



Financial Statements

Alzheimer Society of B.C.

March 31, 2022

Contents

	Page
Independent Auditor's Report	1 - 3
Statement of Revenues and Expenses	4
Statement of Financial Position	5
Statement of Changes in Net Assets	6
Statement of Cash Flows	7
Notes to the Financial Statements	8 - 19

Independent Auditor's Report

Grant Thornton LLP
Suite 1600
333 Seymour Street
Vancouver, BC
V6B 0A4
T +1 604 687 2711
F +1 604 685 6569

To the Members of
Alzheimer Society of B.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alzheimer Society of B.C. (the "Society"), which comprise the statement of financial position as at March 31, 2022, and the statements of revenues and expenses, 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, the accompanying financial statements present fairly, in all material respects, the financial position of the Alzheimer Society of B.C. as at March 31, 2022, and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for 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 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 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 a 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 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.

Report on other legal and regulatory requirements

As required by the Societies Act of British Columbia, we report that, in our opinion, these accounting principles have been applied on a basis consistent with that of the preceding year.

Grant Thornton LLP

Vancouver, Canada
June 29, 2022

Chartered Professional Accountants

Alzheimer Society of B.C.

Statement of Revenues and Expenses

Year ended March 31, 2022

	2022			2021		
	Operating	Research	Total	Operating	Research	Total
Revenues						
Bequests	\$ 1,357,437	\$ 1,130,679	\$ 2,488,116	\$ 3,585,233	\$ 75,937	\$ 3,661,170
Donations	2,414,348	205,802	2,620,150	1,863,146	233,063	2,096,209
Gaming	263,705	-	263,705	270,240	-	270,240
Government	2,821,032	-	2,821,032	2,823,159	-	2,823,159
National revenue (Note 12)	1,235,580	325,065	1,560,645	1,035,292	186,336	1,221,628
Special events (Note 10)	1,854,003	65,496	1,919,499	1,746,611	77,441	1,824,052
Investment income	169,906	-	169,906	208,774	-	208,774
	10,116,011	1,727,042	11,843,053	11,532,455	572,777	12,105,232
Expenses						
Advocacy and education (Note 9)	605,125	-	605,125	661,070	-	661,070
Marketing and communication (Note 9)	1,043,565	-	1,043,565	805,441	-	805,441
National operation assessment (Note 12)	277,777	-	277,777	245,376	-	245,376
Operations (Note 9)	523,865	-	523,865	388,574	-	388,574
Programs and services (Note 9)	4,288,612	-	4,288,612	4,022,641	-	4,022,641
Provincial operations (Note 9)	1,101,419	-	1,101,419	1,075,811	-	1,075,811
Research (Note 9)	-	1,045,653	1,045,653	-	976,907	976,907
Resource development (Note 9)	1,491,107	-	1,491,107	1,393,556	-	1,393,556
Special events (Note 10)	195,496	-	195,496	176,218	-	176,218
	9,526,966	1,045,653	10,572,619	8,768,687	976,907	9,745,594
Excess (deficiency) of revenues over expenses before amortization and other revenue	589,045	681,389	1,270,434	2,763,768	(404,130)	2,359,638
Canadian Emergency Subsidies (Note 18)	919,439	-	919,439	2,096,026	-	2,096,026
Amortization of deferred capital contributions	59,214	-	59,214	63,824	-	63,824
Amortization of equipment and leasehold improvements	(286,928)	-	(286,928)	(299,707)	-	(299,707)
Excess (deficiency) of revenues over expenses	\$ 1,280,770	\$ 681,389	\$ 1,962,159	\$ 4,623,911	\$ (404,130)	\$ 4,219,781

See accompanying notes to the financial statements.

Alzheimer Society of B.C.

