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BDO Canada LLP  
239 Manitoba Street, Suite 1  
Bracebridge ON P1L 1S2 Canada

October 3, 2023

Alzheimer Society of Muskoka  
440 Ecclestone Drive  
Unit 17A  
Bracebridge, Ontario  
P1L 1Z6

Dear Mr. Provan:

Re: Alzheimer Society of Muskoka

The following items have been provided for your records:

1. 1 copy of the financial statements for the year ended March 31, 2023.
2. 1 copy of the T3010 Registered Charity Information Return.

The following items have been enclosed and require your attention:

1. A copy of year end adjusting journal entries which should be posted in your accounting system.
2. Management letter.

#### Other Information

We will look after filing your T3010 Registered Charity Information Return with Canada Revenue Agency, after it has been reviewed, approved and signed by you.

The enclosed return and attachments have been prepared on the basis of information provided to us.

If you have any questions concerning the above, please do not hesitate to call.

Yours truly,

A handwritten signature in black ink that reads "Nicole M. White, CPA, CA." The signature is written in a cursive style.

Nicole M. White, C.P.A., C.A.  
Partner  
BDO Canada LLP  
Chartered Professional Accountants, Licensed Public Accountants

**Alzheimer Society of Muskoka**  
**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 of Alzheimer Society of Muskoka

### Qualified Opinion

We have audited the accompanying financial statements of the Alzheimer Society of Muskoka, which comprise the statement of financial position as at March 31, 2023 and 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 effects of the matter described in the Basis for Qualified Opinion paragraph, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization 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

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Organization in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

In common with many charitable organizations, the Alzheimer Society of Muskoka derives revenue from membership fees, donations and fund raising receipts the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the organization. We were unable to determine whether any adjustments might be necessary to revenues other than grants and government funding, excess of revenues over expenses and cash flows from operations for the years ended March 31, 2023 and March 31, 2022, current assets as at March 31, 2023 and March 31, 2022, and net assets as at April 1 and March 31 for both the 2023 and 2022 years. Our audit opinion on the statements for the year ended March 31, 2022 was modified accordingly because of the possible effects of this limitation in scope.

### 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 Organization's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Organization or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Organization's financial reporting process.

#### Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Organization's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

*BDO Canada LLP*

Chartered Professional Accountants, Licensed Public Accountants

Bracebridge, Ontario  
October 3, 2023

## Alzheimer Society of Muskoka Statement of Financial Position

March 31	2023	2022
<b>Assets</b>		
<b>Current</b>		
Cash	\$ 128,146	\$ 69,304
Short-term investments (Note 2)	528,536	512,452
Accounts receivable	20,284	38,645
Prepaid expenses	2,944	2,496
	679,910	622,897
<b>Tangible capital assets (Note 3)</b>	<b>2,826</b>	<b>3,557</b>
	<b>\$ 682,736</b>	<b>\$ 626,454</b>
<b>Liabilities and Net Assets</b>		
<b>Current</b>		
Accounts payable and accrued liabilities (Note 4)	\$ 44,377	\$ 38,798
Repayable to the Local Health Integration Network (Note 5)	6,807	-
Deferred contributions (Note 6)	2,750	-
	53,934	38,798
<b>Deferred contributions related to capital assets (Note 7)</b>	<b>2,472</b>	<b>3,203</b>
	<b>56,406</b>	<b>42,001</b>
<b>Net Assets</b>		
Net assets internally restricted (Note 8)	248,219	248,219
Unrestricted net assets	378,111	336,232
	626,330	584,453
	<b>\$ 682,736</b>	<b>\$ 626,454</b>

On behalf of the Board:

DocuSigned by:

*Bobbie Dawson*

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\_\_\_\_\_  
Director\_\_\_\_\_  
Director

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## Alzheimer Society of Muskoka Statement of Changes in Net Assets

