



Financial Statements

Alzheimer Society of B.C.

March 31, 2021

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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, 2021, 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, 2021, 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.

Vancouver, Canada  
June 29, 2021

*Grant Thornton LLP*

Chartered Professional Accountants

# Alzheimer Society of B.C.

## Statement of Revenues and Expenses

Year ended March 31, 2021

	2021			2020		
	Operating	Research	Total	Operating	Research	Total
Revenues						
Bequests	\$ 3,585,233	\$ 75,937	\$ 3,661,170	\$ 2,590,804	\$ 354,535	\$ 2,945,339
Donations	1,863,146	233,063	2,096,209	1,807,332	128,372	1,935,704
Gaming	270,240	-	270,240	272,472	-	272,472
Government	2,823,159	-	2,823,159	2,818,068	-	2,818,068
National revenue (Note 12)	1,035,292	186,336	1,221,628	1,132,843	107,071	1,239,914
Special events (Note 10)	1,746,611	77,441	1,824,052	2,348,911	125,416	2,474,327
Investment income	208,774	-	208,774	260,756	-	260,756
	<b>11,532,455</b>	<b>572,777</b>	<b>12,105,232</b>	<b>11,231,186</b>	<b>715,394</b>	<b>11,946,580</b>
Expenses						
Advocacy and education (Note 9)	661,070	-	661,070	581,766	-	581,766
Marketing and communication (Note 9)	805,441	-	805,441	862,162	-	862,162
National operation assessment (Note 12)	245,376	-	245,376	272,252	-	272,252
Programs and services (Note 9)	4,022,971	-	4,022,971	4,310,827	-	4,310,827
Provincial operations (Note 9)	1,464,385	-	1,464,385	1,629,605	-	1,629,605
Research (Note 9)	-	976,907	976,907	-	1,157,074	1,157,074
Resource development (Note 9)	1,393,226	-	1,393,226	1,470,893	-	1,470,893
Special events (Note 10)	176,218	-	176,218	438,285	-	438,285
	<b>8,768,687</b>	<b>976,907</b>	<b>9,745,594</b>	<b>9,565,790</b>	<b>1,157,074</b>	<b>10,722,864</b>
Excess (deficiency) of revenues over expenses before amortization and other revenue	2,763,768	(404,130)	2,359,638	1,665,396	(441,680)	1,223,716
Canadian Emergency Subsidies (Note 18)	2,096,026	-	2,096,026	-	-	-
Amortization of deferred capital contributions	63,824	-	63,824	59,662	-	59,662
Amortization of equipment and leasehold improvements	(299,707)	-	(299,707)	(286,785)	-	(286,785)
Excess (deficiency) of revenues over expenses	<b>\$ 4,623,911</b>	<b>\$ (404,130)</b>	<b>\$ 4,219,781</b>	<b>\$ 1,438,273</b>	<b>\$ (441,680)</b>	<b>\$ 996,593</b>

See accompanying notes to the financial statements.

# Alzheimer Society of B.C. Statement of Financial Position

March 31

2021

2020

## Assets

### Current

Cash	\$ 1,717,259	\$ 1,497,706
Investments (Note 3)	11,295,510	7,957,500
Receivables (Note 4)	277,910	170,739
Prepaid expenditures	<u>200,954</u>	<u>138,311</u>

13,491,633 9,764,256

Equipment and leasehold improvements (Note 5)	773,774	1,047,471
Investments (Note 3)	<u>10,371,356</u>	<u>1,744,253</u>
	<u>\$ 24,636,763</u>	<u>\$ 12,555,980</u>

## Liabilities

### Current

Payables and accruals (Note 12)	\$ 613,473	\$ 787,205
Deferred lease charges	9,914	9,913
Deferred revenue (Note 6)	<u>2,965,863</u>	<u>3,122,793</u>

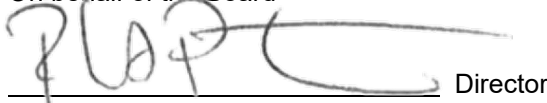
3,589,250 3,919,911

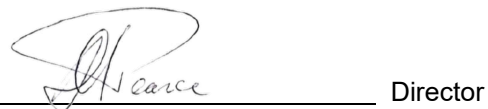
Deferred capital contributions (Note 7)	163,180	227,004
Deferred lease charges	27,916	37,830
Deferred revenue - First Link® (Note 6)	<u>8,100,000</u>	<u>-</u>
	<u>11,880,346</u>	<u>4,184,745</u>

