Alzheimer Society of Canada/Société Alzheimer du Canada
Financial Statements
For the year ended March 31, 2025

Contents

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Independent Auditor's Report

To the Directors of Alzheimer Society of Canada/Société Alzheimer du Canada

Opinion

We have audited the financial statements of Alzheimer Society of Canada/Société Alzheimer du Canada (the "Society"), which comprise the statement of financial position as at March 31, 2025, and the statements of revenue and expenses, changes in fund balances 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 Society 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 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 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 but 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.

Auditor’s Responsibilities for the Audit of the Financial Statements (continued)
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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 9, 2025

Alzheimer Society of Canada/Société Alzheimer du Canada
Statement of Revenue and Expenses

For the year ended March 31	2025	2024
Revenue		
Support from the public		
Individual giving and direct marketing	**$ 12,564,651**	$ 13,385,939
Bequests	**2,964,096**	4,250,181
Corporate and foundation giving	**3,185,649**	2,033,199
Total support from the public	**18,714,396**	19,669,319
Government	**806,271**	1,181,338
Partner charities (Note 10)	**10,889,226**	11,292,715
Other restricted revenue (Note 16)	**986,943**	2,278,682
Investment and other income (Note 3c)	**1,008,750**	828,520
Total revenue	**32,405,586**	35,250,574
Expenses		
Programs		
Services	**3,634,329**	3,369,038
Research	**5,495,598**	7,053,489
Partner charities (Note 10)	**14,734,259**	15,454,344
Government health programs	**986,041**	1,181,338
Total program expenses	**24,850,227**	27,058,209
Support		
Fundraising	**5,810,043**	6,754,753
Administration (Note 14)	**3,006,609**	2,910,444
Total support expenses	**8,816,652**	9,665,197
Total expenses	**33,666,879**	36,723,406
Deficiency of revenue over expenses before unrealized investment gains	**(1,261,293)**	(1,472,832)
Unrealized investment gains (Note 3d)	**345,168**	424,001
Deficiency of revenue over expenses	**$ (916,125)**	$ (1,048,831)

The accompanying notes are an integral part of these financial statements.

Alzheimer Society of Canada/Société Alzheimer du Canada
Statement of Financial Position

March 31	2025	2024
Assets		
Current		
Cash	**$ 4,635,136**	$ 3,090,850
Short-term investments (Note 3a)	**364,961**	350,914
Accounts receivable (Note 2)	**643,827**	1,570,859
Prepaid expenses	**230,007**	143,371
	5,873,931	5,155,994
Long-term investments (Note 3b)	**11,775,816**	10,680,248
Restricted long-term investments (Note 3b)	**1,293,815**	1,141,589
Property and equipment (Note 4)	**23,164**	42,556
Intangible asset (Note 5)	**18,014**	61,249
	$ 18,984,740	$ 17,081,636
Liabilities and Fund Balances		
Current		
Accounts payable and accrued liabilities (Note 6)	**$ 3,349,620**	$ 1,488,794
Deferred revenue (Note 7)	**2,292,784**	2,014,020
Research grants payable (Note 8)	**3,311,956**	3,131,455
	8,954,360	6,634,269
Deferred revenue (Note 7)	**3,041,333**	2,746,928
Research grants payable (Note 8)	**2,045,306**	1,944,170
	14,040,999	11,325,367
Fund balances		
Endowment fund (Note 9)	**1,234,448**	1,082,971
Invested in property and equipment	**23,164**	42,556
Invested in intangible asset	**18,014**	61,249
Internally restricted operating reserve	**1,734,512**	2,431,648
Internally restricted research fund	**1,933,603**	1,879,596
Unrestricted fund	**-**	258,249
	4,943,741	5,756,269
	$ 18,984,740	$ 17,081,636

On behalf of the Board:

Harry Yacobe Director

Director

The accompanying notes are an integral part of these financial statements.

Alzheimer Society of Canada/Société Alzheimer du Canada
Statement of Changes in Fund Balances

For the year ended March 31

	Endowment Fund (Note 9)	Invested in Property and Equipment	Invested in Intangible Asset	Internally Restricted Operating Reserve	Internally Restricted Research Fund	Unrestricted Fund	2025	2024
Fund balance, beginning of year	$ 1,082,971	$ 42,556	$ 61,249	$ 2,431,648	$ 1,879,596	$ 258,249	$ 5,756,269	$ 6,805,100
Excess (deficiency) of revenue over expenses for the year	111,316	(19,392)	(43,235)	-	-	(964,814)	(916,125)	(1,048,831)
Endowment contribution	103,597	-	-	-	-	-	103,597	-
Transfer from Endowment Fund	(63,436)	-	-	-	54,007	9,429	-	-
Transfer from Internally Restricted Operating Reserve	-	-	-	(697,136)	-	697,136	-	-
Fund balance, end of year	$ 1,234,448	$ 23,164	$ 18,014	$ 1,734,512	$ 1,933,603	$ -	$ 4,943,741	$ 5,756,269

The accompanying notes are an integral part of these financial statements.

