Alzheimer Society of Manitoba Inc.
Financial Statements
March 31, 2025

To the Members of Alzheimer Society of Manitoba Inc.:

Opinion

We have audited the financial statements of Alzheimer Society of Manitoba Inc. (the "Society"), which comprise the statement of financial position as at March 31, 2025, and the statements of operations, 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 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.

Other Information

Management is responsible for the other information. The other information comprises the information included in the annual report, but does not include the financial statements and our auditor's report thereon. The annual report is expected to be made available to us after the date of this auditor’s report.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the 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.

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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.

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.

Winnipeg, Manitoba

MNP LLP

May 28, 2025

Chartered Professional Accountants

Alzheimer Society of Manitoba Inc.
Statement of Financial Position
As at March 31, 2025

	2025	2024
Assets		
Current		
Cash *(Note 3)*	**300,907**	244,859
Accounts receivable	**-**	81,250
GST receivable	**14,159**	10,904
Portfolio investments *(Note 4)*	**3,702,358**	2,825,997
Prepaid expenses	**24,972**	20,924
	4,042,396	3,183,934
Portfolio investments *(Note 4)*	**236,519**	-
Capital and intangible assets *(Note 5)*	**124,753**	39,570
	4,403,668	3,223,504
Liabilities		
Current		
Accounts payable and accruals *(Note 6)*	**313,838**	223,108
Deferred contributions *(Note 7)*	**15,000**	64,962
	328,838	288,070
Net Assets		
Reserve fund	**1,764,601**	1,434,918
Invested in capital and intangible assets	**124,753**	39,570
Operation fund	**2,185,476**	1,460,946
	4,074,830	2,935,434
	4,403,668	3,223,504

Approved on behalf of the Board

Director

Director

Alzheimer Society of Manitoba Inc.
Statement of Operations
For the year ended March 31, 2025

	2025	2024
Revenue		
Campaigns *(Note 11)*	**717,474**	666,182
Donations *(Note 11)*	**3,125,476**	1,959,740
Grant	**779,439**	688,420
Interest and other income	**137,357**	56,008
Program	**16,585**	30,389
	4,776,331	3,400,739
Expenses		
Client services	**1,509,953**	1,253,458
Dementia friendly communities	**565,345**	520,788
Education	**363,980**	294,207
Organizational development	**76,379**	61,499
Program and office administration	**321,999**	297,524
Research	**142,703**	111,494
Revenue development	**678,917**	642,266
	3,659,276	3,181,236
Excess of revenue over expenses before other items	**1,117,055**	219,503
Other items		
Amortization	**(42,897)**	(20,884)
Unrealized gain on investments	**65,238**	111,179
	22,341	90,295
Excess of revenue over expenses	**1,139,396**	309,798

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Manitoba Inc.
Statement of Changes in Net Assets
For the year ended March 31, 2025

	Reserve fund	Invested in capital and intangible assets	Operation fund	2025	2024
Net assets, beginning of year	**1,434,918**	**39,570**	**1,460,946**	**2,935,434**	2,625,636
Excess (deficiency) of revenue over expenses	**-**	**(42,897)**	**1,182,292**	**1,139,396**	309,798
Purchase of capital and intangible assets	**-**	**128,080**	**(128,079)**	**-**	-
Transfers *(Note 9)*	**329,683**	**-**	**(329,683)**	**-**	-
Net assets, end of year	**1,764,601**	**124,753**	**2,185,476**	**4,074,830**	2,935,434

The accompanying notes are an integral part of these financial statements

Alzheimer Society of Manitoba Inc.
Statement of Cash Flows
For the year ended March 31, 2025