<b>For the year ended March 31</b>	Internally Restricted	Unrestricted	Total <b>2023</b>	Total 2022
<b>Balance</b> , beginning of year	<b>\$ 248,219</b>	<b>\$ 336,232</b>	<b>\$ 584,451</b>	\$ 496,803
Excess of revenue over expenses for the year	-	<b>48,686</b>	<b>48,686</b>	87,650
Repayable to the LHIN (Note 5)	-	<b>(6,807)</b>	<b>(6,807)</b>	-
<b>Balance</b> , end of year	<b>\$ 248,219</b>	<b>\$ 378,111</b>	<b>\$ 626,330</b>	\$ 584,453

The accompanying notes are an integral part of these financial statements

## Alzheimer Society of Muskoka Statement of Operations

For the year ended March 31	2023	2022
<b>Revenue (Fund Type 2)</b>		
Donations	\$ -	\$ 18,777
Provincial grants	353,847	235,520
Recoveries	410	-
Amortization of deferred contributions	679	853
	<b>354,936</b>	255,150
<b>Expenses (Fund Type 2)</b>		
Amortization of tangible capital assets	679	853
Benefit contributions	21,151	6,482
Equipment expenses	(11)	5,854
Supplies and sundry expenses	74,218	53,219
Buildings and grounds expenses	13,565	13,973
Salaries and wages	238,527	174,769
	<b>348,129</b>	255,150
<b>Excess of revenue over expenses for the year (Fund Type 2)</b>	<b>6,807</b>	-
<b>Fund Type 3 - Other</b>		
Revenue	248,509	242,811
Expenses	206,630	155,161
<b>Excess of revenue over expenses for the year (Fund Type 3)</b>	<b>41,879</b>	87,650
<b>Excess of revenue over expenses for the year</b>	<b>\$ 48,686</b>	\$ 87,650

The accompanying notes are an integral part of these financial statements

## Alzheimer Society of Muskoka Statement of Cash Flows

<b>For the year ended March 31</b>	<b>2023</b>	<b>2022</b>
<b>Cash provided by (used in)</b>		
<b>Operating activities</b>		
Excess of revenue over expenses for the year	\$ 48,686	\$ 87,650
Adjustment for		
Amortization of tangible capital assets	731	924
Amortization of deferred contributions related to capital assets	(731)	(924)
	<b>48,686</b>	87,650
Changes in non-cash working capital balances		
Accounts receivable	18,361	(12,765)
Prepaid expenses	(449)	992
Accounts payable and accrued liabilities	5,578	1,495
Deferred contributions	2,750	(500)
Other	-	(2,359)
	<b>74,926</b>	74,513
<b>Investing activities</b>		
Purchase of capital assets	-	993
Decrease (increase) in short-term investments	(16,084)	(67,972)
	<b>58,842</b>	7,534
<b>Increase in cash during the year</b>	<b>58,842</b>	7,534
<b>Cash, beginning of year</b>	<b>69,304</b>	61,770
<b>Cash, end of year</b>	<b>\$ 128,146</b>	\$ 69,304



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## Alzheimer Society of Muskoka Notes to Financial Statements

**March 31, 2023**

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### 1. Nature of Operations and Summary of Significant Accounting Policies

i) **Nature of Operations**

The Alzheimer Society of Muskoka is a not-for-profit organization incorporated without share capital under the laws of Ontario. The organization provides education and research support regarding Alzheimer disease, as well as support for families affected by the disease.

Provincial grants received from the Local Health Integration Network and the related expenditures of this funding are presented as fund 2 items on the statement of operations. All other sources of revenue and expenditures are presented as fund 3 items on the statement of operations.

The organization is a registered charity and, as such, is exempt from income tax and may issue tax receipts to donors.

ii) **Basis of Accounting**

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO).

iii) **Revenue Recognition**

The organization follows the deferral method of accounting for contributions.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received, or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

iv) **Financial Instruments**

Financial Instruments are recorded at fair value at initial recognition.