Alzheimer Society of Canada/Société Alzheimer du Canada
Statement of Cash Flows

For the year ended March 31	2025	2024
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenses	**$ (916,125)**	$ (1,048,831)
Adjustments required to reconcile deficiency of revenue over expenses with net cash provided by operating activities		
Amortization of property and equipment	**19,392**	32,566
Amortization of intangible	**43,235**	43,234
Unrealized gains on long-term investments	**(345,168)**	(424,001)
Changes in non-cash working capital balances		
Accounts receivable	**927,032**	(183,740)
Prepaid expenses	**(86,636)**	651,694
Accounts payable and accrued liabilities	**1,860,826**	(2,482)
Deferred revenue	**573,169**	(1,294,531)
Research grants payable	**281,637**	1,697,459
	2,357,362	(528,632)
Investing activities		
Purchase of short-term investments	**(14,047)**	(15,543)
Purchase of long-term investments	**(902,626)**	(620,625)
Purchase of property and equipment	**-**	(5,956)
	(916,673)	(642,124)
Financing activity		
Endowment contributions	**103,597**	-
Increase (decrease) in cash during the year	**1,544,286**	(1,170,756)
Cash, beginning of year	**3,090,850**	4,261,606
Cash, end of year	**$ 4,635,136**	$ 3,090,850

The accompanying notes are an integral part of these financial statements.

1. Summary of Significant Accounting Policies

Purpose of the Organization

Alzheimer Society of Canada/Société Alzheimer du Canada (the Society) is incorporated without share capital under the laws of Canada, continues under the Canada Not-for-Profit Corporations Act, and is registered with Canada Revenue Agency as a charitable organization. The Society identifies, develops and facilitates national priorities that enable its partners to effectively alleviate the personal and social consequences of Alzheimer's disease and related disorders, promotes research and leads the search for a cure.

The partners of the Society are the Provincial Alzheimer Societies across Canada. While control and ownership does not exist between or among any of these entities, the two levels of societies work closely together to alleviate the personal and social consequences of Alzheimer's disease. These financial statements reflect only the assets, liabilities and operations under the administration of the Society.

Basis of Accounting

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

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Contributions, including individual giving and direct marketing, bequests, corporate and foundation giving, partner charities, and government are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are initially recorded as deferred revenue and are recognized as revenue in the year in which the related expenses are incurred.

Endowment contributions are recognized as direct increases to net assets. Endowments consist of donations made to the Society where the capital is required to be maintained in perpetuity.

Realized investment income includes interest, dividends and realized gains or losses on investments. Interest income is recorded using the accrual method and dividends are recorded when declared. Unrealized gains or losses on investments are disclosed as a separate component in the statement of revenue and expenses.

Internally Restricted Net Assets

Internally restricted operating reserve

The Society has set aside a percentage of expenditures as an operating reserve to provide continued funding of operations and ensure financial stability. In accordance with the operating reserve policy, the target for the reserve is between 30% and 50% of the previous year's net expenditures plus contractual obligations net of research expenditures and direct mailing expenditures.

Internally restricted research fund

The research fund is composed of internally restricted funds designated by the Board to be spent on the Alzheimer Society Research Program. The target balance for the research fund (in combination with externally restricted unexpended donations for research) is 100% of the total prior year's Alzheimer Society Research Program expense.

1. **Summary of Significant Accounting Policies** (continued)

Financial Instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

The Society subsequently measures its financial assets and liabilities at cost or amortized cost less impairment, except for investments in mutual funds quoted in an active market, which are measured at fair value. All changes in fair value of the Society's investments are recorded in the statement of revenue and expenses and disclosed in Note 3.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flows from the asset, it recognizes an impairment loss in the statement of revenue and expenses. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Use of Estimates
The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Property and Equipment
Property and equipment are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates are as follows:

Furniture and fixtures	- 5 years
Computer equipment	- 3 years
Leasehold improvements	- over term of lease
Telephone equipment	- 5 years

Intangible Asset
Intangible asset consists of the costs associated with the development of a customer relationship management system (CRM). The CRM is recorded at cost. The intangible asset's estimated useful life is 3 years.

Accrued Research Funding
The Board of Directors annually approves specific commitments for research grants that are to be awarded to researchers for periods of up to three years. The liability for this funding is recorded in the year awarded and a charge is made against operations in that year. Disbursements of these awards are charged against the liability at the time the disbursements are made.

1. Summary of Significant Accounting Policies (continued)

Interfund Transfers and Allocations
The excess of revenue over expenses for the year is allocated in accordance with the Society's financial policy statements. Any residual excess is allocated to the Unrestricted Fund. Interfund transfers are made in accordance with policies and guidelines approved by the Board of Directors.