	2025	2024
Cash provided by (used for) the following activities		
Operating		
Excess of revenue over expenses	**1,139,396**	309,798
Amortization	**42,897**	20,884
Unrealized gain on investments	**(65,238)**	(111,179)
	1,117,055	219,503
Changes in working capital accounts		
Accounts receivable	**81,250**	(45,255)
GST receivable	**(3,255)**	688
Prepaid expenses	**(4,048)**	(8,671)
Accounts payable and accruals	**90,730**	(4,770)
Deferred contributions	**(49,962)**	(110,538)
	1,231,770	50,957
Financing		
Repayment of Canada Emergency Business Account loan	**-**	(40,000)
Investing		
Purchase of capital and intangible assets	**(128,080)**	(13,054)
Change in investments, net	**(1,047,642)**	(32,328)
	(1,175,722)	(45,382)
Increase (decrease) in cash resources	**56,048**	(34,425)
Cash resources, beginning of year	**244,859**	279,284
Cash resources, end of year	**300,907**	244,859

The accompanying notes are an integral part of these financial statements

1. Incorporation and nature of the organization

Alzheimer Society of Manitoba Inc. (the “Society”) was incorporated without share capital and is a registered charity; and thus is exempt from income taxes under the Income Tax Act (the "Act”). In order to maintain its status as a registered not-for-profit organization under the Act, the Society must meet certain requirements within the Act. In the opinion of management these requirements have been met.

The Society exists so that all Manitobans affected by dementia receive the help they need today and have hope for the future.

The provincial and national Alzheimer Societies across Canada are partners of the Society. Although the Societies work together to achieve the common goal of alleviating the consequences of Alzheimer disease, common control and ownership does not exist.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following accounting policies:

Cash

Cash includes balances with banks and short-term investments with original maturities of three months or less. Cash subject to restrictions that prevent its use for current purposes is included in restricted cash.

Portfolio investments

Portfolio investments with prices quoted in an active market are measured at fair value while those that are not quoted in an active market are measured at cost less impairment. Changes in fair value are recorded immediately in the excess of revenues over expenses.

Capital and intangible assets

Purchased capital and intangible assets are recorded at cost. Contributed capital and intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined.

Amortization is provided using the straight-line method at rates intended to amortize the cost of assets over their estimated useful lives.

Office furniture and equipment	5 years
Website	5 years

Long-lived assets

Long-lived assets consist of capital and intangible assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Society’s ability to provide goods and services. The asset are also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Society determines that a long-lived asset is impaired, its carrying amount is written down to the asset’s fair value or replacement cost as determined on an asset-by-asset basis.

Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured. Endowment contributions are recognized as direct increases in net assets.

2. Significant accounting policies *(Continued from previous page)*

Government assistance

Claims for assistance under various government grant programs are recorded in revenue in the period in which eligible expenditures are incurred and collection is reasonably assured.

Contributed materials and services

Contributions of materials are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials are used in the normal course of the Society's operations and would otherwise have been purchased. Total in-kind donations recorded in the financial statements is $1,351 (2024 - $39,233).

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

Allocation of expenses

The Society engages in fundraising programs to support client, education, and community awareness programs. The costs of each program include the costs of personnel and other expenses that are directly related to providing the program. The Society also incurs a number of general support expenses that are common to the administration of the Society and each of its programs.

The Society allocates certain general support expenses by allocating each component expense proportionately based on the same percentage of salaries and applies that basis consistently each year.

Employee future benefits

The Society’s employee future benefit program consist of multiemployer defined benefit plan

The Society is a member of Healthcare Employee Pension Plan (the "Plan" or "HEPP") which is a multiemployer defined benefit plan for which there is insufficient information to apply defined benefit plan accounting because the actuary does not attribute portions of the surplus (deficit) to individual employers. Accordingly, the Society is not able to identify its share of the plan assets and liabilities, and therefore, the Society uses defined contribution plan accounting for this plan. The Society's liability is limited to the contribution required during the year under the funding agreement.

Employee and employer contributions were made at a rate of 8.9% (2024 - 8.9%) each on the first $68,500 (April - Dec) $71,300 (Jan - Mar) of earnings and at a rate of 10.5% (2024 - 10.50%) on earnings in excess of this amount. This resulted in employer contributions made to the plan during the year by the Society of $149,672 (2024 - $131,349). The most recent actuarial valuation of the Plan was as of December 31, 2024, which disclosed a going concern surplus of $1,355,910,000.

