

**Alzheimer Society of York Region  
Financial Statements  
For the Year Ended March 31, 2024**

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## Independent Auditor's Report

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To the Members of Alzheimer Society of York Region

### Qualified Opinion

We have audited the financial statements of Alzheimer Society of York Region ("the Society"), which comprise the statement of financial position as at March 31, 2024, the statements of operations, changes in net assets 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 Alzheimer Society of York Region 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 charitable organizations, the Society derives revenue from fundraising and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, and cash flows from operations for the years ended March 31, 2024 and 2023, assets as at March 31, 2024 and 2023 and net assets as at April 1 and March 31 for both years. Our opinion on the financial statements for the year ended March 31, 2023 was modified accordingly because of the possible effect 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 Alzheimer Society of York Region 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 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 Alzheimer Society of York Region'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 Alzheimer Society of York Region or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing Alzheimer Society of York Region'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 Alzheimer Society of York Region'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 Alzheimer Society of York Region'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 Alzheimer Society of York Region 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 25, 2024

## Alzheimer Society of York Region Statement of Financial Position

March 31	2024	2023
<b>Assets</b>		
<b>Current</b>		
Cash and cash equivalents (Note 2)	\$ 715,499	\$ 1,282,327
Short-term investments (Note 2 and 3)	1,055,482	351,650
Accounts receivable	258,004	88,628
Harmonized sales tax recoverable	73,950	200,363
Prepaid expenses	27,623	28,186
	2,130,558	1,951,154
Restricted cash and cash equivalents (Note 2)	940,336	940,336
Long-term investments (Note 3)	149,306	228,592
Tangible capital assets (Note 4)	157,763	219,201
Artwork	11,525	13,775
	\$ 3,389,488	\$ 3,353,058
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities	\$ 324,648	\$ 326,837
Government remittances payable	48,565	60,789
Current portion of deferred revenue (Note 5)	630,135	592,066
	1,003,348	979,692
Deferred revenue (Note 5)	1,006,305	1,042,422
	2,009,653	2,022,114
<b>Commitments (Note 6)</b>		
<b>Net Assets</b>		
Internally restricted (Note 7)	940,336	940,336
Unrestricted	439,499	390,608
	1,379,835	1,330,944
	\$ 3,389,488	\$ 3,353,058

On behalf of the Board:

RCCgan Director

Jan Cole Director

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

## Alzheimer Society of York Region Statement of Changes in Net Assets

For the year ended March 31	Internally Restricted	Unrestricted	2024 Total	2023 Total
	(Note 7)			
Balance, beginning of the year	\$ 940,336	\$ 390,608	\$ 1,330,944	\$ 1,120,495
Excess of revenue over expenses	-	48,891	48,891	210,449
<b>Balance, end of the year</b>	<b>\$ 940,336</b>	<b>\$ 439,499</b>	<b>\$ 1,379,835</b>	<b>\$ 1,330,944</b>

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

## Alzheimer Society of York Region Statement of Operations

For the year ended March 31	2024	2023
<b>Revenue</b>		
Ontario Health (Note 8)	\$ 2,723,258	\$ 2,378,857
Donations, grants, professional training and event	750,023	1,079,128
Service fees	493,927	478,622
Other	103,758	73,154
	<b>4,070,966</b>	<b>4,009,761</b>
<b>Expenses</b>		
Program and services	3,304,610	3,062,993
Fund development	345,904	344,075
General operations	310,123	331,271
	<b>3,960,637</b>	<b>3,738,339</b>
<b>Excess of revenue over expenses from operations</b>	<b>\$ 110,329</b>	<b>\$ 271,422</b>
<b>Amortization</b>	<b>61,438</b>	<b>60,973</b>
<b>Excess of revenue over expenses</b>	<b>\$ 48,891</b>	<b>\$ 210,449</b>

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

## Alzheimer Society of York Region Statement of Cash Flows

For the year ended March 31	2024	2023
<b>Cash flows from operating activities</b>		
Excess of revenue over expenses	\$ 48,891	\$ 210,449
Items not affecting cash:		
Amortization of tangible capital assets	61,438	60,973
	110,329	271,422
Changes in non-cash working capital:		
Accounts receivable	(169,376)	(42,401)
Harmonized sales tax recoverable	126,413	(78,916)
Prepaid expenses	563	4,167
Accounts payable and accrued liabilities	(2,189)	108,459
Government remittance payable	(12,224)	9,269
Current portion of deferred revenue	38,069	81,880
	91,585	353,880
<b>Cash flows from investing activities</b>		
Purchase of investments	(624,546)	(41,558)
Purchase of tangible capital assets	-	(5,470)
Proceeds from sale of artwork	2,250	-
	(622,296)	(47,028)
<b>Cash flows from financing activities</b>		
Deferred revenue	(36,117)	(258,693)
<b>Net (decrease) increase in cash and cash equivalents</b>	<b>(566,828)</b>	<b>48,159</b>
<b>Cash and cash equivalents, beginning of the year</b>	<b>1,282,327</b>	<b>1,234,168</b>
<b>Cash and cash equivalents, end of the year</b>	<b>\$ 715,499</b>	<b>\$ 1,282,327</b>