## Net assets

Unrestricted	-	5,208,113
Internally Restricted		
Entity reserve	1,779,888	-
Operating and contingency reserve	1,067,932	-
Strategic opportunity reserve	7,194,077	-
Invested in property and equipment	610,594	820,467
Research	1,198,382	1,602,512
Endowment funds (Note 8)	<u>905,544</u>	<u>740,143</u>
	<u>12,756,417</u>	<u>8,371,235</u>
	<u>\$ 24,636,763</u>	<u>\$ 12,555,980</u>

On behalf of the Board

 Director

 Director

# Alzheimer Society of B.C.

## Statement of Changes in Net Assets

Year ended March 31, 2021

								2021	2020
	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	\$ 5,208,113	\$ -	\$ -	\$ -	\$ 820,467	\$ 1,602,512	\$ 740,143	\$ 8,371,235	\$ 7,482,842
Excess (deficiency) of revenues over expenses	-	-	-	4,859,794	(235,883)	(404,130)	-	4,219,781	996,593
Transfer between Unrestricted and Internally restricted	(5,208,113)	1,779,888	1,067,932	2,360,293	-	-	-	-	-
Transfer	-	-	-	(26,010)	26,010	-	-	-	-
Contributions to endowment	-	-	-	-	-	-	25,000	25,000	-
Change in fair value of investments held in endowment funds	-	-	-	-	-	-	150,582	150,582	(138,855)
Investment income on endowment funds	-	-	-	-	-	-	13,027	13,027	59,070
Endowment distributions	-	-	-	-	-	-	(23,208)	(23,208)	(28,415)
<b>Balance, end of year</b>	<b>\$ -</b>	<b>\$ 1,779,888</b>	<b>\$ 1,067,932</b>	<b>\$ 7,194,077</b>	<b>\$ 610,594</b>	<b>\$ 1,198,382</b>	<b>\$ 905,544</b>	<b>\$ 12,756,417</b>	<b>\$ 8,371,235</b>

See accompanying notes to the financial statements.



# Alzheimer Society of B.C.

## Statement of Cash Flows

Year ended March 31

2021

2020

Cash flows provided by (used in)

### Operating

Excess of revenues over expenses	\$ 4,219,781	\$ 996,593
Adjustments to determine cash flows		
Amortization of deferred capital contributions	(63,824)	(59,662)
Amortization of equipment and leasehold improvements	299,707	286,785
Unrealized (gain) loss on investments	119,535	(49,713)

	4,575,199	1,174,003
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Change in non-cash working capital items

Receivables	(107,171)	(121,693)
Prepaid expenditures	(62,643)	(22,109)
Payables and accruals	(173,732)	338,350
Deferred lease charges	(9,913)	(9,913)
Deferred revenue	7,943,070	(65,272)

	12,164,810	1,293,366
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### Financing

Endowment distributions	(23,208)	(28,415)
Endowment contributions	25,000	-
Increase in deferred capital contributions	-	42,399

	1,792	13,984
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### Investing

Purchase of equipment and leasehold improvements	(26,010)	(140,264)
Increase in investments	(11,921,039)	(993,852)

	(11,947,049)	(1,134,116)
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Increase in cash	219,553	173,235
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Cash, beginning of year	1,497,706	1,324,471
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Cash, end of year	\$ 1,717,259	\$ 1,497,706
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# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

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### 1. Purpose of the Society

The Alzheimer Society of B.C. (the "Society") exists to ensure people effected 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.

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### 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.

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# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

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### 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 \$2,734 (2020 - \$1,671). The donations have not been recognized in the statement of revenues and expenses.

### **Cash and cash equivalents**

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

The Society has a business line of credit of \$135,000 (2020 – \$135,000) with its banking institution.

### **Deferred lease charges**

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

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# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

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### 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, 2021

3. Investments	2021		2020	
	Market value	Cost	Market value	Cost
Fixed income investments	\$ 13,688,889	\$ 13,573,854	\$ 7,909,964	\$ 7,761,322
Equity funds	633,463	448,707	473,976	424,465
Money market funds/other	5,720,551	5,720,403	1,317,813	1,335,561
Annuity	1,623,963	1,623,963	-	-
	<b>\$ 21,666,866</b>	<b>\$ 21,366,927</b>	<b>\$ 9,701,753</b>	<b>\$ 9,521,348</b>
Less: current portion	11,295,510	11,295,510	7,957,500	7,796,958
	<b>\$ 10,371,356</b>	<b>\$ 10,071,417</b>	<b>\$ 1,744,253</b>	<b>\$ 1,724,390</b>

In March 2021, the Society received a bequest in the form of an annuity. The annuity premium of \$1,623,963 is not subject to restrictions and will be received from the insurer through twenty equal annual instalments of \$102,127 starting April 25, 2021.

