

**ALZHEIMER SOCIETY OF
ALBERTA & NORTHWEST TERRITORIES
FINANCIAL STATEMENTS
JULY 31, 2019**

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" or "AS AB/NT"), which comprise the statement of financial position as at July 31, 2019, and the statement of operations, statement of net assets and statement of cash flows for the four month period 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, 2019, and its financial performance and its cash flows for the four month period then ended in accordance with Canadian Accounting Standards for Not-for-Profit Organizations ("ASNFPPO").

Basis for Qualified Opinion

The Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society. Consequently, we were unable to determine whether any adjustments might be necessary to donations, excess (deficit) of revenues over expenses, and net assets.

We conducted our audit in accordance with Canadian generally accepted auditing standards for not-for-profit organizations. 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 qualified 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 ASNFPPO, 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 for not-for-profit organizations 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 for not-for-profit organizations, 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.

Edmonton, Alberta
January 9, 2020

DeGraves Pallard & Associates LLP

CHARTERED ACCOUNTANTS



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
STATEMENT OF OPERATIONS
FOR THE FOUR MONTH PERIOD ENDED JULY 31, 2019
(with comparative figures for the year ended March 31, 2019)


	July 31, 2019	March 31, 2019
REVENUES		
Contributions (Schedules 1, 2)	\$ 2,086,286	\$ 2,625,630
Alzheimer Society of Canada (Note 8)	398,382	672,406
Grants (Note 5)	114,283	553,889
Investment income	40,486	104,287
Other income	14,854	15,078
Lease inducement (Note 6)	11,746	-
Reimbursement of research grant	-	37,450
	2,666,037	4,008,740
EXPENSES		
Programs and services (Schedule 3)	519,883	1,568,939
Fund development (Schedule 3)	883,509	1,302,559
General and administration (Schedule 3)	370,765	952,153
Research (Notes 8, 9)	659,575	850,043
	2,433,732	4,673,694
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	232,305	(664,954)
NET ASSETS, BEGINNING OF PERIOD	4,016,510	4,681,464
NET ASSETS, END OF PERIOD	\$ 4,248,815	\$ 4,016,510


See accompanying notes

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**STATEMENT OF FINANCIAL POSITION****AS AT JULY 31, 2019**

	As at July 31, 2019	As at March 31, 2019
ASSETS		
CURRENT		
Cash	\$ 1,909,799	\$ 2,356,536
Accounts receivable (Note 8)	375,058	249,687
Goods and Services Tax recoverable	21,519	12,210
Prepaid expenses	70,910	127,622
	<u>2,377,286</u>	<u>2,746,055</u>
INVESTMENTS (Note 3)	3,409,061	3,371,357
PROPERTY AND EQUIPMENT (Note 4)	469,056	56,455
	<u>\$ 6,255,403</u>	<u>\$ 6,173,867</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 675,312	\$ 211,247
Current portion of deferred lease inducement (Note 6)	35,239	-
Current portion of deferred rent (Note 6)	5,001	-
	<u>715,552</u>	<u>211,247</u>
DEFERRED CONTRIBUTIONS (Note 5)	933,179	1,946,110
DEFERRED RENT (Note 6)	40,708	-
DEFERRED LEASE INDUCEMENT (Note 6)	317,149	-
	<u>2,006,588</u>	<u>2,157,357</u>
<i>Commitments (Note 10)</i>		
NET ASSETS (Notes 4, 7)		
Net investment in equipment	469,056	56,455
Operating Reserve subject to internal restrictions	1,600,000	666,338
Internally restricted net assets	2,000,000	2,000,000
Unrestricted net assets	179,759	1,293,717
	<u>4,248,815</u>	<u>4,016,510</u>
	<u>\$ 6,255,403</u>	<u>\$ 6,173,867</u>