Statement of Financial Position

March 31

2022

2021

Assets

Current

Cash	\$ 1,667,159	\$ 1,717,259
Investments (Note 3)	10,555,860	11,295,510
Receivables (Note 4)	220,524	277,910
Prepaid expenditures	244,640	200,954

	12,688,183	13,491,633
--	------------	------------

Equipment and leasehold improvements (Note 5)

	519,591	773,774
--	---------	---------

Investments (Note 3)

	10,680,088	10,371,356
--	------------	------------

	\$ 23,887,862	\$ 24,636,763
--	---------------	---------------

Liabilities

Current

Payables and accruals (Note 12)	\$ 529,078	\$ 613,473
Deferred lease charges	9,913	9,914
Deferred revenue (Note 6)	3,017,242	2,965,863

	3,556,233	3,589,250
--	-----------	-----------

Deferred capital contributions (Note 7)

	103,966	163,180
--	---------	---------

Deferred lease charges

	18,004	27,916
--	--------	--------

Deferred revenue - First Link[®] (Note 6)

	5,400,000	8,100,000
--	-----------	-----------

	9,078,203	11,880,346
--	-----------	------------

Net assets

Internally Restricted

Entity reserve	1,832,250	1,779,888
Operating and contingency reserve	1,099,350	1,067,932
Strategic opportunity reserve	8,586,036	7,194,077

Invested in property and equipment

	415,625	610,594
--	---------	---------

Research

	1,879,771	1,198,382
--	-----------	-----------

Endowment funds (Note 8)

	996,627	905,544
--	---------	---------

	14,809,659	12,756,417
--	------------	------------

	\$ 23,887,862	\$ 24,636,763
--	---------------	---------------

On behalf of the Board



Director



Director

Alzheimer Society of B.C.

Statement of Changes in Net Assets

Year ended March 31, 2022

								2022	2021
	Unrestricted	Entity Reserve	Operations Operating and Contingency Reserve	Strategic Opportunity Reserve	Invested in property and equipment	Research	Endowment funds (Note 8)	Total	Total
Balance, beginning of year	\$ -	1,779,888	1,067,932	7,194,077	\$ 610,594	\$ 1,198,382	\$ 905,544	\$ 12,756,417	\$ 8,371,235
Excess (deficiency) of revenues over expenses	-	52,362	31,418	1,424,704	(227,714)	681,389	-	1,962,159	4,219,781
Transfer	-	-	-	(32,745)	32,745	-	-	-	-
Contributions to endowment	-	-	-	-	-	-	-	-	25,000
Change in fair value of investments held in endowment funds	-	-	-	-	-	-	103,005	103,005	150,582
Investment income on endowment funds	-	-	-	-	-	-	18,338	18,338	13,027
Endowment distributions	-	-	-	-	-	-	(30,260)	(30,260)	(23,208)
Balance, end of year	\$ -	\$ 1,832,250	\$ 1,099,350	\$ 8,586,036	\$ 415,625	\$ 1,879,771	\$ 996,627	\$ 14,809,659	\$ 12,756,417

See accompanying notes to the financial statements.

Alzheimer Society of B.C.

Statement of Cash Flows

Year ended March 31

2022

2021

Cash flows provided by (used in)

Operating

Excess of revenues over expenses	\$ 1,962,159	\$ 4,219,781
Adjustments to determine cash flows		
Amortization of deferred capital contributions	(59,214)	(63,824)
Amortization of equipment and leasehold improvements	286,928	299,707
Unrealized (gain) loss on investments	71,298	119,535
Loss on disposal of equipment	14,796	-

	2,275,967	4,575,199
--	-----------	-----------

Change in non-cash working capital items

Receivables	57,386	(107,171)
Prepaid expenditures	(43,686)	(62,643)
Payables and accruals	(84,393)	(173,732)
Deferred lease charges	(9,913)	(9,913)
Deferred revenue	(2,648,621)	7,943,070

	(453,260)	12,164,810
--	-----------	------------

Financing

Endowment distributions	(30,260)	(23,208)
Endowment contributions	-	25,000

	(30,260)	1,792
--	----------	-------

Investing

Purchase of equipment and leasehold improvements	(47,541)	(26,010)
Decrease (increase) in investments	480,962	(11,921,039)

	433,421	(11,947,049)
--	---------	--------------

(Decrease) increase in cash

	(50,099)	219,553
--	----------	---------

Cash, beginning of year

	1,717,259	1,497,706
--	-----------	-----------

Cash, end of year

	\$ 1,667,159	\$ 1,717,259
--	--------------	--------------

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

1. Purpose of the Society

The Alzheimer Society of B.C. (the "Society") exists to ensure people affected by dementia are not alone, by educating and mobilizing a broader community of care around them and supporting valuable research into the disease and people living with it.

