

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Financial Statements

Year Ended July 31, 2023

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

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Year Ended July 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alzheimer Society of Alberta and Northwest Territories

Qualified Opinion

We have audited the financial statements of Alzheimer Society of Alberta and Northwest Territories (the Society), which comprise the statement of financial position as at July 31, 2023, 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, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at July 31, 2023, 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 Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities and donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to fundraising and donation revenues, excess of revenues over expenses, and cash flows from operations for the year ended July 31, 2023, current assets and net assets as at July 31, 2023.

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 those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters relating 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

(continues)

Independent Auditor's Report to the Members of Alzheimer Society of Alberta and Northwest Territories
(continued)

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.

King + Company

Edmonton, AB
December 2, 2023

CHARTERED PROFESSIONAL ACCOUNTANTS

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**Statement of Financial Position****As at July 31, 2023**

	2023	2022
ASSETS		
CURRENT		
Cash (Note 2)	\$ 6,183,289	\$ 6,923,900
Accounts receivable (Note 8)	182,375	40,480
Goods and services tax recoverable	28,374	26,918
Prepaid expenses	92,573	58,196
	6,486,611	7,049,494
INVESTMENTS (Note 3)	1,505,932	1,449,543
EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 4)	475,287	345,896
	\$ 8,467,830	\$ 8,844,933
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 750,139	\$ 143,029
Current portion of deferred lease inducement (Note 5)	36,739	36,739
Current portion of deferred rent (Note 5)	6,935	6,935
Current portion of deferred contributions related to operations (Note 6)	470,140	975,402
	1,263,953	1,162,105
DEFERRED LEASE INDUCEMENT (Note 5)	180,069	216,808
DEFERRED RENT (Note 5)	66,515	59,580
	1,510,537	1,438,493
NET ASSETS		
Investment in equipment and leasehold improvements	475,287	345,896
Operating reserve (Note 7)	1,600,000	1,600,000
Internally restricted for research (Note 7)	3,900,000	1,900,000
Externally restricted for research (Note 7)	659,054	1,085,613
Innovation reserve (Note 7)	190,815	22,879
Capital replacement reserve (Note 7)	105,407	71,896
Unrestricted	26,730	2,380,156
	6,957,293	7,406,440
	\$ 8,467,830	\$ 8,844,933

ON BEHALF OF THE BOARD
Alan Tennant (Dec 13, 2023 19:39 MST)

Director


Jane Davidson (Dec 14, 2023 07:18 MST)

Director

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**Statement of Operations****Year Ended July 31, 2023**

	2023	2022
REVENUES		
Schedule of Contributions (<i>Schedule 1</i>)	\$ 2,958,245	\$ 3,706,624
Grants	801,280	865,513
Alzheimer Society of Canada (<i>Note 8</i>)	487,751	544,242
Investment income (loss)	318,118	(68,963)
Lease inducement (<i>Note 5</i>)	36,739	35,864
Other revenues	22,133	90,080
	<u>4,624,266</u>	<u>5,173,360</u>
EXPENSES		
Programs and services (<i>Schedule 3</i>)	2,247,615	1,900,408
Fund development (<i>Schedule 3</i>)	1,316,441	1,154,299
General and administration (<i>Schedule 3</i>)	959,129	810,180
Research (<i>Note 9</i>)	550,228	88,950
	<u>5,073,413</u>	<u>3,953,837</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>\$ (449,147)</u>	<u>\$ 1,219,523</u>

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
Statement of Changes in Net Assets
Year Ended July 31, 2023

	Investment in equipment and leasehold improvements	Operating reserve	Internally restricted for research	Externally restricted for research	Innovation reserve	Capital replacement reserve	Unrestricted	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 345,896	\$ 1,600,000	\$ 1,900,000	\$ 1,085,613	\$ 22,879	\$ 71,896	\$ 2,380,156	\$ 7,406,440	\$ 6,186,917
Excess (deficiency) of revenues over expenses	(72,619)	318,118	-	(550,228)	(18,931)	-	(125,487)	(449,147)	1,219,523
Transfers (Note 7)	-	(318,118)	2,000,000	123,669	350,000	72,388	(2,227,939)	-	-
Purchase of equipment and leasehold improvements	202,010	-	-	-	(163,133)	(38,877)	-	-	-
Disposal of equipment and leasehold improvements	-	-	-	-	-	-	-	-	-
NET ASSETS - END OF YEAR	\$ 475,287	\$ 1,600,000	\$ 3,900,000	\$ 659,054	\$ 190,815	\$ 105,407	\$ 26,730	\$ 6,957,293	\$ 7,406,440

