



Financial Statements

Alzheimer Society of B.C.

March 31, 2024

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Independent Auditor's Report

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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, 2024, 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, 2024, 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 24, 2024

Chartered Professional Accountants

Alzheimer Society of B.C.

Statement of Revenues and Expenses

Year ended March 31, 2024

	2024				2023			
	Operating	Research	Yukon	Total	Operating	Research	Yukon	Total
Revenues								
Bequests	\$ 667,208	\$ 1,909,598	\$ -	\$ 2,576,806	\$ 1,833,066	\$ 2,184,301	\$ -	\$ 4,017,367
Donations	1,961,245	234,587	-	2,195,832	2,220,246	210,949	-	2,431,195
Gaming	346,459	-	-	346,459	261,250	-	-	261,250
Government	3,317,565	-	150,000	3,467,565	2,821,032	-	-	2,821,032
Investment income	609,627	-	-	609,627	470,993	-	-	470,993
National revenue (Note 12)	1,025,090	-	-	1,025,090	1,382,434	-	-	1,382,434
Special events (Note 10)	2,395,140	134,077	-	2,529,217	2,276,581	119,048	-	2,395,629
	10,322,334	2,278,262	150,000	12,750,596	11,265,602	2,514,298	-	13,779,900
Expenses								
Community engagement (Note 9)	2,098,674	-	-	2,098,674	1,775,032	-	-	1,775,032
Community services (Note 9)	5,066,296	-	-	5,066,296	3,909,209	-	-	3,909,209
Marketing and communication (Note 9)	1,404,684	-	-	1,404,684	1,130,194	-	-	1,130,194
National operation assessment (Note 12)	301,257	-	-	301,257	298,643	-	-	298,643
Operations (Note 9)	1,056,731	-	-	1,056,731	1,076,448	-	-	1,076,448
Provincial operations (Note 9)	906,803	-	-	906,803	862,387	-	-	862,387
Research (Note 9)	-	562,902	-	562,902	-	585,020	-	585,020
Resource development (Note 9)	2,219,901	-	-	2,219,901	1,818,996	-	-	1,818,996
Special events (Note 10)	449,582	-	-	449,582	428,521	-	-	428,521
Yukon services	-	-	150,000	150,000	-	-	-	-
	13,503,928	562,902	150,000	14,216,830	11,299,430	585,020	-	11,884,450
(Deficiency) excess of revenues over expenses before amortization and other revenue	(3,181,594)	1,715,360	-	(1,466,234)	(33,828)	1,929,278	-	1,895,450
Amortization of deferred capital contributions	30,329	-	-	30,329	63,363	-	-	63,363
Amortization of equipment and leasehold improvements	(157,662)	-	-	(157,662)	(245,636)	-	-	(245,636)
(Deficiency) excess of revenues over expenses	\$ (3,308,927)	\$ 1,715,360	\$ -	\$ (1,593,567)	\$ (216,101)	\$ 1,929,278	\$ -	\$ 1,713,177

See accompanying notes to the financial statements.

Alzheimer Society of B.C.

Statement of Financial Position

March 31

2024

2023

Assets

Current

Cash	\$ 1,143,776	\$ 2,261,496
Investments (Note 3)	10,901,261	16,246,632
Receivables (Note 4, Note 12)	140,257	406,183
Prepaid expenditures	267,240	229,437

12,452,534 19,143,748

Equipment and leasehold improvements (Note 5)

239,445 326,821

Investments (Note 3)

5,668,254 3,642,990

\$ 18,360,233 \$ 23,113,559

Liabilities

Current

Payables and accruals	\$ 451,091	\$ 579,702
Deferred lease charges	8,091	9,913
Deferred revenue (Note 6)	3,009,108	3,324,165

3,468,290 3,913,780

Deferred capital contributions (Note 7)

35,671 40,603

Deferred lease charges

- 8,091

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

- 2,700,000

3,503,961 6,662,474

Net assets

Internally restricted

Entity reserve 2,178,910 1,902,751

Operating and contingency reserve 1,307,346 1,141,651

Strategic opportunity reserve 4,718,203 8,386,540

Invested in property and equipment

203,774 286,218

Research

5,524,409 3,809,049

Endowment funds (Note 8)

923,630 924,876

14,856,272 16,451,085

\$ 18,360,233 \$ 23,113,559

Commitments (Note 13)

On behalf of the Board



Director



Director

Alzheimer Society of B.C.