In subsequent periods, equities traded in an active market and derivatives are reported at fair value, with any change in fair value reported in income. All other financial instruments are reported at cost or amortized cost less impairment. Transaction costs on the acquisition, sale or issue of financial instruments are expensed for those items measured at fair value at each balance sheet date and charged to the financial instrument for those measured at amortized cost.

v) **Tangible Capital Assets**

Purchased tangible capital assets are stated at cost less accumulated amortization. Contributed tangible capital assets are recorded at fair value at the date of contribution and are amortized, unless fair value is not determinable in which case contributed tangible capital assets are recorded at nominal value at the date of contribution.

Amortization based on the estimated useful life of the asset is calculated as follows:

Computer equipment	- 30% declining balance basis
Equipment and furniture	- 20% declining balance basis
Leasehold improvements	- 20% declining balance basis

## Alzheimer Society of Muskoka Notes to Financial Statements

**March 31, 2023**

### 1. Nature of Operations and Summary of Significant Accounting Policies (continued)

#### vi) Contributed Materials and Services

Contributed materials which are used in the normal course of the organization's operations, and would otherwise have been purchased, are recorded at their fair value at the date of contribution if fair value can be reasonably estimated.

Because of the difficulty in determining their fair value, contributed services are not recognized in the financial statements.

### 2. Short term Investments

The carrying amounts of investments are comprised of the following:

	2023	2022
Canadian Imperial Bank of Commerce, Business Operating Account, variable interest rate	<b>\$ 528,536</b>	\$ 512,452

The organization is exposed to credit risk arising from all of its bank accounts and short-term deposits being held at one financial institution and deposits are only insured up to \$100,000.

The organization is exposed to cash flow risk on its business operating account which earn interest at variable rates. The cash flows will fluctuate because of changes in market rates.

### 3. Tangible Capital Assets

	2023		2022	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment	\$ 5,458	\$ 5,324	\$ 5,458	\$ 5,266
Equipment and furniture	12,132	9,440	12,132	8,767
Leasehold improvements	6,505	6,505	6,505	6,505
	<b>\$ 24,095</b>	<b>\$ 21,269</b>	<b>\$ 24,095</b>	<b>\$ 20,538</b>
Net book value		<b>\$ 2,826</b>		<b>\$ 3,557</b>

### 4. Accounts Payable and Accrued Liabilities

Included in accounts payable and accrued liabilities is \$7,638 (2022 - \$4,499) in government remittances payable.

## Alzheimer Society of Muskoka Notes to Financial Statements

**March 31, 2023**

### 5. Due to Local Health Integration Network

In accordance with the Local Health Integration Network (LHIN) funding agreements, any excess of revenue over expenses in the current year is repayable to the LHIN. The balance repayable is as follows:

	<b>2023</b>
<b>Balance</b> , beginning of year	\$ -
Less amounts repaid during the year	-
Plus current year surplus	<b>6,807</b>
<b>Balance</b> , end of year	<b>\$ 6,807</b>

### 6. Deferred Contributions

Deferred contributions represent restricted contributions received in the current period that relate to the subsequent period. Changes in deferred contribution balances are as follows:

	<b>2023</b>	2022
<b>Balance</b> , beginning of year	\$ -	\$ 500
Contributions received during the year	<b>2,750</b>	-
Contributions recognized as revenue in the year	-	(500)
<b>Balance</b> , end of year	<b>\$ 2,750</b>	<b>\$ -</b>

### 7. Deferred Contributions Related to Tangible Capital Assets

Deferred contributions related to tangible capital assets represent the unamortized portion of contributed tangible capital assets and restricted contributions used to purchase tangible capital assets. The changes in the deferred contributions balance for the year are as follows:

	<b>2023</b>	2022
<b>Balance</b> , beginning of year	\$ <b>3,203</b>	\$ 4,127
Less: amounts amortized to revenue Fund Type 2	<b>(679)</b>	(853)
Less: amounts amortized to revenue Fund Type 3	<b>(52)</b>	(71)
<b>Balance</b> , end of year	<b>\$ 2,472</b>	<b>\$ 3,203</b>

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## Alzheimer Society of Muskoka Notes to Financial Statements

**March 31, 2023**

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### 8. Net Assets Internally Restricted

In 2001, the Board of Directors internally restricted funds from unrestricted assets to be used for contingency purposes.