4. Receivables	2021	2020
Public Health Agency of Canada	\$ 98,525	\$ 32,154
GST receivable	72,830	20,356
Canadian Emergency Rent Subsidy	70,242	-
Other receivables	24,188	9,062
Credit card transactions	12,125	54,767
Breakfast to Remember	-	29,400
Government 10% Temporary wage subsidy	-	25,000
	<b>\$ 277,910</b>	<b>\$ 170,739</b>

5. Equipment and leasehold improvements	2021		2020	
	Cost	Accumulated amortization	Net book value	Net book value
Computer equipment	\$ 547,084	\$ 443,614	\$ 103,470	\$ 159,765
Computer software	213,839	91,646	122,193	152,742
Office equipment	423,126	260,614	162,512	207,515
Leasehold improvements	942,572	625,323	317,249	448,596
Skype for Business	99,122	30,772	68,350	78,853
	<b>\$ 2,225,743</b>	<b>\$ 1,451,969</b>	<b>\$ 773,774</b>	<b>\$ 1,047,471</b>

# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

<b>6. Deferred revenue</b>	<u>2021</u>	<u>2020</u>
Grant for First Link® - Ministry of Health	\$ 10,800,000	\$ 2,700,000
Forget Me Not Golf Tournament	-	141,500
Projects funded by Direct Access grant	250,000	250,000
Other	15,863	31,293
	<u>\$ 11,065,863</u>	<u>\$ 3,122,793</u>

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

	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 2,700,000	\$ 2,700,000
Grants received	10,800,000	2,700,000
Recognized as revenue	<u>(2,700,000)</u>	<u>(2,700,000)</u>
Balance, end of year	<u>\$ 10,800,000</u>	<u>\$ 2,700,000</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. During the year, the Society received two grants totaling \$10,800,000 for First Link® from the Ministry of Health. These grants must be used by March 31, 2025.

<b>7. Deferred capital contributions</b>	<u>2021</u>	<u>2020</u>
Balance, beginning of year	\$ 227,004	\$ 244,267
Contributions	-	42,399
Amortization	<u>(63,824)</u>	<u>(59,662)</u>
Balance, end of year	<u>\$ 163,180</u>	<u>\$ 227,004</u>

# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

### 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 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
- supporting young dementia education (John F. Bramble).

Endowments are as follows:

	2021							2020	
	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	\$ 50,485	\$ 46,608	\$ 40,692	\$ 49,708	\$ 168,800	\$ 383,850	\$ -	\$ 740,143	\$ 848,343
Contributions	-	-	-	-	-	-	25,000	25,000	-
Realized / unrealized gain (loss)	10,271	9,483	8,279	10,113	34,342	78,094	-	150,582	(138,855)
Investment income	889	820	716	875	2,971	6,756	-	13,027	59,069
Distributions	(700)	-	(1,425)	(1,740)	(5,908)	(13,435)	-	(23,208)	(28,415)
Balance, end of year	\$ 60,945	\$ 56,911	\$ 48,262	\$ 58,956	\$ 200,205	\$ 455,265	\$ 25,000	\$ 905,544	\$ 740,143

# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

### 9. Allocation of expenses

Resource development expenses reported in the statement of revenues and expenses of \$1,393,226 (2020 - \$1,470,893) are reported after an allocation of \$33,393 (2020 - \$25,886) 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 \$931,503 (2020 - \$854,012) have been allocated as follows:

	<u>2021</u>	<u>2020</u>
Advocacy and education	\$ 112,915	\$ 97,479
Marketing and communication	106,906	97,892
Resource development	194,041	195,882
Provincial operations	177,300	168,070
Research	45,440	44,369
Programs and services	294,902	250,320
	<u>\$ 931,503</u>	<u>\$ 854,012</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>2021</u>			<u>2020</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	\$ 724,730	\$ 90,021	\$ 634,709	\$ 1,030,087	\$ 218,264	\$ 811,823
Forget Me Not						
Golf Tournament	407,207	-	407,207	689,185	108,064	581,121
Breakfast to						
Remember	243,920	47,331	196,589	253,542	56,839	196,703
Climb for Alzheimer's	75,987	7,328	68,659	93,278	17,087	76,191
Telethon						
(Chinese Community)	216,973	30,213	186,760	150,172	33,318	116,854
Other events	155,235	1,325	153,910	258,063	4,713	253,350
	<u>\$ 1,824,052</u>	<u>\$ 176,218</u>	<u>\$ 1,647,834</u>	<u>\$ 2,474,327</u>	<u>\$ 438,285</u>	<u>\$ 2,036,042</u>

A total of \$77,441 (2020 - \$125,416) of the funds raised by special events has been designated for research purposes, \$77,441 (2020 - \$122,916) is the net proceeds of the Forget Me Not Golf Tournament.