Statement of Changes in Net Assets

Year ended March 31, 2024

							2024	2023
	Entity Reserve	Operating and Contingency Reserve	Strategic Opportunity Reserve	Invested in property and equipment	Research	Endowment funds (Note 8)	Total	Total
Balance, beginning of year	\$ 1,902,751	\$ 1,141,651	\$ 8,386,540	\$ 286,218	\$ 3,809,049	\$ 924,876	\$ 16,451,085	\$ 14,809,659
Excess (deficiency) of revenues over expenses	276,159	165,695	(3,623,448)	(127,333)	1,715,360	-	(1,593,567)	1,713,177
Transfer	-	-	(44,889)	44,889	-	-	-	-
Change in fair value of investments held in endowment funds	-	-	-	-	-	(21,807)	(21,807)	(82,591)
Investment income on endowment funds	-	-	-	-	-	60,561	60,561	44,028
Endowment distributions	-	-	-	-	-	(40,000)	(40,000)	(33,188)
Balance, end of year	\$ 2,178,910	\$ 1,307,346	\$ 4,718,203	\$ 203,774	\$ 5,524,409	\$ 923,630	\$ 14,856,272	\$ 16,451,085

See accompanying notes to the financial statements.

Alzheimer Society of B.C.

Statement of Cash Flows

Year ended March 31

2024

2023

Cash flows provided by (used in)

Operating

(Deficiency) excess of revenues over expenses	\$ (1,593,567)	\$ 1,713,177
Adjustments to determine cash flows		
Amortization of deferred capital contributions	(30,329)	(63,363)
Amortization of equipment and leasehold improvements	157,662	245,636
Unrealized (gain) loss on investments	(5,380)	97,289

	(1,471,614)	1,992,739
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Change in non-cash working capital items

Receivables	265,926	(185,659)
Prepaid expenditures	(37,803)	15,206
Payables and accruals	(128,611)	50,624
Deferred lease charges	(9,913)	(9,913)
Deferred revenue	(3,015,057)	(2,393,077)

	(4,397,072)	(530,080)
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Financing

Endowment distributions	(40,000)	(33,188)
Deferred capital contribution	25,397	-

	(14,603)	(33,188)
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Investing

Purchase of equipment and leasehold improvements	(70,286)	(52,866)
Decrease in investments	3,364,241	1,210,471

	3,293,955	1,157,605
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(Decrease) increase in cash

	(1,117,720)	594,337
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Cash, beginning of year

	2,261,496	1,667,159
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Cash, end of year

	\$ 1,143,776	\$ 2,261,496
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Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

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. Endowment contributions and interest are recognized as direct increases in net assets.

All investment income is accrued as it is earned.

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. The Society allocates funds to three internally restricted reserves based upon a percentage of normalized operating costs of the prior year.

(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.

(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.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

2. Summary of significant accounting policies (continued)

Fund accounting and revenue recognition (continued)

(a) *Operating fund (continued)*

(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 in support of 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) *Yukon fund*

Revenues and expenses relating to dementia services provided for the Yukon are reported in the Yukon Fund. Expenses in the Yukon will not exceed the amount contributed by the Government of Yukon.

(d) *Endowment fund*

Endowments consist of externally restricted amounts where the endowment principal is to be maintained intact.

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 \$385 (2023 - \$Nil). 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 an unsecured business line of credit of \$135,000 (2023 - \$135,000) with its banking institution. The Society has drawn down \$Nil (2023 - \$Nil) as of March 31, 2024.