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

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# Alzheimer Society of York Region Notes to Financial Statements

March 31, 2024

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## 1. Significant Accounting Policies

<b>Nature and Purpose of Organization</b>	<p>Alzheimer Society of York Region (the "Society") is incorporated without share capital under the Business Corporations Act of Ontario as a not-for-profit organization and is a registered charity under the Income Tax Act.</p> <p>The primary purpose of Alzheimer Society of York Region is to improve the quality of life for people diagnosed with Alzheimer's disease or a related dementia through the following approaches:</p> <ul style="list-style-type: none"><li>(a) providing education, outreach and counselling to family and professional caregivers;</li><li>(b) developing programs that offer respite to caregivers and social activities to people with dementia;</li><li>(c) promoting awareness and education about the disease in the community;</li><li>(d) supporting research into the cause and cure of the disease.</li></ul>										
<b>Basis of Accounting</b>	<p>The financial statements have been prepared using Canadian accounting standards for not-for-profit organizations.</p>										
<b>Tangible Capital Assets</b>	<p>Tangible capital assets are stated at cost or deemed cost less accumulated amortization. Tangible capital assets are amortized over their estimated useful lives on a straight-line basis at the following annual rates:</p> <table><thead><tr><th></th><th style="text-align: right;"><b>Rate</b></th></tr></thead><tbody><tr><td>Landscaping</td><td style="text-align: right;">10-15 years</td></tr><tr><td>Leasehold improvements</td><td style="text-align: right;">10-15 years</td></tr><tr><td>Office equipment</td><td style="text-align: right;">5-10 years</td></tr><tr><td>Vehicles</td><td style="text-align: right;">5 years</td></tr></tbody></table> <p>The Society regularly reviews its tangible capital assets to eliminate obsolete items.</p>		<b>Rate</b>	Landscaping	10-15 years	Leasehold improvements	10-15 years	Office equipment	5-10 years	Vehicles	5 years
	<b>Rate</b>										
Landscaping	10-15 years										
Leasehold improvements	10-15 years										
Office equipment	5-10 years										
Vehicles	5 years										
<b>Artwork</b>	<p>Artwork contributed is recorded at fair value or nominal value when fair value is not determinable. All other artwork is recorded at cost. Artwork is not being amortized.</p>										



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# Alzheimer Society of York Region

## Notes to Financial Statements

March 31, 2024

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### 1. Significant Accounting Policies (continued)

<b>Revenue Recognition</b>	<p>The Society follows the deferral method of accounting for contributions.</p> <p>Externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are incurred. Contributions for the purchase of tangible capital assets are deferred and amortized into revenue on a straight-line basis, at a rate corresponding with the amortization rate for the related tangible capital asset.</p> <p>Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.</p> <p>Investment income earned on restricted funds is deferred and recognized as revenue in accordance with the policies noted above. Other investment income is recognized as revenue when earned.</p> <p>Service fees are recognized after the service has been performed, the amount can be reasonably determined and collection is reasonably assured.</p>
<b>Donated Services</b>	<p>A number of people have contributed significant amounts of time to the activities of the Society without compensation. The fair value of these contributed services is not readily determinable and, as such, is not reflected in these financial statements.</p>
<b>Allocation of Administration Expenses</b>	<p>The Society classifies expenses on the Statement of Operations by function. Administration expenses are allocated proportionately on the same percentage as the direct salaries and benefits of the program.</p>

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## Alzheimer Society of York Region Notes to Financial Statements

March 31, 2024

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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 are reported at fair value, with any unrealized 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 capitalized and amortized over the expected life of the instrument using the straight-line method for those measured at cost or amortized cost.

The Society's financial instruments comprise cash and cash equivalents which are recorded at fair value and accounts receivable, harmonized sales tax recoverable, accounts payable and accrued liabilities and government remittances payable which are recorded at amortized cost.

#### 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 amount 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 include the useful lives and estimated future cash flows from tangible capital assets and accounts payable and accrued liabilities. Actual results could differ from management's best estimates as additional information becomes available in the future.