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# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

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### 11. Service club gaming revenues

The Society received donations of gaming revenues from various community service clubs of \$20,240 (2020 - \$22,472). These amounts are included in operating fund revenues.

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### 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. All funds received by ASC are distributed to the provincial Alzheimer Society in the province and/or territory from which funds originated, including individual donations designated to research. 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 \$1,221,628 (2020 - \$1,239,914) from ASC as follows:

	<u>2021</u>	<u>2020</u>
Bequests	\$ 401,025	\$ 652,532
Direct mail	898,151	801,870
General donations	130,036	57,280
HealthPartners	38,691	28,439
Major gifts	16,117	18,650
Memorial donations	41,319	49,373
Research	<u>186,336</u>	<u>107,071</u>
	1,711,676	1,715,215
Less direct mail expenses	<u>490,048</u>	<u>475,301</u>
	<u>\$ 1,221,628</u>	<u>\$ 1,239,914</u>

In addition, the Society received donations from ASC for the IG Wealth Management Walk for Alzheimer’s Sponsorship of \$149,137 (2020 – \$111,785) which is included in special events revenue.

During the year, the Society incurred expenditures of \$1,050,376 (2020 - \$877,252) to ASC, including a national operation assessment of \$245,376 (2020 - \$272,252) and research grants and expenditures of \$805,000 (2020 - \$605,000).

Payables and accruals include \$281,305 (2020 - \$343,474) due to ASC.

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# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

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### 13. Commitments

#### (a) Premises

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

2022	\$	377,861
2023		392,176
2024		358,676
2025		275,708
2026 and thereafter		<u>540,683</u>
	\$	<u>1,945,104</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 \$305,188 and a national operating assessment of \$277,777 for the year ending March 31, 2022.

#### (c) Blackbaud

Renewal cost of \$43,241 with Blackbaud for Luminate Online Usage, RE NXT and TeamRaiser from March 26, 2021 to March 25, 2022.

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### 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 Alzheimer's disease. 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, 2021, the Foundation contributed \$20,000 (2020 - \$Nil) to the Society.

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# Alzheimer Society of B.C.

## Notes to the Financial Statements

March 31, 2021

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### 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, 2021 is \$981,278 (2020 - \$824,096) and \$14,305 (2020 - \$12,017), respectively. During the year, the Society received interest of \$35,743 (2020 - \$34,702) from the Vancouver Foundation.

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### 16. Financial instruments

The carrying amount of financial assets measured at amortized cost that includes cash and receivables is \$1,852,097 as at March 31, 2021 (2020 - \$1,623,089).

The carrying amount of financial assets measured at fair value that includes investments is \$21,666,866 as at March 31, 2021 (2020 - \$9,701,753).

The carrying amount of financial liabilities measured at amortized cost is \$613,473 as at March 31, 2021 (2020 - \$787,205).

#### 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 1.00% to 3.6% and mature between April 2021 and June 2024.

#### *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.

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# **Alzheimer Society of B.C.**

## **Notes to the Financial Statements**

March 31, 2021

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### **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 \$613,473 (2020 - \$787,205), which is due to be paid in full before March 31, 2021.

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 \$134,838 (2020 - \$170,739).

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

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### **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 \$1,238,232 (2020 - \$1,198,026) in remuneration to the ten highest paid people who are employees, and persons under a contract for services with the Society, whose remuneration, during the applicable period, was at least \$75,000.

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# **Alzheimer Society of B.C.**

## **Notes to the Financial Statements**

March 31, 2021

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### **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 duration of the outbreak, the efficacy of the government and central bank monetary and fiscal interventions designed to stabilize economic conditions and the duration and extent of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place to combat the spread of the virus 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 \$2,025,784 of revenue relating to the Canada Emergency Wage Subsidy and \$70,242 of revenue relating to the Canada Emergency Rent Subsidy in the year.

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