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, 2024

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	4 – 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, excluding the annuity, which are subsequently measured at fair value.

Financial assets measured at amortized cost include cash, receivables and the annuity within investments.

Financial assets measured at fair value include investments, excluding the annuity.

Financial liabilities measured at amortized cost include payables and accruals.

Program costs

The Society engages in support and education, advocacy, awareness, 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, 2024

3. Investments	2024		2023	
	Market value	Cost	Market value	Cost
Fixed income investments	\$ 14,490,504	\$ 14,217,841	\$ 16,737,249	\$ 16,473,762
Equity funds	646,870	463,489	643,469	456,765
Money market funds/other	28,037	28,034	1,040,567	1,029,331
Total investments valued at market value	<u>\$ 15,165,411</u>	<u>\$ 14,709,364</u>	<u>\$ 18,421,285</u>	<u>\$ 17,959,858</u>
	Carrying value	Cost	Carrying value	Cost
Annuity valued at amortized cost	\$ 1,404,104	\$ 1,404,104	\$ 1,468,337	\$ 1,468,337
Total investments	\$ 16,569,515	\$ 16,113,468	\$ 19,889,622	\$ 19,428,195
Less: current portion	<u>10,901,261</u>	<u>10,726,939</u>	<u>16,246,632</u>	<u>16,023,623</u>
Non current portion	<u>\$ 5,668,254</u>	<u>\$ 5,386,529</u>	<u>\$ 3,642,990</u>	<u>\$ 3,404,572</u>

In March 2021, the Society received an unrestricted bequest of \$1,623,963 in the form of an annuity. Twenty annual instalments of \$102,127 (consisting of interest and principal) will be received. The current carrying value reflects the premiums already received.

4. Receivables	2024	2023
Alzheimer Society of Canada	\$ 74,483	\$ 193,803
GST receivable	27,185	21,709
Government of Yukon	20,000	-
Other receivables	18,589	24,095
Public Health Agency of Canada	-	136,083
Breakfast to Remember sponsorships	-	16,000
Credit card transactions	-	14,494
	<u>\$ 140,257</u>	<u>\$ 406,183</u>

5. Equipment and leasehold improvements	2024		2023	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 520,091	\$ 409,630	\$ 110,461	\$ 99,035
Leasehold improvements	942,572	867,421	75,151	127,354
Office equipment	418,593	374,669	43,924	82,110
Skype for Business	65,932	56,067	9,865	16,336
Computer software	213,839	213,795	44	1,986
	<u>\$ 2,161,027</u>	<u>\$ 1,921,582</u>	<u>\$ 239,445</u>	<u>\$ 326,821</u>

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

6. Deferred revenue	<u>2024</u>	<u>2023</u>
Grant for First Link® - Ministry of Health	\$ 2,700,000	\$ 5,400,000
Projects funded by Direct Access grant	250,000	250,000
Community Capital Gaming Grant	38,224	128,900
Other	13,384	18,765
Forget Me Not Golf Tournament	7,500	226,500
	<u>3,009,108</u>	<u>6,024,165</u>
Less: current portion	<u>3,009,108</u>	<u>3,324,165</u>
	<u>\$ -</u>	<u>\$ 2,700,000</u>

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

	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 5,400,000	\$ 8,100,000
Recognized as revenue	<u>(2,700,000)</u>	<u>(2,700,000)</u>
Balance, end of year	<u>\$ 2,700,000</u>	<u>\$ 5,400,000</u>

The Society and the Ministry of Health act in partnership, each providing funding for First Link® operating costs. This funding partnership is reviewed on an annual basis. Ministry of Health grants must be used by March 31, 2025.