*See accompanying notes***ON BEHALF OF THE BOARD**

 Director

 Director



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

STATEMENT OF NET ASSETS

FOR THE FOUR MONTH PERIOD ENDED JULY 31, 2019

(with comparative figures for the year ended March 31, 2019)

	INVESTMENT IN PROPERTY AND EQUIPMENT	(NOTE 7) OPERATING RESERVE	(NOTE 7) INTERNALLY RESTRICTED FOR RESEARCH	(NOTE 5) EXTERNALLY RESTRICTED FOR RESEARCH	UN- RESTRICTED	July 31, 2019 TOTAL
NET ASSETS, BEGINNING OF PERIOD	\$ 56,455	\$ 666,338	\$ 2,000,000	\$ -	\$ 1,293,717	\$ 4,016,510
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-	-	-	232,305	232,305
INVESTMENT INCOME ADDED TO OPERATING RESERVE (Note 7)	-	40,486	-	-	(40,486)	-
TRANSFER BETWEEN RESERVES (Note 7)	-	893,176	-	-	(893,176)	-
RESEARCH						
Net proceeds allocated from hockey tournament	-	-	639,281	-	(639,281)	-
Contributions externally restricted for research (Note 5)	-	-	-	20,294	(20,294)	-
Research expenses (Statement 1, Note 10)	-	-	(639,281)	(20,294)	659,575	-
EQUIPMENT						
Amortization	(27,108)	-	-	-	27,108	-
Purchase of computer equipment and furnishings	17,548	-	-	-	(17,548)	-
Purchase of leasehold improvements	422,161	-	-	-	(422,161)	-
	\$ 469,056	\$ 1,600,000	\$ 2,000,000	\$ -	\$ 179,759	\$ 4,248,815
			(NOTE 7)	(NOTE 5)		
			INTERNALLY RESTRICTED	EXTERNALLY RESTRICTED		
			FOR RESEARCH (RESTATED)	FOR RESEARCH (RESTATED)	UN- RESTRICTED (RESTATED)	March 31, 2019 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 87,865	\$ 562,051	\$ 2,481,836	\$ -	\$ 1,549,712	\$ 4,681,464
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-	-	-	(664,954)	(664,954)
INVESTMENT INCOME ADDED TO OPERATING RESERVE (Note 7)	-	104,287	-	-	(104,287)	-
RESEARCH						
Net proceeds allocated from hockey tournament	-	-	276,673	-	(276,673)	-
Contributions externally restricted for research (Note 5)	-	-	-	54,084	(54,084)	-
Research expenses (Statement 1, Note 10)	-	-	(795,959)	(54,084)	850,043	-
Reimbursement of research grant	-	-	37,450	-	(37,450)	-
EQUIPMENT						
Amortization	(42,469)	-	-	-	42,469	-
Purchase of computer equipment and furnishings	11,059	-	-	-	(11,059)	-
	\$ 56,455	\$ 666,338	\$ 2,000,000	\$ -	\$ 1,293,717	\$ 4,016,510

See accompanying notes



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**STATEMENT OF CASH FLOWS****FOR THE FOUR MONTH PERIOD ENDED JULY 31, 2019**

(with comparative figures for the year ended March 31, 2019)

	July 31, 2019	March 31, 2019
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess (deficiency) of revenues over expenses	\$ 232,305	\$ (664,954)
Add (deduct) items not involving cash:		
Rent inducement included in premises lease	45,709	-
Amortization of equipment and furnishings	27,108	42,469
Amortization of deferred lease inducements	(11,746)	-
	<u>293,376</u>	<u>(622,485)</u>
Net change in non-cash working capital accounts		
Increase in accounts receivable	(125,371)	(93,642)
Decrease (increase) in Goods and Services Tax recoverable	(9,309)	1,991
Decrease in prepaid expenses	56,712	4,018
Increase (decrease) in accounts payable and accrued liabilities	464,065	(119,173)
Increase (decrease) in deferred contributions	(1,012,931)	969,097
	<u>(626,834)</u>	<u>762,291</u>
INVESTMENT ACTIVITIES		
Proceeds from disposal of investments	-	645,926
Increase in the fair market value of investments	(37,704)	(94,590)
Purchase of equipment	(17,548)	(11,059)
Purchase of leasehold improvements	(58,027)	-
	<u>(113,279)</u>	<u>540,277</u>
INCREASE (DECREASE) IN CASH DURING THE PERIOD	(446,737)	680,083
CASH, BEGINNING OF PERIOD	2,356,536	1,676,453
CASH, END OF PERIOD	\$ 1,909,799	\$ 2,356,536