The Society is incorporated under the Societies Act of British Columbia as a not-for-profit organization and is a registered charity under the Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation

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

Fund accounting and revenue recognition

The Society follows the deferral method of accounting for contributions. Contributions are recorded as revenue when received or receivable except when the donor has specified that they are intended for a specific use or a future period, in which case they are deferred and recognized in the period the related expenditures are incurred. Deferred capital contributions are amortized to revenue on a basis consistent with the amortization of the capital assets acquired. Contributions are recognized when receivable if the amount can be reasonably estimated and collection is reasonably assured.

The Society is the named beneficiary in an annuity policy. Interest is recorded as revenue when the amount is received.

The Society maintains its accounts in accordance with the restrictions on the use of resources as designated by donors or the board of directors.

(a) Operating fund

Unrestricted revenues and expenses relating to program delivery, administration and special projects are reported in the operating fund and allocated to internally restricted reserve funds based on a percentage of normalized operating costs of prior year.

The Society allocates funds to three internally restricted reserves:

(i) Entity reserve

This reserve represents funds that are protected for the sole purpose in the unexpected event of a wind up of the Society.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

(ii) Operating and contingency reserve

This reserve will provide an internal source of funds for circumstances such as highly volatile funding streams, in particular: planned giving, sudden increases of unavoidable expenses, one-time unbudgeted/unanticipated expenses, unanticipated loss in funding, uninsured losses, extraordinary unanticipated events, changes in laws or regulations, and potential catastrophic events.

(iii) Strategic opportunity reserve

This reserve is an internally restricted fund to provide funds to meet special targets, to further strategic goals and ongoing needs to further the Society's mission.

(b) Research fund

Revenues and expenses relating to research program activities are reported in the research fund. Research expenditures approved by the board of directors on an annual basis for the following year are not to exceed the funds available at the end of the current year.

(c) Endowment fund

Endowments consist of externally restricted amounts where the endowment principle is to be maintained intact. Endowment contributions and interest are recognized as direct increases in net assets.

Contributed services

Volunteers contribute their time each year to assist the Society in carrying out its program activities. Due to the difficulty of determining their fair value, contributed services are not recognized in these financial statements.

Non-cash donations

As part of its fund development, the Society receives non-cash donations consisting mainly of items for auctions. The fair value of these donations totals approximately \$359 (2021 - \$2,734). The donations have not been recognized in the statement of revenues and expenses.

Cash and cash equivalents

Cash and cash equivalents consist of unrestricted cash on hand and balances held with banks.

The Society has a business line of credit of \$135,000 (2021 – \$135,000) with its banking institution.

Deferred lease charges

Deferred lease charges are amortized on a straight-line basis over the lease term.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

2. Summary of significant accounting policies (continued)

Equipment and leasehold improvements

Equipment and leasehold improvements are recorded at cost. Amortization is provided on a straight-line basis over the estimated useful lives of the assets as follows:

Computer and office equipment	5 – 10 years
Leasehold improvements	lease period plus one renewal period, if any (5-10 years)
Computer software	7 years
Skype for Business	8 years

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all of its financial assets and financial liabilities at amortized cost, with the exception of investments which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash and receivables.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include payables and accruals.

Program costs

The Society engages in support and education, advocacy, research, and fund development programs. The costs of each program include costs of personnel, rent and utilities, and other expenses that are directly related to providing these programs. The Society also incurs a number of general support expenses in its provincial office that are common to the administration of the organization and each of its programs.

For some general support expenditures, an appropriate basis of allocating each component expense is identified and applied consistently each year. Corporate governance costs are not allocated. General support expenses such as provincial office rent and utilities, postage and courier and information technology support are allocated proportionately on the basis of number of personnel in each program area. Executive management costs are allocated proportionately on the basis of estimated time spent supporting each program.