7. Deferred capital contributions	<u>2024</u>	<u>2023</u>
Balance, beginning of year	\$ 40,603	\$ 103,966
Contributions	25,397	-
Amortization	<u>(30,329)</u>	<u>(63,363)</u>
Balance, end of year	<u>\$ 35,671</u>	<u>\$ 40,603</u>

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

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:

	2024							2023	
	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	\$ 65,064	\$ 57,937	\$ 49,131	\$ 60,018	\$ 203,810	\$ 463,466	\$ 25,450	\$ 924,876	\$ 996,627
Contributions	-	-	-	-	-	-	-	-	-
Realized / unrealized loss	(1,534)	(1,366)	(1,158)	(1,415)	(4,806)	(10,928)	(600)	(21,807)	(82,591)
Investment income	4,260	3,794	3,217	3,930	13,346	30,348	1,666	60,561	44,028
Distributions	(700)	(2,667)	(2,262)	(2,763)	(9,382)	(21,335)	(891)	(40,000)	(33,188)
Balance, end of year	\$ 67,090	\$ 57,698	\$ 48,928	\$ 59,770	\$ 202,968	\$ 461,551	\$ 25,625	\$ 923,630	\$ 924,876

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

9. Allocation of expenses

Resource development expenses reported in the statement of revenues and expenses of \$2,219,901 (2023 - \$1,818,996) are reported after an allocation of \$42,836 (2023 - \$40,231) 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 other dementias.

Executive management, information technology and general support expenses of \$1,268,672 (2023 - \$1,003,733) have been allocated as follows:

	<u>2024</u>	<u>2023</u>
Community engagement	\$ 271,427	\$ 190,474
Community services	328,034	261,105
Marketing and communication	149,346	129,567
Operations	122,930	117,720
Provincial operations	93,297	81,675
Research	57,707	46,439
Resource development	245,931	176,753
	<u>\$ 1,268,672</u>	<u>\$ 1,003,733</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>2024</u>			<u>2023</u>		
	Revenues	Expenses	Total	Revenues	Expenses	Total
IG Wealth Management						
Walk for Alzheimer's	\$ 950,840	\$ 171,215	\$ 779,625	\$ 990,107	\$ 147,279	\$ 842,828
Forget Me Not						
Golf Tournament	664,075	116,633	547,442	593,288	120,546	472,742
Breakfast to						
Remember	268,306	66,626	201,680	264,949	72,435	192,514
Climb for Alzheimer's	112,863	23,704	89,160	116,307	46,628	69,679
Telethon and Gala						
(Chinese Community)	273,049	70,899	202,150	227,206	40,627	186,579
Other events	260,084	505	259,579	203,772	1,006	202,766
	<u>\$ 2,529,217</u>	<u>\$ 449,582</u>	<u>\$ 2,079,637</u>	<u>\$ 2,395,629</u>	<u>\$ 428,521</u>	<u>\$ 1,967,108</u>

A total of \$134,077 (2023 - \$119,048) of the funds raised by special events has been designated for research purposes.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

11. Service club gaming revenues

The Society received donations of gaming revenues from various community service clubs of \$16,266 (2023 - \$11,250). 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 Alzheimer Society in the province and/or territory from which funds originate. In January 2022, a change was made whereby funds received by ASC that are designated for research will remain with ASC and not be distributed. Instead, each Society’s research assessment is reduced by the amount of research-designated funds received from the province and/or territory.

During the year, the Society received net donations of \$1,025,090 (2023 - \$1,382,434) from ASC as follows:

	<u>2024</u>	<u>2023</u>
Bequests	\$ 527,246	\$ 937,512
Direct mail	867,475	944,050
General donations	63,155	56,224
HealthPartners	21,793	30,303
Major gifts	177,987	33,522
Memorial donations	<u>64,399</u>	<u>83,915</u>
	1,722,055	2,085,526
Less: direct mail expenses	<u>696,965</u>	<u>703,092</u>
	<u>\$ 1,025,090</u>	<u>\$ 1,382,434</u>

In addition, the Society received donations from ASC for the IG Wealth Management Walk for Alzheimer’s Sponsorship of \$79,518 (2023 - \$95,979) which is included in special events revenue.