See accompanying notes

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2019

1. PURPOSE AND STATUS OF THE ORGANIZATION

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.

AS AB/NT 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.

As the Society does not have any sources of earned income, its ongoing operations are dependent on contributions and grants from those interested in their cause.

Effective April 1, 2019, the Society's Board of Directors has approved management's request to change AS AB/NT's fiscal year end to July 31. Thus, these financial statements are for the four months ending July 31, 2019.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared by management in accordance with Part III of the CICA Handbook-Accounting which constitutes Canadian Accounting Standards for Not-For-Profit Organizations in Canada. The precise determination of the reported amounts of assets, 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 year are dependent on future events. As a result, the preparation of these financial statements for the period involves the use of estimates and approximations which have been made using careful judgment. Actual results could differ from those estimates and approximations. The financial statements have, in management's opinion, been properly prepared within reasonable limits of materiality and within the framework of the accounting policies summarized below.

BASIS OF PRESENTATION

The Society follows the deferral method of accounting for contributions. Externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred with any remaining amounts being recorded as deferred revenue. 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. Gifts in kind for which an independent valuation is available and which have been receipted for income tax purposes are recorded at the receipted amount as unrestricted contributions. Gifts in kind not receipted for income tax purposes have not been recorded in the financial statements. Investment income includes dividends, interest, and realized and unrealized gains and losses. Unrealized gains and losses on financial assets held for trading are included in investment income and recognized as revenue in the statement of operations.



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2019

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

ALZHEIMER'S FACE OFF HOCKEY TOURNAMENT

The Society operated a hockey tournament in the City of Edmonton from April 26-28, 2019. The results of this hockey game are disclosed in Schedule 1 of these financial statements.

A portion of the excess of revenues over expenses related to the Hockey Tournament fundraising initiative has been internally restricted by the Board of Directors for research purposes related to prevention and treatment of Alzheimer's disease.

INVESTMENTS

Investments for which there is an active trading market are recognized at fair value at the year end. Investments donated to the Society are recorded at fair value at the time of the donation. Changes in the fair value of investments are included in investment income and are reported in the statement of operations.

PROPERTY AND EQUIPMENT

Equipment is recorded at cost and donated assets are recorded at fair value when received. Amortization is recognized on a straight-line basis over five years which represents the estimated useful life of the assets.

Leasehold improvements are amortized over the term of the respective leases.

ALLOCATION OF EXPENSES

Expenses are allocated by AS AB/NT based on a review and assessment made by management. The allocation of these costs is performed according to the underlying resources used by each program.

CONTRIBUTED SERVICES

Contributed services are not recorded in these financial statements. Volunteers contribute hours in carrying out governance and other activities of the Society. Due to the difficulty in determining their fair value, contributed volunteer services are not recognized in these financial statements.

FINANCIAL INSTRUMENTS

Financial instruments reported on the balance sheet include cash, accounts receivable, investments, and accounts payable and accrued liabilities.

The Society's carrying value of cash, accounts receivable, and accounts payable and accrued liabilities, approximates its fair value due to the immediate or short term maturity of these instruments. The fair value of investments held by the Society is determined by the closing stock market prices as at July 31.