Operating and Overhead Expenses
Certain operating and overhead expenses are allocated to other expense categories based upon reasonable estimates of staff time or costs incurred (Note 11).

Donated Services
The operation of the Society is dependent on services provided by volunteers. Since these services are not normally purchased by the Society and due to the difficulty of determining their fair market value, donated services are not recorded in the accounts.

Remuneration of the Board
Members of the Board of Directors are volunteers who serve without remuneration.

2. Accounts Receivable

	2025	2024
Government	**$ 400,748**	$ 1,250,377
Partner charities	**40,268**	77,034
Co-tenancy and other	**202,811**	243,448
	$ 643,827	$ 1,570,859

3. Investments

a) Short-term investments consist of cash and RBC Phillips, Hager & North Money Market Fund of $364,961 (2024 - $350,914).

b) Long-term investments consist of cash and cash equivalents, and the following RBC and Phillips, Hager & North Mutual Funds:

	2025	2024
Cash and cash equivalents	**$ 753**	$ 17,684
Fixed income securities	**6,566,333**	5,897,703
Canadian equities	**2,200,034**	1,976,397
Foreign equities	**4,302,510**	3,930,053
	$ 13,069,630	$ 11,821,837

Long-term investments represent:

	2025	2024
Long-term investments	**$ 11,775,816**	$ 10,680,248
Restricted long-term investments	**1,293,815**	1,141,589
	$ 13,069,631	$ 11,821,837

c) Realized investment and other income is comprised of:

	2025	2024
Unrestricted Funds		
Interest and dividends	**$ 500,185**	$ 301,427
Realized gains	**49,879**	61,823
	550,064	363,250
Endowment Fund		
Interest and dividends	**69,890**	44,044
Realized gains	**2,526**	9,415
	72,416	53,459
Total realized investment income	**622,480**	416,709
Other income	**386,270**	411,811
Total realized investment and other income	**$ 1,008,750**	$ 828,520

3. Investments (continued)

d) Unrealized investment gains are comprised of:

		2025		2024
Unrealized gains on investments				
Unrestricted fund	**$**	**299,588**	$	370,287
Endowment fund		**45,580**		53,714
	$	**345,168**	$	424,001

4. Property and Equipment

		2025				2024		
		Cost		**Accumulated Amortization**		Cost		Accumulated Amortization
Furniture and fixtures	**$**	**16,522**	**$**	**14,530**	$	16,522	$	12,672
Computer equipment		**75,214**		**68,886**		75,214		57,332
Leasehold improvements		**35,502**		**20,658**		35,502		16,610
Telephone equipment		**23,183**		**23,183**		23,183		21,251
	$	**150,421**	**$**	**127,257**	$	150,421	$	107,865
Net book value			**$**	**23,164**			$	42,556

5. Intangible Asset

		2025				2024		
		Cost		**Accumulated Amortization**		Cost		Accumulated Amortization
Customer Relationship Management (CRM) system	**$**	**216,170**	**$**	**198,156**	$	216,171	$	154,922
Net book value			**$**	**18,014**			$	61,249

6. Accounts Payable and Accrued Liabilities

	2025	2024
Trade accounts payable and accrued liabilities	**$ 2,235,026**	$ 875,318
Partner charities	**1,114,594**	613,476
	$ 3,349,620	$ 1,488,794

7. Deferred Revenue

Current and long-term deferred revenue consists of contributions which are designated by the donor to fund future expenses. These contributions will be recognized as revenue when the designated disbursements are made.

	2025	2024
Balance, beginning of year	**$ 4,760,948**	$ 6,055,479
Contributions	**6,954,705**	7,065,823
Disbursements	**(6,381,536)**	(8,360,354)
Balance, end of year	**5,334,117**	4,760,948
Less: long-term portion	**(3,041,333)**	(2,746,928)
Current portion of deferred revenue	**$ 2,292,784**	$ 2,014,020

8. Research Grants Payable

	2025	2024
Balance, beginning of year	**$ 5,075,625**	$ 3,378,166
Current year grants awarded, net of declined and terminated awards	**3,952,192**	5,914,250
Payments	**(3,670,555)**	(4,088,581)
Terminations of grants awarded in previous years	**-**	(128,210)
Balance, end of year	**5,357,262**	5,075,625
Less: long-term portion	**(2,045,306)**	(1,944,170)
Current portion of research funding	**$ 3,311,956**	$ 3,131,455

9. Net Assets Restricted for Endowment Purposes

	2025	2024
Balance, beginning of year	**$ 1,082,971**	$ 1,042,820
Contributions	**103,597**	-
Investment income	**111,316**	101,859
Transfer of spendable portion	**(63,436)**	(61,708)
Balance, end of year	**$ 1,234,448**	$ 1,082,971

The original endowment contributions which must be maintained in perpetuity are $1,098,028 (2024 - $994,431).