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**Statement of Cash Flows****Year Ended July 31, 2023**

	2023	2022
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ (449,147)	\$ 1,219,523
Items not affecting cash:		
Amortization of equipment and leasehold improvements	72,388	62,437
Deferred rent	6,935	6,935
Loss (gain) on disposal of equipment and leasehold improvements	231	2,200
Amortization of deferred lease inducement	(36,739)	(35,864)
	<u>(406,332)</u>	<u>1,255,231</u>
Changes in non-cash working capital:		
Accounts receivable	(141,895)	187,672
Goods and services tax recoverable	(1,456)	(16,787)
Prepaid expenses	(34,377)	42,308
Accounts payable and accrued liabilities	607,110	27,264
Current portion of deferred contributions related to operations	(505,262)	612,565
Long-term portion of deferred contributions related to operations	-	(483,635)
Lease inducement paid	-	7,500
	<u>(75,880)</u>	<u>376,887</u>
Cash flow from operating activities	<u>(482,212)</u>	<u>1,632,118</u>
INVESTING ACTIVITIES		
Purchase of investments, net	(56,389)	114,573
Purchase of equipment and leasehold improvements	(202,010)	(46,260)
Cash flow from (used by) investing activities	<u>(258,399)</u>	<u>68,313</u>
INCREASE (DECREASE) IN CASH	(740,611)	1,700,431
CASH - BEGINNING OF YEAR	<u>6,923,900</u>	<u>5,223,469</u>
CASH - END OF YEAR	<u>\$ 6,183,289</u>	<u>\$ 6,923,900</u>

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2023

NATURE OF OPERATIONS

The Alzheimer Society of Alberta and Northwest Territories ("AS AB/NT" or the "Society") was formed under the Societies Act of Alberta by an amalgamation on May 24, 2004 of the separately incorporated Alzheimer Societies of Alberta, Edmonton, Grande Prairie, Lethbridge, Medicine Hat and Red Deer. The Society is also affiliated with the Alzheimer Society of Canada as these organizations each have the same goals and objectives.

The mission of Alzheimer Society of Alberta and Northwest Territories is to heighten the awareness about Alzheimer's disease and related dementia, to provide support services to those impacted by the disease and to fund research.

The Society is a registered charity for income tax purposes and accordingly is exempt for income tax purposes.

1. SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Revenue Recognition

Alzheimer Society of Alberta and Northwest Territories 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.

Restricted investment income is recognized as revenue in the year in which the related expenses are incurred. Unrestricted investment income is recognized as revenue when earned.

Casino revenue is recognized as the funds are expended in accordance with Alberta Gaming, Liquor, and Cannabis Commission guidelines.

Restricted grant funding used for acquiring equipment and leasehold improvements are recorded as deferred revenues and amortized on the same basis as the related assets.

Government assistance for current expenses is recorded as current revenue.

Revenue from all other sources is included in revenue in the year in which it is received or receivable and collection is reasonably assured.

Allocation of Expenses

The society allocates expenses based on a review and assessment made by management. The allocation of these costs are based on the usage of the resources by the respective program.

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ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Contributed Services and Gifts In Kind

The operations of the organization depend on both the contribution of time by volunteers and donated materials from various sources. The fair value of donated materials and services cannot be reasonably determined and are therefore not reflected in these financial statements.

Gift in kind for which a fair market value can be reasonably obtained and which have been received for income tax purposes are recorded at the receipted amounts as unrestricted contributions. Gifts in kind not receipted for income tax purposes have not been recorded in these financial statements.

Financial Instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Cash

Cash and restricted cash is comprised of cash held in financial institutions.

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported on the statement of operations.

Equipment and leasehold improvements

Equipment and leasehold improvements are stated at cost or deemed cost less accumulated amortization. Equipment and leasehold improvements are amortized over their estimated useful lives on a declining balance basis at the following rates and methods:

Computer equipment	3 - 5 years	straight-line method
Computer software	5 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Leasehold improvements	5 - 10 years	straight-line method

The society regularly reviews its equipment and leasehold improvements to eliminate obsolete items.