In 2015, the Board of Directors internally restricted funds received in 2014 from a bequest, for the purposes of the implementation of a five year strategic plan.

The total amount of internally restricted net assets at March 31, 2023 is as follows:

	<b>2023</b>	<b>2022</b>
Internally restricted for contingency purposes	<b>\$ 59,518</b>	\$ 59,518
Internally restricted for five year strategic plan	<b>188,701</b>	188,701
	<b><u>\$ 248,219</u></b>	<b><u>\$ 248,219</u></b>

These internally restricted amounts are not available for other purposes without approval of the Board of Directors.

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### 9. Commitments

The organization has leased premises for which the minimum annual lease payments, including contribution to operating costs, realty taxes, payments for utilities and other amounts, over the two fiscal years is approximately as follows:

<b>Year</b>	<b>Amount</b>
2024	\$ 17,000
2025	\$ 15,600

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### 10. Economic Dependence

The organization obtained a commitment from the Ministry of Health and Long-Term Care for continued funding on an annual basis to provide for salaries and related costs for education and First Link Care Navigation and supportive counselling.

Approximately 58% (2022 - 47%) of the organization's current revenue is received from the Ministry of Health and Long-Term Care. The continuation of some of the programs is dependent on this funding.

As the organization does not have long-term expenditure commitments, it could continue at a reduced service level without this funding.

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**Alzheimer Society of Muskoka**

Year End: March 31, 2023

Adjusting Journal Entries

Date: 2022-04-01 To 2023-03-31

Number	Date	Name	Account No	Reference	Debit	Credit	Recurrence	Misstatement
1	2023-03-31	Accrued Liabilities - Other	42590			4,507.53		
1	2023-03-31 (AS)	Administrative /Audit PEC	99-1-721100000-650201		2,253.77			
1	2023-03-31 (AS)	Administrative /Audit SC	99-1-721100000-650202		2,253.76			
To record PBC entry								
					<b>4,507.53</b>	<b>4,507.53</b>		
<b>Net Income (Loss)</b>			<b>48,687.09</b>					

Prepared by MD 2023-09-18	Combined Rev NW 2023-09-18	Gen Rev	EQCR
4th Level Rev	Tax Rev	IS Audit Rev	HST Resource

Alzheimer Society of Muskoka  
440 Ecclestone Drive  
Unit 17A  
Bracebridge ON  
P1L 1Z6

October 2, 2023

BDO Canada LLP  
Chartered Professional Accountants

This representation letter is provided in connection with your audit of the financial statements of Alzheimer Society of Muskoka for the year ended March 31, 2023, for the purpose of expressing an opinion as to whether the financial statements are presented fairly, in all material respects, in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.

We confirm that to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

### Financial Statements

We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 21, 2023, for the preparation of the financial statements in accordance with Canadian Accounting Standards for Not-for-Profit Organizations; in particular, the financial statements are fairly presented in accordance therewith.

- The methods, significant assumptions, and data used in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement and/or disclosure that are reasonable in accordance with Canadian Accounting Standards for Not-for-Profit Organizations.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Canadian Accounting Standards for Not-for-Profit Organizations.
- All events subsequent to the date of the financial statements and for which Canadian Accounting Standards for Not-for-Profit Organizations require adjustment or disclosure have been adjusted or disclosed.
- The financial statements of the entity use appropriate accounting policies that have been properly disclosed and consistently applied.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial statements as a whole. A list of the uncorrected misstatements is attached to the representation letter.
- We have reviewed and approved all journal entries recommended by the practitioners during the audit. A list of the journal entries is attached to the representation letter.