Customer’s accounting for cloud computing arrangement

The Society has applied the simplification approach to account for expenditures in a cloud computing arrangement. Under the simplification approach, the Society recognizes expenditures related to the elements in the cloud computing arrangement as an expense as incurred. In the current year, expenses of $22,934 have been recognized as program and office administration.

Measurement uncertainty (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 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.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital and intangible assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess of revenues over expenses in the period in which they become known.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments

The Society recognizes financial instruments when the Society becomes party to the contractual provisions of the financial instrument.

Arm's length financial instruments

Financial instruments originated/acquired or issued/assumed in an arm’s length transaction (“arm’s length financial instruments”) are initially recorded at their fair value.

At initial recognition, the Society may irrevocably elect to subsequently measure any arm’s length financial instruments at fair value. The Society has not made such an election during the year.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Investments in equity instruments not quoted in an active market and derivatives that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, are subsequently measured at cost less impairment. With the exception of financial liabilities indexed to a measure of the Society’s performance or value of its equity and those instruments designated at fair value, all other financial assets and liabilities are subsequently measured at amortized cost.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess of revenues over expenses. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Related party financial instruments

The Society initially measures the following financial instruments originated/acquired or issued/assumed in a related party transaction (“related party financial instruments”) at fair value:

- Investments in equity instruments quoted in an active market
- Debt instruments quoted in an active market
- Debt instruments when the inputs significant to the determination of its fair value are observable (directly or indirectly)
- Derivative contracts.

All other related party financial instruments are measured at cost on initial recognition. When the financial instrument has repayment terms, cost is determined using the undiscounted cash flows, excluding interest, dividend, variable and contingent payments, less any impairment losses previously recognized by the transferor. When the financial instrument does not have repayment terms, but the consideration transferred has repayment terms, cost is determined based on the repayment terms of the consideration transferred. When the financial instrument and the consideration transferred both do not have repayment terms, the cost is equal to the carrying or exchange amount of the consideration transferred or received (refer to Note 6).

At initial recognition, the Society may elect to subsequently measure related party debt instruments that are quoted in active market, or that have observable inputs significant to the determination of fair value, at fair value.

The Society has not made such an election during the year, thus all such related party debt instruments are subsequently measured at amortized cost.

The Society subsequently measures investments in equity instruments quoted in an active market and all derivative instruments, except those designated in a qualifying hedging relationship or that are linked to, and must be settled by delivery of, unquoted equity instruments of another entity, at fair value. Fair value is determined by published price quotations. Financial instruments that were initially measured at cost and derivatives that are linked to, and must be settled by, delivery of unquoted equity instruments of another entity, are subsequently measured using the cost method less any reduction for impairment.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of related party financial instruments are immediately recognized in excess of revenues over expenses.

2. Significant accounting policies *(Continued from previous page)*

Financial instruments *(Continued from previous page)*

Financial asset impairment

The Society assesses impairment of all its financial assets measured at cost or amortized cost. The Society groups assets for impairment testing when available information is not sufficient to permit identification of each individually impaired financial asset in the group. Management considers whether the issuer is having significant financial difficulty; whether there has been a breach in contract, such as a default or delinquency in interest or principal payments; etc. in determining whether objective evidence of impairment exists. When there is an indication of impairment, the Society determines whether it has resulted in a significant adverse change in the expected timing or amount of future cash flows during the year.

With the exception of related party debt instruments and related party equity instruments initially measured at cost, the Society reduces the carrying amount of any impaired financial assets to the highest of: the present value of cash flows expected to be generated by holding the assets; the amount that could be realized by selling the assets at the statement of financial position date; and the amount expected to be realized by exercising any rights to collateral held against those assets.

Any impairment, which is not considered temporary, is included in current year excess of revenues over expenses.

The Society reverses impairment losses on financial assets when there is a decrease in impairment and the decrease can be objectively related to an event occurring after the impairment loss was recognized. The amount of the reversal is recognized in excess of revenues over expenses in the year the reversal occurs.

3. Bank indebtedness

At March 31, 2025, the Society had lines of credit totaling $360,000 (2024 - $360,000), bearing interest at a rate of prime plus 1.00% per annum, none of which was drawn upon.