Use of estimates

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that could affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of fair market value of non-cash donations and the determination of useful lives of property and equipment for calculating amortization. Actual results could differ from those estimates.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

3. Investments	2022		2021	
	Market value	Cost	Market value	Cost
Fixed income investments	\$ 13,860,767	13,740,846	\$ 13,688,889	\$ 13,573,854
Equity funds	699,460	440,989	633,463	448,707
Money market funds/other	5,153,885	5,161,039	5,720,551	5,720,403
Annuity	1,521,836	1,521,836	1,623,963	1,623,963
	\$ 21,235,948	\$ 20,864,710	\$ 21,666,866	\$ 21,366,927
Less: current portion	10,555,860	10,559,439	11,295,510	11,295,510
	\$ 10,680,088	\$ 10,305,271	\$ 10,371,356	\$ 10,071,417

In March 2021, the Society received a bequest in the form of an annuity. The annuity premium of \$1,623,963 was not subject to restrictions and will be received from the insurer through twenty equal annual instalments of \$102,127. In April 2021, the Society received its first payment of \$102,127, which was principal returned.

The market value of the equity funds includes USD equities in the amount of USD \$207,562 (2021 - \$139,789). The market value of the money market funds/other includes cash equivalents of USD \$691 (2021 - \$691).

4. Receivables	2022	2021
Public Health Agency of Canada	\$ 124,988	\$ 98,525
GST receivable	74,598	72,830
Credit card transactions	12,907	12,125
Other receivables	8,031	24,188
Canadian Emergency Rent Subsidy	-	70,242
	\$ 220,524	\$ 277,910

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

		<u>2022</u>		<u>2021</u>	
		Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 592,695	437,352	\$ 155,343	\$ 103,470	
Computer software	213,839	182,682	31,157	122,193	
Office equipment	423,126	301,873	121,253	162,512	
Leasehold improvements	942,572	754,929	187,643	317,249	
Skype for Business	65,933	41,738	24,195	68,350	
	<u>\$ 2,238,165</u>	<u>\$ 1,718,574</u>	<u>\$ 519,591</u>	<u>\$ 773,774</u>	

		<u>2022</u>	<u>2021</u>
6. Deferred revenue			
Grant for First Link® - Ministry of Health		\$ 8,100,000	\$ 10,800,000
Projects funded by Direct Access grant		250,000	250,000
Forget Me Not Golf Tournament		50,000	-
Other		17,242	15,863
		<u>\$ 8,417,242</u>	<u>\$ 11,065,863</u>
Less: current portion		<u>3,017,242</u>	<u>2,965,863</u>
		<u>\$ 5,400,000</u>	<u>\$ 8,100,000</u>

Grant for First Link® - Ministry of Health received and recognized as revenue are as follows:

	<u>2022</u>	<u>2021</u>
Balance, beginning of year	\$ 10,800,000	\$ 2,700,000
Grants received	-	10,800,000
Recognized as revenue	<u>(2,700,000)</u>	<u>(2,700,000)</u>
Balance, end of year	<u>\$ 8,100,000</u>	<u>\$ 10,800,000</u>

In partnership with the Society, the Ministry of Health provides funding for approximately 50 per cent of the First Link® operating costs. This funding partnership is reviewed on an annual basis. These grants must be used by March 31, 2025.

7. Deferred capital contributions		<u>2022</u>	<u>2021</u>
Balance, beginning of year		\$ 163,180	\$ 227,004
Amortization		<u>(59,214)</u>	<u>(63,824)</u>
Balance, end of year		<u>\$ 103,966</u>	<u>\$ 163,180</u>

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

8. Endowment funds

Endowments consist of donations made to the Society where the principal gift is required to be maintained intact in perpetuity. The investment income generated from the endowments must be used in accordance with purposes established by the donors. Distributions are made from investment income. The purposes of these endowments include:

- providing scholarships for training in dementia care (David Macaree Memorial);
- supporting the development of materials and resources to carry out early-stage support across B.C. (H. Clark Bentall);
- supporting research focusing on young onset Alzheimer's disease (Nell Brown);
- supporting advocacy and support and education services (Grace Bowden);
- supporting the Society's general support and education services (Steve and Eva Floris);
- supporting the Society in providing programs and services for caregivers (Theodore and Helen Bourque); and
- areas of most need including, when possible, young onset dementia education (John F. Bramble).