The investment income generated from Endowments must be used in accordance with the Endowment criteria. When Endowment contributions do not specify a program area, allocations are made by the Board of Directors. The economic value of the Endowments is protected by an internal restriction limiting the annual amount of investment income that may be spent.

10. Federation Agreement

In April 2009, the Society entered into a Federation Agreement ("FA") with the ten Provincial Alzheimer Societies ("Partners").

The FA includes the following financial arrangements:

All funds received by the Society (except Safely Home registrations, investment income, national foundation and corporation revenue, and federal government grants for centrally coordinated national programs) will be distributed to the province from which the funds originated.

The Society's expense budget is supported through assessments to the provincial Partners based on the Partner's percentage of total applicable revenue.

Partner charities revenue:

	2025	2024
Health partners	**$ 577,840**	$ 352,239
Research assessment and additional federation contributions for research	**2,216,697**	1,502,444
Operating assessment	**3,636,648**	3,636,648
Direct mail assessment	**4,458,041**	5,801,384
	$ 10,889,226	$ 11,292,715

Partner charities expenses:

	2025	2024
Revenue flowed to partners	**$ 14,056,949**	$ 14,796,376
Partner services	**105,477**	101,440
Walk for Alzheimer's expenses, net of recovery	**571,833**	556,528
	$ 14,734,259	$ 15,454,344

Revenue flowed to partners:

	2025	2024
Direct mail	**$ 8,166,987**	$ 7,267,972
Donations	**2,587,117**	3,036,465
Bequests	**2,502,845**	3,691,939
Corporate sponsorship	**800,000**	800,000
	$ 14,056,949	$ 14,796,376

11. Allocation of Expenses

The Society incurred certain management and administrative salaries and overhead expenses in the aggregate amount of $1,064,781 (2024 - $570,167) which are allocated to other expense categories based upon estimates of staff time and costs incurred. These general and administrative expenses are allocated as follows:

	2025	2024
Research program	**$ 185,115**	$ 72,020
Services	**636,804**	323,402
Fundraising	**242,862**	174,745
	$ 1,064,781	$ 570,167

12. Credit Facility

The Society has a credit facility in the amount of $700,000 bearing interest at prime, repayable on demand and is secured by a general security agreement. The line of credit was not utilized during the year (2024 - $Nil).

13. Commitments

Pursuant to the co-tenancy agreement signed on April 1, 2008, the Alzheimer Societies of Canada, Ontario and Toronto co-located in new premises in order to benefit from efficiencies of scale. The lease was subsequently renewed until December 31, 2028. The co-tenancy agreement sets out the terms of the sharing of costs (based on the related cost drivers, which are primarily shared equally by each of the three co-tenants). Shared costs include leasehold improvements, furniture, equipment, rent, phones, and IT.

The Society's portion of the operating lease commitments for the next four years are as follows:

2026	$ 105,245
2027	105,700
2028	106,611
2029	71,074
	$ 388,630

14. Shared Services

Effective April 1, 2016, the Society, in conjunction with Alzheimer Society of Ontario and Alzheimer Society of Toronto, agreed to merge the Finance, HR and IT operations of each organization into one shared services department. Under the terms of the shared services agreement, the Society's portion of costs is determined annually. In 2023, the Society notified Alzheimer Society of Ontario of its intention to terminate its participation in shared services, which came into effect on July 27, 2024. The cost related to the shared services department for the current year, the final year of services, was $87,372 (2024 - $641,500) and is included in administration on the statement of revenue and expenses.

15. Life Insurance Policy

The Society was given a life insurance policy under which it is the owner and beneficiary. The policy was paid out to the Society in April 2025 in the amount of $298,110 and will be recorded as revenue in the 2026 financial statements

16. Other Restricted Revenue

Other restricted revenue consists of $986,943 (2024 - $2,278,682) of previously deferred revenue restricted for research purposes, recognized as revenue in accordance with related research activities. This revenue is being used to fund Alzheimer Society Research Program awards and research operations.

17. Financial Instruments Risks

Credit risk
Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Society is exposed to credit risk primarily with respect to its accounts receivable. The Society manages this risk through regular monitoring of balances and continuous communication with debtors.

Market risk
Market risk is the risk of potential loss caused by fluctuations in fair value or future cash flows of financial instruments through changes in their underlying market value. The Society is exposed to this risk through its short-term and long-term investments. The Society manages its risk through its Statement of Investment Policies and Procedures.

Interest rate risk
Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments. The Society manages its risk through its Statement of Investment Policies and Procedures.

18. Comparative figures

Certain comparative figures have been reclassified to conform with the method of presentation adopted for the current year.