4. Portfolio investments

	2025 ***Market value***	*2024* *Market value*
Fixed income and equity investments	**3,452,358**	2,603,479
Guaranteed investment certificates, maturing within one year, interest rate of 5.35%	**-**	222,518
Guaranteed investment certificates, maturing within one year, interest rate of 2.25%	**250,000**	-
	3,702,358	2,825,997
Guaranteed investment certificates, maturing within fourteen months, interest rate of 3.35%	**236,519**	-

5. Capital and intangible assets

	Cost	***Accumulated amortization***	***2025 Net book value***
Office furniture and equipment	**557,768**	**510,015**	**47,753**
Website	**96,250**	**19,250**	**77,000**
	654,018	**529,265**	**124,753**

5. Capital and intangible assets *(Continued from previous page)*

	Cost	*Accumulated amortization*	*2024 Net book value*
Office furniture and equipment	525,938	486,368	39,570

6. Assessments from the Alzheimer Society of Canada

For the year ended March 31, 2025, the Society paid assessments of $134,308 (2024 - $112,707) to the Alzheimer Society of Canada. Of this amount, $74,605 (2024 - $59,729) related to development of education support is recorded in education expense. The remaining $59,703 (2024 - $52,978) related to research assessment is recorded in research expense. As at March 31, 2025, the amount payable to Alzheimer Society of Canada included in accounts payable and accruals was $57,000 (2024 - $18,313) and the amount receivable from Alzheimer Society of Canada included in accounts receivable was $nil (2024 - $nil).

At March 31, 2025, the Society has approved the additional funding of $75,000 (2024 - $50,000) for additional research commitments.

7. Deferred contributions

Deferred contributions consist of unspent contributions externally restricted for specific program expenses that have not occurred at year-end. Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contribution balance are as follows:

	2025	*2024*
Balance, beginning of year	**64,962**	175,500
Amount received during the year	**-**	64,962
Less: amount recognized as revenue during the year	**(49,962)**	(175,500)
Balance, end of year	**15,000**	64,962

8. Allocation of expenses

Rent, maintenance, telephone, office supplies, IT costs and insurance of $418,509 (2024 – $376,604) have been allocated as follows:

	2025	*2024*
Client services	**218,839**	195,834
Education	**19,000**	18,830
Dementia Friendly Communities	**86,129**	79,087
Organizational development	**5,231**	3,766
Program and office administration	**33,272**	30,128
Revenue development	**56,038**	48,959
	418,509	376,604

9. Transfers

During the year, the Society made transfers from the Reserve Fund to the Operation Fund of $nil (2024 - $nil), and transfers from the Operation Fund to the Reserve Fund of $329,683 (2024 - $136,476).

The Reserve Fund is intended to maintain current expenditure levels of the Society in the event of interrupted revenue. The Operation Fund is intended for special projects and unanticipated expenditures.

10. Commitments

The Society has entered into various operating lease agreements for its premises and office equipment with estimated minimum annual payments as follows:

2026	63,308
2027	59,121
2028	5,753
2029	1,081
	129,263

Additionally the Society has committed to the Alzheimer Society of Canada to provide funding in the amount of $153,599 for the 2026 fiscal year.

The Society has committed to provide funding for student fellowship awards in the amount of $10,000 for the 2026 fiscal year.

11. Flow-through revenue from Alzheimer Society of Canada

Included in campaigns and donations revenue are amounts received by the Alzheimer Society of Canada on behalf of the Alzheimer Society of Manitoba in the amount of $55,332 (2024 - $64,009) and $96,618 (2024 - $132,296) respectively.

12. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Other price risk

Other price risk is the potential for price changes resulting from volatility in equity markets. The Society's investments in equity securities exposes the Society to other price risk as these investments are subject to price changes in an open market due to a variety of reasons including changes in market rates of interest, general economic indicators and restrictions on credit markets.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets or liabilities, known as price risk.

The Society is exposed to interest rate cash flow risk with respect to its credit facility due to variable interest rates.