Doane Grant Thornton

Financial Statements

Alzheimer Research Foundation of B.C.

March 31, 2025

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Doane Grant Thornton

Independent Auditor's Report

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To the Members of
Alzheimer Research Foundation of B.C.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Alzheimer Research Foundation of B.C. (the "Foundation"), which comprise the statement of financial position as at March 31, 2025, 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 Research Foundation of B.C. as at March 31, 2025, 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 Foundation 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.

Emphasis of matter

We draw attention to Note 2 in the financial statements which describes that the Foundation adopted Canadian accounting standards for not-for-profit organizations on April 1, 2024, with a transition date of April 1, 2023. These standards were applied retrospectively by management to the comparative information in these financial statements, including the statements of financial position as at March 31, 2024 and April 1, 2023, and the statement of revenues and expenses, statements of changes in net assets, and cash flows for the year ended March 31, 2024, and related disclosures. Our opinion is not modified in respect of this matter.

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We were not engaged to report on the comparative information, and as such, it is unaudited.

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 Foundation'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 Foundation or to cease operations, or has no realistic alternative to do so.

Those charged with governance are responsible for overseeing the Foundation'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 Foundation'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 Foundation's ability to

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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 Foundation 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.

Doane Grant Thornton LLP

Vancouver, Canada
June 25, 2025

Chartered Professional Accountants

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Alzheimer Research Foundation of B.C.
Statement of Revenues and Expenses

Year ended March 31

	2025	2024 (unaudited)
Revenue		
Government sources: U-First! (Note 4)	**$ 407,691**	$ -
Investment income	**114,237**	599
Donations	**8,590**	26,122
	530,518	26,721
Expense		
Grant to: Alzheimer Society of B.C., U-First! Program	**407,691**	-
Bank charges	**82**	149
Donation processing fees	**65**	-
Legal	**55**	850
	407,893	999
Excess of revenue over expense	**$ 122,625**	$ 25,722

See accompanying notes to the financial statements.

Alzheimer Research Foundation of B.C.
Statement of Financial Position

	March 31, 2025	March 31, 2024 (unaudited)	April 1, 2023 (unaudited)
Assets			
Cash	**$ 60,759**	$ 41,625	$ 15,871
Investments (Note 3)	**7,643,459**	-	-
	$ 7,704,218	$ 41,625	$ 15,871
Liabilities			
Payables and accruals (Note 5)	**$ 407,691**	$ 32	$ -
Deferred revenue (Note 4)	**7,132,309**	-	-
	7,540,000	32	-
Net assets			
Research	**50,323**	41,593	15,871
Unrestricted	**113,895**	-	-
	164,218	41,593	15,871
	$ 7,704,218	$ 41,625	$ 15,871

On behalf of the Board

Director

Director

See accompanying notes to the financial statements.

Alzheimer Research Foundation of B.C.
Statement of Changes in Net Assets
Year ended March 31, 2025

	Unrestricted	Research	2025	2024 (unaudited)
Balance, beginning of year	$ -	$ 41,593	$ **41,593**	$ 15,871
Excess of revenues over expenses	113,895	8,730	**122,625**	25,722
Balance, end of year	**$ 113,895**	**$ 50,323**	**$ 164,218**	$ 41,593

See accompanying notes to the financial statements.

Alzheimer Research Foundation of B.C.
Statement of Cash Flows

Year ended March 31	2025	2024 (unaudited)
Cash derived from (applied to)		
Operating activities		
Excess of revenue over expense	**$ 122,625**	$ 25,722
Change in non-cash working capital items		
Payables and accruals	**407,659**	32
Deferred revenue	**7,132,309**	-
	7,662,593	25,754
Investing activities		
Increase in investments	**(7,643,459)**	-
Increase in cash	**19,134**	25,754
Cash, beginning of year	**41,625**	15,871
Cash, end of year	**$ 60,759**	$ 41,625

See accompanying notes to the financial statements.