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## Alzheimer Society of York Region Notes to Financial Statements

March 31, 2024

### 2. Restricted Cash and Cash Equivalents

Certain cash and investments have been internally restricted for future expenses in accordance with guidelines issued by the Board of Directors. Included in restricted cash and short and long-term investments is \$940,336 (2023 - \$940,336) of cash held in a treasury account.

### 3. Investments

The carrying amounts of investments at market value are comprised of the following:

	2024	2023
Short-term investments		
GICs held at various financial institutions, 1.96%-5.2%, maturing on March 08, 2025	\$ 1,055,482	\$ 351,650
Long-term investments		
GICs held at various financial institutions, 2.25%-4.63%, maturing between January 27, 2026 and January 31, 2028	1,089,642	1,168,928
	\$ 2,145,124	\$ 1,520,578

### 4. Tangible Capital Assets

	2024		2023	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Landscaping	\$ 97,016	\$ 69,627	\$ 97,016	\$ 64,150
Leasehold improvements	450,587	329,477	450,587	304,563
Office equipment	136,075	129,090	136,075	125,385
Vehicles	136,711	134,432	136,711	107,090
	820,389	662,626	820,389	601,188
		\$ 157,763		\$ 219,201

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## Alzheimer Society of York Region Notes to Financial Statements

March 31, 2024

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### 5. Deferred Contributions

Deferred revenue consists of contributions for which the related restrictions remain unfulfilled.

Changes in the deferred contributions balance are as follows:

	2024	2023
Beginning balance	\$ 1,634,488	\$ 1,811,301
Add: Restricted funds received		
Fund development	207,400	129,116
Property and equipment	-	4,175
	1,841,888	1,944,592
Less: Restricted funds recognized as revenue		
Fund development	(142,579)	(147,441)
Property and equipment	(62,869)	(62,663)
Anonymous donations	-	(100,000)
	\$ 1,636,440	\$ 1,634,488

At year-end, the balance of deferred revenue is comprised of the following:

Carswell donation	\$ 408,333	\$ 408,333
Fund development	194,019	\$ 129,198
Property and equipment	179,921	242,790
Anonymous donations	854,167	854,167
	1,636,440	1,634,488
Less: Current portion	(630,135)	(592,066)
	\$ 1,006,305	\$ 1,042,422

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## Alzheimer Society of York Region Notes to Financial Statements

March 31, 2024

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### 6. Commitments

The Society is committed under operating leases for the rental of properties in Thornhill (Markham), Georgina and Aurora with varying lease terms to December 31, 2029. The decrease in annual commitments represents the expiry of existing contractual obligations and not a reduction in anticipated lease costs.

The future annual minimum basic lease payments are as follows:

2025	\$	128,864
2026		133,248
2027		123,225
2028		95,222
2029		87,976
Thereafter		<u>66,686</u>
	\$	<u>635,221</u>

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### 7. Internally Restricted Net Assets

	<u>2024</u>	<u>2023</u>
Contingency reserve	\$ 480,000	\$ 480,000
Facilities and program expansion	<u>460,336</u>	<u>460,336</u>
	<u>\$ 940,336</u>	<u>\$ 940,336</u>

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### 8. Ontario Health

Ontario Health ("OH") provides funding, based on annually approved budgets for fiscal periods ended March 31 for operating purposes. Ontario Health requires, at its request, that any unspent funding be returned.

There is no unspent annual funding repayable to OH as at March 31, 2024.

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## Alzheimer Society of York Region Notes to Financial Statements

March 31, 2024

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### 9. Financial Instruments

#### Concentration risk

The Society's financial instruments that are exposed to concentration risk relate primarily to cash as all of the Society's cash is held at one major Canadian financial institution which is insured by the Canadian Deposit Insurance Corporation up to \$100,000 for each type of account. Management believes this risk is not significant to the Society.

The Society receives approximately 67% (2023 - 59%) of its revenue from the Province of Ontario and is dependent on this funding to deliver its programs.

#### Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is exposed to credit risk from clients with respect to their service fees. In order to reduce its credit risk, the Society reviews a new client's credit history before extending credit and conducts regular reviews of its existing clients' credit performance. An allowance for doubtful accounts is established based upon factors surrounding the credit risk of specific accounts, historical trends and other information. The Society has a significant number of clients which minimizes concentration of credit risk. Allowance for doubtful accounts as at March 31, 2024 is \$Nil (2023 - \$Nil).

There have not been any changes in the risk from the prior year.

#### Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with financial liabilities. The Society is exposed to this risk mainly in respect of its accounts payable and accrued liabilities, and obligations under capital leases and operating lease commitments. To manage liquidity risk, the Society maintains sufficient resources readily available to meet its obligations.

There have not been any changes in the risk from the prior year.

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