Measurement Uncertainty

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 amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in revenues in the period in which they become known. Actual results could differ from these estimates.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2023

2. CASH

Cash is restricted for the following:

	<u>2023</u>	<u>2022</u>
<u>Funds for Deferred Contributions Related to Operations</u>		
Externally restricted for operating grants (Note 6)	\$ 210,976	\$ 645,630
Internally restricted for Alzheimer Walk (Note 6)	165,568	-
Externally restricted for expenses approved by the Alberta Gaming, Liquor, and Cannabis Commission (Note 6)	71,014	199,545
Externally restricted by the Government of Alberta (Note 6)	21,582	119,767
Internally restricted for Hockey Tournament (Note 6)	1,000	10,460
	<u>470,140</u>	<u>975,402</u>
<u>Funds for Restricted Net Assets</u>		
Internally restricted for research (Note 7)	3,900,000	1,900,000
Internally restricted for operating reserve (Note 7)	1,600,000	1,600,000
Externally restricted for research (Note 7)	659,054	1,085,613
Internally restricted for innovation reserve (Note 7)	190,815	22,879
Internally restricted for capital replacement reserve (Note 7)	105,407	71,896
	<u>6,455,276</u>	<u>4,680,388</u>
Unrestricted (deficit)	<u>(742,127)</u>	<u>1,268,110</u>
	<u>\$ 6,183,289</u>	<u>\$ 6,923,900</u>

The deficit of \$742,127 represents a shortfall in available cash to meet the Organization's internally restricted fund requirements. The Organization manages the cash requirements to ensure all externally restricted fund requirements are met.

3. INVESTMENTS

Investments consist of the following funds held for the benefit of the organization.

	<u>2023</u>	<u>2022</u>
Mutual funds	\$ 1,505,932	\$ 1,449,543

4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Leasehold improvements	\$ 433,029	\$ 181,382	\$ 251,647	\$ 294,674
Computer software	163,133	-	163,133	-
Computer equipment	193,674	135,889	57,785	48,117
Furniture and fixtures	31,920	29,198	2,722	3,105
	<u>\$ 821,756</u>	<u>\$ 346,469</u>	<u>\$ 475,287</u>	<u>\$ 345,896</u>

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2023

5. DEFERRED RENT AND LEASE INDUCEMENT

The Society entered into a lease agreement on October 26, 2018 to lease the Edmonton office space for a 10-year term. As part of this agreement, the Society received free rent for the fixturing period of 120 days plus free rent for the first month of each of the first 5 years. The value of this free rent is being amortized over the total lease period of 124 months. As of July 31, 2023, \$73,450 (2022 - \$66,515) has been recorded as deferred rent. This is broken down into the current portion of \$6,935 (2022 - \$6,935) and the long-term portion of \$66,515 (2022 - \$59,580).

As part of the above lease, the Society also received a lease inducement of \$364,134 to cover leasehold improvements made. Similarly to the above, the lease inducement is being amortized over the 124-month term of the lease. As of July 31, 2023, the deferred lease inducement is \$211,433 (2022 - \$246,672). This is broken down into the current portion of \$35,239 (2022 - \$35,239) and the long-term portion of \$176,194 (2022 - \$211,433).

The Society also entered into a lease agreement on February 1, 2022 to lease the Red Deer office space for a 5-year term and received a lease inducement of \$7,500 to cover leasehold improvement made. The lease inducement is being amortized over the 60 month term of the lease. As of July 31, 2023, the deferred lease inducement is \$5,375 (2022 - \$6,875). This is broken down into the current portion of \$1,500 (2022 - \$1,500) and the long-term portion of \$3,875 (2022 - \$5,375).

6. DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS

Deferred contributions related to operations consist of unspent contributions externally restricted for expenses approved by the Society's funders and restricted bingo and casino proceeds from Alberta Gaming, Liquor, and Cannabis Commission (AGLC). Recognition of these amounts as revenue is deferred to periods when the specified expenditures are made. Changes in the deferred contributions related to operations for the year are as follows:

	Gaming	Operational	2023	2022
Balance, beginning of year	\$ 119,767	\$ 855,635	\$ 975,402	\$ 846,472
Funding received	151,642	288,234	439,876	1,355,805
Revenue recognized	(200,395)	(744,743)	(945,138)	(1,226,875)
	\$ 71,014	\$ 399,126	\$ 470,140	\$ 975,402

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2023

7. RESTRICTED NET ASSETS

The Board of Directors may choose to establish internal restrictions which govern the use of asset held by the Society.

As of July 31, 2023 the Board has internally restricted an operating reserve of \$1,600,000 (2022 - \$1,600,000). This reserve was established to ensure the Society has funds to cover operating expenses for a 6-month period. Any surplus in excess of the Society's operating requirements may be designated to the operating reserve by the Board of Directors. In addition to the surplus amounts, the Board of Directors have allocated any earnings on the investment accounts to the operating reserve, which was \$318,118 for the year ending July 31, 2023 (2022 - \$nil).