1. Purpose of the Research Foundation

The Alzheimer Research Foundation of B.C., (the "Foundation") purpose is to receive gifts, bequests, funds and property, and to hold, invest, administer, and distribute funds and property to the Alzheimer Society of B.C., provided that it is a "qualified donee" under the provisions of the Income Tax Act.

2. Summary of significant accounting policies

Basis of presentation and first-time adoption

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO"). The Foundation adopted ASNPO in accordance with ASNPO 1501, "First-time Adoption by Not-for-Profit Organizations" ("ASNPO 1501"). The date of transition to ASNPO is April 1, 2023. The Foundation's transition to ASNPO has had no significant impact on opening net assets as at April 1, 2023 or the statement of revenues and expenses for the year ended March 31, 2024.

Revenue recognition

The Foundation 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. Contributions are recognized when receivable if the amount can be reasonably estimated and collection is reasonably assured.

All investment income is accrued as it is earned.

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

Unrestricted fund
Unrestricted revenues and expenses relating to donations, grants and administration are reported in the unrestricted fund.

Research fund
Revenues and expenses relating to research program activities are reported in the research fund.

Cash

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

2. Summary of significant accounting policies (continued)

Financial instruments

The Foundation initially measures its financial assets and financial liabilities at fair value. The Foundation 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.

Financial assets measured at fair value include investments.

Financial liabilities measured at amortized cost include payables and accruals.

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. Actual results could differ from those estimates.

3. Investments

	2025		2024 (unaudited)	
	Market value	**Cost**	Market value	Cost
Fixed income investments	**$ 7,643,459**	**$ 7,540,000**	**$ -**	$ -

4. Deferred revenue

Grant for U-First! - Ministry of Health received and recognized as revenue as follows:

	2025	2024 (unaudited)
Balance, beginning of year	**$ -**	$ -
Contributions received	**7,540,000**	
Recognized as revenue	**(407,691)**	-
Balance, end of year	**$ 7,132,309**	$ -

5. Related party transactions

The Foundation and the Alzheimer Society of B.C., (the "Society") are legally independent, not-for-profit organizations that share a common mission to support individuals affected by Alzheimer's disease and other related dementias and advance dementia-related research. The Foundation does not have any employees. Instead, the Society provides administrative support and staffing, for which the Foundation reimburses the Society.

Payables and accruals include $407,691 (2024 - $nil) due to the Society.

6. Financial instruments

The carrying amount of financial assets measured at amortized cost that includes cash is $60,759 as at March 31, 2025 (2024 - $41,625).

The carrying amount of financial assets measured at fair value that includes investments is $7,643,459 as at March 31, 2025 (2024 - $nil).

The carrying amount of financial liabilities measured at amortized cost is $407,691 as at March 31, 2025 (2024 - $32).

Market risk

Market risk is the potential for financial loss to the Foundation 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 Foundation are subject to normal market fluctuations and to the risk inherent in investment in capital markets.

Interest rate risk
The Foundation's short-term investments include fixed income investments. Fixed income investments bear fixed interest rates which reduces the future effects on earnings should interest rates change materially.

Fixed income investments bear interest from 3.40% to 3.61% and mature between November 2025 and November 2026.

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 Foundation 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 Foundation 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.

6. Financial instruments (continued)

Liquidity risk

Liquidity risk is the risk that the Foundation cannot meet a demand for cash or fund its obligations as they come due. Maximum exposure to liquidity risk is $407,691 (2024 - $32), which is due to be paid in full before March 31, 2026.

Liquidity risk is managed by investing the majority of the Foundation's assets in investments that are traded in an active market and can be readily liquidated.

7. Disclosure required under the Societies Act

There were no amounts paid to directors or employees during the year.

8. Subsequent event

Effective April 1, 2025, Alzheimer Research Foundation of B.C. has changed its name to Alzheimer's and Dementia Foundation of BC and Yukon.