzheimer Society of Simcoe County Statement of Operations

For the year ended March 31	2023	2022
<b>Expenses (continued)</b>		
<b>In-Home Recreation Program - Ministry</b>		
Compensation	\$ 78,248	\$ -
Supplies	19,046	-
Sundry	7,779	-
Equipment	1,901	-
Buildings and grounds	378	-
	<b>107,352</b>	<b>-</b>
<b>General Operations</b>		
Compensation	279,751	182,484
Supplies	5,253	1,761
Sundry	118,206	63,669
Equipment	6,655	3,910
Buildings and grounds	43,473	35,482
Research donations	-	50
	<b>453,338</b>	<b>287,356</b>
<b>Minds in Motion Program - Ministry</b>		
Compensation	104,685	100,623
Supplies	2,847	21,631
Sundry	20,775	5,816
Equipment	890	419
Building and grounds	2,537	1,073
	<b>131,734</b>	<b>129,562</b>
<b>Total expenses</b>	<b>1,289,320</b>	<b>996,712</b>
<b>Excess of revenues over expenses before amortization expense</b>	<b>82,730</b>	<b>44,292</b>
<b>Amortization expense</b>	<b>(10,370)</b>	<b>(7,037)</b>
<b>Excess of revenues over expenses for the year</b>	<b>\$ 72,360</b>	<b>\$ 37,255</b>

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	2023	2022
<b>Cash flows from operating activities</b>		
Excess of revenues over expenses for the year	\$ 72,360	\$ 37,255
Charges (credits) to operations not involving cash		
Amortization of capital assets	10,370	7,037
Amortization of deferred contributions related to capital assets	(7,619)	(6,442)
	75,111	37,850
Changes in non-cash working capital balances		
Accounts receivable	(23,653)	14,007
Prepaid expenses	(9,489)	2,192
Accounts payable and accrued liabilities	66,723	(8,398)
Government remittances payable	1,092	(13,495)
Deferred revenues	24,827	3,517
Due to Ministry	(36,164)	19,989
HST receivable	(6,853)	(3,152)
	91,594	52,510
<b>Cash flows from investing activities</b>		
Additions to capital assets	(28,187)	(12,939)
Increase in investments	(7,733)	(6,843)
	(35,920)	(19,782)
<b>Cash flows from financing activities</b>		
Deferred contributions related to capital assets	17,767	12,939
<b>Increase in cash during the year</b>	<b>73,441</b>	<b>45,667</b>
<b>Cash, beginning of year</b>	<b>216,014</b>	<b>170,347</b>
<b>Cash, end of year</b>	<b>\$ 289,455</b>	<b>\$ 216,014</b>

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

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# Alzheimer Society of Simcoe County

## Notes to the Financial Statements

March 31, 2023

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### 1. Significant Accounting Policies

<b>Nature of Organization</b>	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.
<b>Basis of Presentation</b>	These financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.
<b>Use of Estimates</b>	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.
<b>Revenue Recognition</b>	<p>The Society follows the deferral method of accounting for contributions.</p> <p>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.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable if the amount can be reasonably estimated and collection is reasonably assured.</p> <p>Externally restricted contributions are recognized as revenue in the year in which the related expenses are recognized.</p> <p>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.</p>



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# Alzheimer Society of Simcoe County

## Notes to the Financial Statements

March 31, 2023

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### 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, 2023**

### 2. 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.

### 3. Investments

	2023	2022
Guaranteed Investment Certificate, CDN Western Trust, 1.11%, matures November 20, 2023	\$ 44,836	\$ 44,836
Guaranteed Investment Certificate, Home Equity Bank, 2.30%, matures December 11, 2023	29,510	29,510
Guaranteed Investment Certificate, Home Trust Company, 1.04%, matures February 16, 2024	36,974	36,974
Guaranteed Investment Certificate, Versa Bank, 1.16%, matures March 4, 2024	36,085	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	-
Guaranteed Investment Certificate, Equitable Bank, 4.35%, matures March 9, 2026	39,570	-
Guaranteed Investment Certificate, Canadian Tire Bank, 2.48%, matured August 16, 2022	-	71,274
Guaranteed Investment Certificate, Peoples Trust, 2.80%, matured February 27, 2023	-	34,987
Accrued interest	8,637	14,780
	<b>\$ 352,133</b>	<b>\$ 344,400</b>

The carrying value plus accrued interest of the investments approximates market value as at March 31, 2023.