Endowments are as follows:

	2022							2021	
	David Macaree Memorial	H. Clark Bentall	Nell Brown	Grace Bowden	Steve and Eva Floris	Theodore and Helen Bourque	John F. Bramble	Total	Total
Balance, beginning of year	\$ 60,945	56,911	48,262	58,956	200,205	455,265	25,000	\$ 905,544	\$ 740,143
Contributions	-	-	-	-	-	-	-	-	25,000.00
Realized / unrealized gain (loss)	6,932	6,474	5,490	6,706	22,773	51,786	2,844	103,005	150,582
Investment income	1,234	1,153	977	1,194	4,054	9,220	506	18,338	13,027
Distributions	(700)	(1,992)	(1,689)	(2,063)	(7,007)	(15,934)	(875)	(30,260)	(23,208)
Balance, end of year	\$ 68,411	\$ 62,546	\$ 53,040	\$ 64,793	\$ 220,025	\$ 500,337	\$ 27,475	\$ 996,627	\$ 905,544

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

9. Allocation of expenses

Resource development expenses reported in the statement of revenues and expenses of \$1,491,107 (2021 - \$1,393,556) are reported after an allocation of \$37,417 (2021 - \$33,393) to support, education and regional services representing the cost of developing specific funding proposals which serve to educate key stakeholders on Alzheimer's disease and dementias.

Executive management, information technology and general support expenses of \$959,939 (2021 - \$931,503) have been allocated as follows:

	<u>2022</u>	<u>2021</u>
Advocacy and education	\$ 108,785	\$ 112,915
Marketing and communication	114,973	106,906
Operations	59,383	52,533
Programs and services	309,327	294,902
Provincial operations	134,737	124,767
Research	56,309	45,440
Resource development	176,425	194,041
	<u>\$ 959,939</u>	<u>\$ 931,503</u>

10. Special events

During the year, the Society received funds by hosting special fundraising events. Funds raised by the special events are as follows:

	<u>2022</u>			<u>2021</u>		
	<u>Revenues</u>	<u>Expenses</u>	<u>Total</u>	<u>Revenues</u>	<u>Expenses</u>	<u>Total</u>
IG Wealth Management						
Walk for Alzheimer's	\$ 834,188	\$ 83,235	\$ 750,953	\$ 724,730	\$ 90,021	\$ 634,709
Forget Me Not						
Golf Tournament	321,482	77	321,405	407,207	-	407,207
Breakfast to						
Remember	246,576	65,744	180,832	243,920	47,331	196,589
Climb for Alzheimer's	95,344	17,902	77,442	75,987	7,328	68,659
Telethon						
(Chinese Community)	161,166	27,386	133,780	216,973	30,213	186,760
Other events	260,743	1,152	259,591	155,235	1,325	153,910
	<u>\$ 1,919,499</u>	<u>\$ 195,496</u>	<u>\$ 1,724,003</u>	<u>\$ 1,824,052</u>	<u>\$ 176,218</u>	<u>\$ 1,647,834</u>

A total of \$65,496 (2021 - \$77,441) of the funds raised by special events has been designated for research purposes, \$64,296 (2021 - \$77,441) is the net proceeds of the Forget Me Not Golf Tournament.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

11. Service club gaming revenues

The Society received donations of gaming revenues from various community service clubs of \$13,705 (2021 - \$20,240). These amounts are included in operating fund revenues.