Unless otherwise noted, it is management's opinion that the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2019

3. INVESTMENTS

Investments consist of the following:

	July 31, 2019	March 31, 2019
ATB Investment accounts - 90 day notice	\$ 1,366,887	\$ 1,355,525
ATB Compass Conservative Funds	1,228,400	1,208,405
ATB Investment accounts - 31 day notice	736,408	730,773
Mutual fund (Investors Group)	77,366	76,654
	\$ 3,409,061	\$ 3,371,357

Although some of these investments can be converted to cash within 31 days, the investments are not reported as current assets because they have been restricted to finance the Society's operating reserve which has been approved by the Board of Directors.

4. PROPERTY AND EQUIPMENT

	July 31, 2019		March 31, 2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 422,161	\$ 13,618	\$ -	\$ -
Computer equipment and furnishings	205,439	170,900	187,891	163,902
Vehicles	97,477	71,503	97,477	65,011
	725,077	256,021	285,368	228,913
Net book value	\$ 469,056		\$ 56,455	



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2019

5. DEFERRED CONTRIBUTIONS

During the year, the Society received \$541,130 in additional contributions for the hockey fundraising event that took place on April 26-28, 2019 (see Schedule 2). All contributions received related to this event have been recognized as revenue. The Society has also received a contribution of \$10,043 for a similar hockey event that is scheduled to take place in April, 2020. This amount is included in deferred contributions as at July 31, 2019.

During the year, AS AB/NT began providing programs and support for people impacted by dementia related to the Alberta Dementia Strategy and Action Plan (“ADSAP”) agreement with the Government of Alberta. The ADSAP grant funds three specific projects covering the period between February 15, 2019 to March 31, 2022. The maximum funding of \$2,451,000 is budgeted to be dispersed over three years. Funding for year one of the project in the amount of \$703,300 was received prior to the March 31, 2019 year end and was deferred at that time since spending under the project did not begin until April, 2019. During the period ending July 31, 2019, AS AB/NT received interest income of \$3,300 and incurred expenses of \$69,536 under the agreement resulting in a deferred revenue balance of \$637,064 as at July 31, 2019. The remainder of the funding is budgeted to be dispersed for years two and three in the amounts of \$800,400 and \$947,300 respectively.

The Society received a grant from the Edmonton Community Foundation in the amount of \$10,000. This grant is to be used to hire an accounting cooperative education student to gain experience in the not-for-profit sector. As at July 31, 2019, this grant had not been spent.

During the period, the Society received certain contributions which were externally restricted by donors for research purposes. The Society recognized \$20,294 (March 31, 2019 - \$54,084) related to these donations in these financial statements based on the research expenditures incurred (see Note 9).

In addition, the Society received \$10,475 (March 31, 2019 - \$28,184) in donations restricted for program costs. These donations were spent on program expenses disclosed on Schedule 3.

Changes in deferred contributions are as follows:

	Balance March 31, 2019	Received/ Receivable In Period	Recognized As Revenue	Balance July 31, 2019
Hockey tournament (April 2019)	\$ 958,204	\$ 541,130	\$ (1,499,334)	\$ -
Hockey tournament (April 2020)	10,043	-	-	10,043
ADSAP	703,300	3,300	(69,536)	637,064
Casino and bingo funds	274,563	14,120	(12,611)	276,072
Edmonton Community Foundation Grant	-	10,000	-	10,000
Restricted for research	-	20,294	(20,294)	-
Restricted for program costs	-	10,475	(10,475)	-
	\$ 1,946,110	\$ 599,319	\$ (1,612,250)	\$ 933,179



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2019

6. DEFERRED LEASE INDUCEMENTS

The Society entered into an agreement on October 26, 2018 to lease office space in the City of Edmonton for a ten year period. The lease included a fixturing period of 120 days plus an additional free rent period of one month in each of the next five years. During the fixturing period, the Society was not required to remit any rental payments to the landlord. The Society took possession of the rental premises on April 8, 2019 and began remitting rental amounts in September, 2019 after the expiration of the fixturing period on July 26, 2019 and the first free rent period covering the month of August, 2019. The value of the free rent period is being amortized over the 124 month term of the lease which includes the fixturing period. As at July 31, 2019, \$45,709 has been recorded as deferred rent related to this inducement.