As of July 31, 2023, the Board has internally restricted an additional \$2,000,000 for a total of \$3,900,000 (2022 - \$1,950,000) for research purposes related to the prevention and treatment of Alzheimer's disease. In the current year, \$nil (2022 - \$50,000) of this fund was spent on research.

During the year ending July 31, 2023, the Society received donations externally restricted for research of \$123,669 (2022 - \$1,111,884) and had \$1,085,613 (2022 - \$12,679) remaining from the prior year. Of this amount, \$550,228 (2022 - \$38,950) was spent on research during the year, leaving \$659,054 (2022 - \$1,085,613) restricted for future research expenditures.

As of July 31, 2023 the Board has internally restricted an innovation reserve for the purpose of funding the exploration and pursuit of opportunities, ideas, and innovations that will further the mission of the organization. In the current year, an additional \$350,000 (2022 - \$nil) was internally restricted to this fund and \$22,879 (2022 - \$50,000) remained from prior year. Of this, \$18,931 was spent on an in house direct response marketing campaign and \$163,133 was spent on software upgrades (2022 - \$14,690 was spent on capital additions and \$12,431 was spent on software upgrades).

As of July 31, 2023 the Board has internally restricted a capital asset replacement reserve for the purpose of replacing capital assets. In the current year, an amount equal to amortization of \$72,388 (2022 - \$62,437) has been allocated to this reserve, offset by capital purchases of \$38,877 (2022 - \$46,260).

8. RELATED PARTY TRANSACTIONS

During the fiscal year, the Society was involved in the following transactions with the Alzheimer Society of Canada.

	<u>2023</u>	<u>2022</u>
REVENUES		
Direct mail campaign	\$ 734,690	\$ 835,031
Bequests	187,550	49,488
Donations	125,265	215,940
Memorials	86,654	111,688
Other	15,344	16,377
	<u>1,149,503</u>	<u>1,228,524</u>
EXPENSES		
Direct mail campaign	(556,497)	(509,759)
Operating	(104,265)	(112,794)
Research	(990)	(61,729)
	<u>\$ 487,751</u>	<u>\$ 544,242</u>

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ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2023

8. RELATED PARTY TRANSACTIONS *(continued)*

Included in accounts receivable balance is \$170,441 (2022 - \$39,546) receivable from the Alzheimer Society of Canada.

The Society is related to the Alzheimer Society of Canada, by virtue of its membership in the national organization. While control and ownership does not exist between or among either of these entities, the two levels of societies (national and provincial) work closely together to achieve their common goals of alleviating the personal and social consequences of Alzheimer disease and to promote the search for a cause and a cure.

Transactions with related parties all arise from commitments to distribute a portion of contributions received which are to fund the various objectives of the national and provincial levels of the Societies. Accordingly, all transactions are valued and recorded at their cash amounts. These transactions are measured at the exchange amount, which is the amount of consideration established and agreed to by the related parties.

During the fiscal year, there was an additional amount of \$476,756 of research directed gifts. Research direct gifts from Alberta donors are retained by the Alzheimer Society of Canada and are directed to fund the Alzheimer Society Research Program (ASRP) as well as for research operations at the Alzheimer Society of Canada.

9. RESEARCH FUNDING

The society regularly commits to funding various research grants. These grants are provided to eligible research scientists whose projects address research focused on Alzheimer disease and related dementia's in areas covering the understanding the fundamental mechanisms of the disease and improving the quality of life of those with Alzheimer's disease.

During the year, the society issued grants to the University of Alberta totaling \$5,000 (2022 - \$33,950) and to the University of Calgary totaling \$36,200 (2022 - \$nil).

The society also issued \$503,127 for the Hope for Tomorrow research program, which was part of a commitment to provide \$5,000,000 over a 5 year period beginning on July 1, 2023 until June 30, 2026. This funding will be for the purpose of funding research into the cause, prevention, and cure of Alzheimer's disease and other dementia's. As part of this grant, the society has committed to payment of an additional \$503,127 over the next two years.

The Society also issued a payment to NeurAlbertaTech of \$5,000 (2022 - \$5,000) and other amounts of \$901.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2023

10. COMMITMENTS

The society has signed a five year commitment with the Campus Alberta Neuroscience for the Hope for Tomorrow research program. During the fiscal year, the society has committed to payments over the next two years as shown below.