### Information Provided

- We have provided you with:
  - access to all information of which we are aware that is relevant to the preparation of the financial statements, such as records, documentation and other matters;
  - additional information that you have requested from us for the purpose of the audit; and

- unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- We are responsible for the design, implementation and maintenance of internal controls to prevent, detect and correct fraud and error, and have communicated to you all deficiencies in internal control of which we are aware.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.

### Fraud and Error

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
  - management;
  - employees who have significant roles in internal control; or
  - others where the fraud could have a material effect on the financial statements.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, analysts, regulators, or others.

### General Representations

- There were no direct contingencies or provisions (including those associated with guarantees or indemnification provisions), unusual contractual obligations nor any substantial commitments, whether oral or written, other than in the ordinary course of business, which would materially affect the financial statements or financial position of the entity, except as disclosed in the financial statements.

### Other Representations Where the Situation Exists

- We have informed you of all known actual or possible litigation and claims, whether or not they have been discussed with legal counsel. Since there are no actual, outstanding or possible litigation and claims, no disclosure is required in the financial statements.

Yours truly,

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Signature

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Position





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Fax: (705) 645-8125  
www.bdo.ca

BDO Canada LLP  
239 Manitoba Street, Suite 1  
Bracebridge, Ontario  
P1L 1S2

October 3, 2023

Alzheimer Society of Muskoka  
440 Ecclestone Drive, Unit 17A  
Bracebridge, Ontario  
P1L 1Z6

Dear Ms. Dawson,

During the course of our audit of the financial statements of Alzheimer Society of Muskoka for the year ended March 31, 2023, we identified matters which may be of interest to management. The objective of an audit is to obtain reasonable assurance whether the financial statements are free of any material misstatement and it is not designed to identify matters that may be of interest to management in discharging its responsibilities. Accordingly an audit would not usually identify all such matters.

The responsibility for producing financial statements and ensuring adequate internal controls and sound business practices is the responsibility of the Board of Directors through management and is a part of management's overall responsibility for the ongoing activities of the organization. Policies and procedures developed by the organization to safeguard its assets and to provide reasonable assurance that errors and irregularities or illegal acts are promptly identified, must be properly monitored to ensure that all staff are complying with the guidelines provided. Where we determined, from our testing, that there exists a need for improvement in existing systems of internal control or if we detected that the organization's staff are not complying with the critical accounting policies and procedures provided by management, we increased our year-end testing of account balances to ensure that audit risk was kept to an appropriately low level.

The comments and concerns expressed herein did not have a material effect on the organization's financial statements and, as such, our opinion thereon was without reservation. However, in order for the organization to ensure the safeguarding of its assets and the accuracy of its records, we believe our comments and concerns should be taken into consideration by management. Our comments are not intended to reflect upon the honesty or competence of the organization's employees.

The matters we have identified are discussed in Appendix 1.

This communication is prepared solely for the information of management and is not intended for any other purposes. We accept no responsibility to a third party who uses this communication.

We shall be pleased to discuss with you further any matters mentioned in this report at your convenience.



Yours truly,

*Nicole White, CPA, CA.*

Nicole White, CPA, CA  
Partner  
BDO Canada LLP  
Chartered Professional Accountants, Licensed Public Accountants



## *Appendix 1*

### *Underclaimed HST Rebates*

During our testing it was noted that all amounts that are eligible for an HST rebate may not be getting claimed when your HST return is being filed.

This is limiting the amount of money that you could get back from the government due to your status as a not-for-profit organization.

Ensure all amounts in which HST is paid by the organization are claimed when filing your HST return. This can be done by keeping track of expenses during the year that are not HST exempt, and thus a rebate is available.