12. Related party transactions

The Alzheimer Society of B.C. and the Alzheimer Society of Canada (“ASC”) are named partners in an unincorporated federation referred to as the Alzheimer Society Federation, a network of partners committed to a common vision and shared brand, while remaining legally independent from one another. Funds received by ASC are distributed to the provincial Alzheimer Society in the province and/or territory from which funds originate. Previously, research-designated funds were distributed in this way; however, effective January 1, 2022, funds received by ASC designated for research remain with ASC. The ASC board expense budget, including research, the capacity fund and executive leadership council expenditures, are supported through provincial Alzheimer Society assessments.

During the year, the Society received net donations of \$1,560,645 (2021 - \$1,221,628) from ASC as follows:

	<u>2022</u>	<u>2021</u>
Bequests	\$ 531,218	\$ 401,025
Direct mail	916,138	898,151
General donations	175,395	130,036
HealthPartners	32,820	38,691
Major gifts	21,184	16,117
Memorial donations	64,988	41,319
Research	424,181	186,336
	<u>2,165,924</u>	1,711,676
Less direct mail expenses	<u>605,279</u>	<u>490,048</u>
	<u>\$ 1,560,645</u>	<u>\$ 1,221,628</u>

In addition, the Society received donations from ASC for the IG Wealth Management Walk for Alzheimer’s Sponsorship of \$117,369 (2021 – \$149,137) which is included in special events revenue.

During the year, the Society incurred expenditures of \$1,155,554 (2021 - \$1,050,376) to ASC, including a national operation assessment of \$277,777 (2021 - \$245,376) and research grants and expenditures of \$877,777 (2021 - \$805,000).

Payables and accruals include \$187,871 (2021 - \$281,305) due to ASC.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

13. Commitments

(a) Premises

The Society has lease commitments for premises, excluding operating expenses, over the next five years as follows:

2023	\$	371,843
2024		368,008
2025		283,908
2026		207,163
2027 and thereafter		<u>333,520</u>
	\$	<u>1,564,442</u>

(b) Alzheimer Society of Canada

Pursuant to the Memorandum of Understanding with ASC, the board of directors is committed to funding research grants and expenditures of \$344,519 and a national operating assessment of \$298,643 for the year ending March 31, 2023.

14. Alzheimer Research Foundation of B.C.

The Society controls the Alzheimer Research Foundation of B.C. (the "Foundation"). The Foundation raises funds to facilitate, promote and carry out research into the cause, treatment and cure of dementia. The Foundation is incorporated under the Society Act of British Columbia and is a registered charity under the Income Tax Act. The Society appoints the Foundation's board of directors and, according to the Foundation's bylaws, it is the intention of the Foundation to confine the Foundation's charitable activities to making gifts to "qualified donees" as defined in the Income Tax Act.

The Foundation has not been consolidated in the Society's financial statements. Financial statements of the Foundation are available on request. During the year ended March 31, 2022, the Foundation contributed \$Nil (2021 - \$20,000) to the Society.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

15. Externally-held endowment funds

Funds held by the Vancouver Foundation and Victoria Foundation are permanent externally-held endowments, only the interest income of which is available for the benefit of the Society. These endowments are not included in the financial statements.

The fair market value of funds held by the Vancouver Foundation and Victoria Foundation for the benefit of the Society as of March 31, 2022 is \$995,616 (2021 - \$981,278) and \$14,581 (2021 - \$14,305), respectively. During the year, the Society received interest of \$20,064 (2021 - \$35,743) from the Vancouver Foundation.

16. Financial instruments

The carrying amount of financial assets measured at amortized cost that includes cash and receivables is \$1,813,085 as at March 31, 2022 (2021 - \$1,852,097).

The carrying amount of financial assets measured at fair value that includes investments is \$21,235,948 as at March 31, 2022 (2021 - \$21,666,866).

The carrying amount of financial liabilities measured at amortized cost is \$529,078 as at March 31, 2022 (2021 - \$613,473).

Market risk

Market risk is the potential for financial loss to the Society from changes in the values of its financial instruments due to changes in interest rates, equity prices and other price risks. The investments of the Society are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Interest rate risk

The Society's short-term investments include fixed income investments and money market funds. Fixed income investments bear fixed interest rates which reduces the future effects on earnings should interest rates change materially, while money market funds are exposed to future changes in interest rates. Interest rates are monitored to manage the risk.