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## Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2023

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#### 4. Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and fixtures	\$ 18,548	\$ 3,640	\$ 4,346	\$ 1,120
Computers and software	40,396	23,439	26,411	15,589
	<b>\$ 58,944</b>	<b>\$ 27,079</b>	<b>\$ 30,757</b>	<b>\$ 16,709</b>
Net book value		<b>\$ 31,865</b>		<b>\$ 14,048</b>

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#### 5. Government Assistance

The Society received the Canadian Emergency Business Account (CEBA) loan for \$40,000. This Federal program is designed to help cover operating costs for organizations 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 75% of the loan is repaid by December 31, 2023. As a result, \$10,000 of this loan was recognized as income in 2021. In the event the loan is not repaid by December 31, 2023, the loan is converted to a 2 year loan with 5% interest rate, monthly interest payments only are 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 determined they were eligible for \$NIL (2022 - \$44,631) of Canadian Emergency Wage Subsidy (CEWS) funding. The subsidy programs provides employers with assistance by paying a percentage of an employee's wages up to a maximum per week. The total eligible amount of the grant funding was recorded as revenue during the year.

During the year, the Society determined they were eligible for \$NIL (2022 - \$11,070) of Canadian Emergency Rent Subsidy (CERS) funding at March 31, 2023. The subsidy program provides employers with assistance by paying a percentage of their commercial rent.

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## Alzheimer Society of Simcoe County Notes to the Financial Statements

**March 31, 2023**

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### 6. 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.

	2023	2022
Balance, beginning of year	\$ 13,452	\$ 6,955
Ministry funding for the purchase of capital assets	17,767	12,939
Amounts amortized to revenue	(7,619)	(6,442)
Balance, end of year	\$ 23,600	\$ 13,452

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### 7. Commitments

The Society has entered into an agreement to provide finance and payroll services which extends to June 30, 2023 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, 2024.

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, 2024	\$	81,324
March 31, 2025		67,130
March 31, 2026		68,478
March 31, 2027		68,621
Thereafter		109,689
Total	\$	395,242

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## Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2023

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### 8. Net Assets

#### Unrestricted

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year	\$ 223,141	\$ 185,886
Excess of revenues over expenses for the year	<u>72,360</u>	<u>37,255</u>
Balance, end of the year	<u>\$ 295,501</u>	<u>\$ 223,141</u>

#### 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.

	<u>2023</u>	<u>2022</u>
Balance, beginning of the year and end of year	<u>\$ 150,000</u>	<u>\$ 150,000</u>

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### 9. Economic Dependence

The Society received 60% (2022 - 66%) of its revenue from the Ministry of Health.

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### 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 and April 1, 2022 to March 31, 2023 had not been subject to this review process. As at March 31, 2023, \$19,989 (2022 - \$56,153) 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.

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# Alzheimer Society of Simcoe County

## Notes to the Financial Statements

March 31, 2023

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### 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 and the CEBA loan.

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

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## Alzheimer Society of Simcoe County Notes to the Financial Statements

March 31, 2023

### 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	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
	<b>\$ 9,134</b>	<b>\$ 62,753</b>	<b>\$ 93,990</b>	<b>\$ 165,877</b>

	MIM Program	Ministry Programs	General Operations	2022 Total
Sundry	\$ 1,182	\$ 35,858	\$ 42,697	\$ 79,737
Equipment	-	2,313	3,910	6,223
Building and grounds	1,073	30,379	35,482	66,934
Compensation	-	19,991	-	19,991
	<b>\$ 2,255</b>	<b>\$ 88,541</b>	<b>\$ 82,089</b>	<b>\$ 172,885</b>