The society entered into leases for office space in Edmonton, Lethbridge, Grande Prairie, Fort Curacy, Yellowknife, and Red Deer. The lease terms vary from monthly tenancy to 15 years. Commitments related to rental agreements are as follows:

	Hope for Tomorrow grant	Lease agreements	Total
2024	\$ 267,002	\$ 301,503	\$ 568,505
2025	236,125	267,607	503,732
2026	-	267,607	267,607
2027	-	259,249	259,249
2028	-	247,547	247,547
Thereafter	-	232,375	232,375
	<u>\$ 503,127</u>	<u>\$ 1,575,888</u>	<u>\$ 2,079,015</u>

11. FINANCIAL INSTRUMENTS

The society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the society's risk exposure and concentration as of July 31, 2023.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities. The society is exposed to this risk mainly in respect of its receipt of funds from its funders and donors, and other related sources including and accounts payable and accrued liabilities.

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. In seeking to minimize the risks from interest rate fluctuations, the society manages exposure through its normal operating and financing activities. The society is exposed to interest rate risk primarily through its interest rates on investments.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**Schedule of Contributions***(Schedule 1)***Year Ended July 31, 2023**

	2023	2022
CONTRIBUTIONS		
Hockey Tournament <i>(Schedule 2)</i>	\$ 1,465,615	\$ 1,326,069
General Donations	547,086	1,529,120
General Fundraising	339,023	365,171
Bequests	322,046	291,902
Memorials	275,230	194,362
Client Services	9,245	-
	\$ 2,958,245	\$ 3,706,624

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**Schedule of Hockey Tournament***(Schedule 2)***Year Ended July 31, 2023**

	<u>2023</u>	<u>2022</u>
REVENUES	\$ 1,465,615	\$ 1,326,069
EXPENSES		
Alumni	284,329	225,348
Event	222,719	216,315
Consulting	104,606	138,064
Salaries and benefits	98,740	73,790
Advertising	51,298	43,641
Other	31,932	26,293
	<u>793,624</u>	<u>723,451</u>
EXCESS OF REVENUES OVER EXPENSES	\$ 671,991	\$ 602,618

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Schedule of Expenses

Year Ended July 31, 2023

(Schedule 3)

	Programs and Services	Fund Development	General and Administration	2023	2022
Human Resources					
Salaries and benefits	\$ 1,591,709	\$ 411,911	\$ 654,743	\$ 2,658,363	\$ 2,171,599
Contract services	130,572	415,946	6,165	552,683	528,298
Staff training and volunteer development	50,640	8,665	12,217	71,522	52,587
	<u>1,772,921</u>	<u>836,522</u>	<u>673,125</u>	<u>3,282,568</u>	<u>2,752,484</u>
Travel and Meetings					
Board and executive Staff	-	-	35,512	35,512	36,898
	11,678	4,873	1,124	17,675	22,611
	<u>11,678</u>	<u>4,873</u>	<u>36,636</u>	<u>53,187</u>	<u>59,509</u>
Office Facilities					
Rent, repairs and utilities	250,676	36,993	77,162	364,831	330,559
Insurance	-	-	9,041	9,041	10,476
	<u>250,676</u>	<u>36,993</u>	<u>86,203</u>	<u>373,872</u>	<u>341,035</u>
Operating					
Program materials	47,067	263,367	13,704	324,138	316,167
Office supplies	57,682	9,012	25,932	92,626	75,073
Advertising	4,794	51,821	31,786	88,401	100,946
Bank charges	-	67,680	20,107	87,787	75,219
Amortization of equipment and leasehold improvements	46,434	10,652	15,302	72,388	62,437
Professional fees	4,162	6,891	37,779	48,832	15,375
Telecommunications	24,571	4,219	12,059	40,849	36,216
Printing	4,586	16,598	966	22,150	3,780
Postage and courier	6,684	6,916	1,396	14,996	8,886
Repairs and maintenance	9,692	-	929	10,621	6,866
Equipment rentals	4,121	908	1,780	6,809	8,438
Registration and subscriptions	2,547	(11)	473	3,009	1,528
Director's liability insurance	-	-	952	952	928
	<u>212,340</u>	<u>438,053</u>	<u>163,165</u>	<u>813,558</u>	<u>711,859</u>
Total	<u>\$ 2,247,615</u>	<u>\$ 1,316,441</u>	<u>\$ 959,129</u>	<u>\$ 4,523,185</u>	<u>\$ 3,864,887</u>