Fixed income investments bear interest from 0.6% to 3.6% and mature between April 2022 and January 2027.

Equity price risk

Equity price risk is the risk that the value of financial instruments will fluctuate due to changes in market prices. The Society is exposed to equity price risk on its investments in equity securities.

Other price risk

Other price risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in market prices, other than those arising from interest rates. All investments represent a risk of loss of capital. Investments held by the Society are susceptible to other price risk arising from uncertainties about future prices of the investments. The maximum risk resulting from the investments is determined by the fair value of their total investments. The Society actively manages market risk through its investment policy that outlines the objectives, constraints, and parameters related to its investment activities. The Finance Committee and management regularly review investments to ensure all activities adhere to the investment policy.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

16. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Society cannot meet a demand for cash or fund its obligations as they come due. Maximum exposure to liquidity risk is \$529,078 (2021 - \$613,473), which is due to be paid in full before March 31, 2022.

Liquidity risk is managed by investing the majority of the Society's assets in investments that are traded in an active market and can be readily liquidated. In addition, the Society retains sufficient cash positions to maintain liquidity.

Credit risk

The Society is exposed to the risk that the counterparty defaults or becomes insolvent. Financial instruments that potentially subject the Society to concentrations of credit risk are receivables. Investments in pooled funds that hold debt securities are also exposed to such risks. The Society limits the credit risk of investments in money market funds and bond funds by adhering to the investment policy in place which limits exposure to such investments. The maximum exposure to credit risk in terms of receivables is \$145,926 (2021 - \$134,838).

The Society manages credit risk on receivables by monitoring debtor balances on a month-to-month basis by the Finance Committee and management.

Foreign currency risk

The Society holds equities and cash equivalents in USD exposing the Society to fluctuations in this currency. The Society does not use derivative instruments to reduce its exposure to foreign currency risk. Net exposure at March 31, 2022 was \$260,837 (2021 - \$175,951).

17. Disclosure required under the Societies Act

On November 28, 2016 the new British Columbia Societies Act came into force. Included in the new Act is a requirement to disclose the remuneration paid to all directors, the ten highest paid employees and all contractors who are paid at least \$75,000 annually. There were no amounts paid to directors during the year.

The Society paid \$1,251,032 (2021 - \$1,238,232) in remuneration to the ten highest paid employees whose remuneration, during the applicable period, was at least \$75,000. There were no persons under a contract for services with the Society whose remuneration was at least \$75,000.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2022

18. Impact of COVID-19

In March 2020, there was a global outbreak of COVID-19 (coronavirus), which had a significant impact on businesses and not-for-profit organizations through the slowdown of the global economy, disruption of the financial markets and restrictions put in place by the federal, provincial and municipal governments regarding travel, business operations, and quarantine orders.

At this time, the extent of the impact of the COVID-19 outbreak on the Society in the long-term is uncertain; however, through adapting programming and events-based fundraising, as well as focusing on strengthening existing revenue streams, including having secured a multi-year funding commitment from the B.C. Government, the Society should maintain its capacity to generate revenue. Additionally, the Society does not rely on earned income, a revenue stream in the charitable sector that has been severely impacted.

The inability to predict the ongoing duration of the pandemic, the efficacy of government and central bank monetary and fiscal interventions designed to stabilize economic conditions and the potential re-introduction of travel restrictions, business closures or disruptions, and current and future isolation measures that may be put in place to support the public health response will continue to influence the Society's operations.

As a result of COVID-19, the Society took advantage of government assistance programs in place, resulting in the recognition of \$788,305 (2021 - \$2,025,784) of revenue relating to the Canada Emergency Wage Subsidy, \$111,407 (2021 - \$70,242) of revenue relating to the Canada Emergency Rent Subsidy and \$19,727 (2021 - \$Nil) of revenue related to the Canada Recovery Hiring Program in the year.

19. Comparative Figures

Comparative figures have been reclassified to conform to the classification used in the current year.