During the year, the Society incurred expenditures of \$306,900 (2023 - \$478,991) to ASC, including a national operation assessment of \$301,257 (2023 - \$298,643) and research grants and expenditures of \$5,643 (2023 - \$180,348). An additional \$286,286 in research-designated funds was received by ASC from donors located in B.C. which reduced research assessments by the same amount.

Receivables include \$74,483 (2023 - \$193,803) due from ASC.

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

13. Commitments

Premises

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

2025	\$	396,151
2026		323,095
2027		319,600
2028		290,548
2029 and thereafter		196,102
	\$	<u>1,525,496</u>

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 \$94,613 and a national operating assessment of \$324,498 for the year ending March 31, 2025.

It is expected that research assessments will be fully paid by research-designated funds received by ASC from donors located in the province of B.C. However, if the amount received is lower than the research assessment amount, the Society would be responsible for paying the difference.

Software and IT

The Society has commitments with Softlanding and Blackbaud for software and IT related services of \$293,029 and \$130,265, respectively, up to March 31, 2025.

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 Foundation's accounting policies are consistent with the Society's.

Extracts of the Foundation's financial statements are as follows:

Statement of Financial Position

	<u>2024</u>	<u>2023</u>
Total assets	\$ 41,625	\$ 15,871
Total liabilities	<u>32</u>	<u>-</u>
Unrestricted net assets	<u>\$ 41,593</u>	<u>\$ 15,871</u>

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

14. Alzheimer Research Foundation of B.C. (continued)

Statement of Revenue and Expenses

	<u>2024</u>	<u>2023</u>
Revenues	\$ 26,722	\$ 4,022
Expenses	<u>1,000</u>	<u>797</u>
Excess of revenues over expenses	<u>\$ 25,722</u>	<u>\$ 3,225</u>

Statement of Cash Flows

	<u>2024</u>	<u>2023</u>
Cash flows from operating activities	\$ 25,754	\$ 3,225

Statement of Changes in Net Assets

	<u>Unrestricted funds</u>	<u>Total</u>	<u>Total</u>
Balance, beginning of year	\$ 15,871	\$ 15,871	\$ 12,646
Excess of revenues over expenses	<u>25,722</u>	<u>25,722</u>	<u>3,225</u>
Balance, end of year	<u>\$ 41,593</u>	<u>\$ 41,593</u>	<u>\$ 15,871</u>

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, 2024 is \$1,010,854 (2023 - \$954,249) and \$15,406 (2023 - \$14,433), respectively. During the year, the Society received interest of \$45,592 (2023 - \$42,804) in total from the Vancouver Foundation and Victoria Foundation.

16. Financial instruments

The carrying amount of financial assets measured at amortized cost that includes cash, receivables and the annuity within investments is \$2,660,952 as at March 31, 2024 (2023 - \$4,114,307).

The carrying amount of financial assets measured at fair value that includes investments is \$15,165,411 as at March 31, 2024 (2023 - \$18,421,285).

The carrying amount of financial liabilities measured at amortized cost is \$451,091 as at March 31, 2024 (2023 - \$579,702).

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

16. Financial instruments (continued)

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 0.65% to 5.35% and mature between April 2024 and December 2028.

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.

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 \$451,091 (2023 - \$579,702), which is due to be paid in full before March 31, 2025.

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 \$113,072 (2023 - \$384,474).

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

Alzheimer Society of B.C.

Notes to the Financial Statements

March 31, 2024

16. Financial instruments (continued)

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, 2024 was \$252,152 (2023 - \$245,695).

17. Disclosure required under the Societies Act

There were no amounts paid to directors during the year. The Society paid \$1,499,053 (2023 - \$1,450,543) 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.

18. Comparative figures

Certain comparative figures have been reclassified to conform to the classifications used in the current year.