In addition to the free rent inducement, the lease agreement also included an inducement related to covering a portion of the leasehold improvements made to the premises by the Society. The total lease inducement received in the form of leasehold improvements was \$364,134. The inducement is being amortized over the 124 month term of the lease including the fixturing period resulting in a deferred lease inducement of \$352,388 as at July 31, 2019.

7. NET ASSETS SUBJECT TO INTERNAL RESTRICTIONS

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

The Board of Directors approved establishing an Operating Reserve which is intended to provide support over the long term against significant fluctuations in funding. Any surplus in excess of the Society's operating requirements may be designated to the Operating Reserve by the Board of Directors. During the period, the Board of Directors internally restricted an additional \$893,176 to increase the Operating Reserve to \$1,600,000.

The motion by the Board of Directors to maintain an operating reserve of \$1,600,000 is to ensure the Society can cover expenses over a six month period without requiring additional funding sources or having to utilize other reserves.

In addition to the surplus amounts, the Board of Directors have allocated any earnings on the investment accounts (July 31, 2019 - \$40,486; March 31, 2019 - \$104,287) to the operating reserve.

The Board of Directors internally restricted funds for research purposes related to the prevention and treatment of Alzheimer's disease with a requirement to maintain a minimum balance of \$2,000,000 (see Statement 3).

8. RELATED PARTY TRANSACTIONS

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.



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2019

8. RELATED PARTY TRANSACTIONS CONTINUED

During the period, the Society was involved in the following transactions with the Alzheimer Society of Canada:

	July 31, 2019	March 31, 2019
REVENUES		
Bequests	\$ 300,000	\$ 470,491
Direct mail campaign	166,719	664,859
Donations	83,404	121,685
Memorials	16,373	47,835
Other	8,016	22,685
	<u>574,512</u>	<u>1,327,555</u>
EXPENSES		
Direct mail expenses	102,497	397,063
Research assessments	37,651	131,338
Operating assessments	35,982	126,748
	<u>176,130</u>	<u>655,149</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 398,382</u>	<u>\$ 672,406</u>
	<u>2019</u>	<u>2018</u>
Amount of National Direct Mail Campaign revenue included in accounts receivable	<u>\$ 334,667</u>	<u>\$ 235,269</u>



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2019

9. RESEARCH FUNDING

The Society regularly commits to funding various research grants in partnership with Alberta Innovates ("AI"). These grants are provided to eligible research scientists whose projects address opportunities focused on Alzheimer disease and related dementias in areas connected to understanding the fundamental mechanisms of the disease and improving the quality of life of those with Alzheimer's disease. The research grants are funded 50/50 by AS AB/NT and AI.

During the period, the Society issued grants totaling \$46,325, \$68,250 and \$199,750 respectively related to the AARP Round V, VI and VII agreements with AI. As at July 31, 2019, the Society has fulfilled all of its commitments for Round V. The Society has remaining commitments of \$83,250 for Round VI and \$199,750 for Round VII.

In addition to the AARP grants, AS AB/NT has committed to fund the Hope for Tomorrow Dementia Research Catalyst Grants Program which is administered by AI. AS AB/NT committed to provide \$1,000,000 over a three year period beginning May 1, 2018. During the year, the Society funded \$341,250 under these agreements. The remaining commitment as at July 31, 2019 under these agreements is \$100,000.

10. COMMITMENTS

In addition to research grants, AS AB/NT entered into leases for office space in Edmonton, Lethbridge, Grande Prairie, Medicine Hat, Fort McMurray, Yellowknife and Red Deer. The lease terms vary from monthly tenancy to fifteen years. The following commitments related to research and rental agreements are as follows:

	<u>Leases</u>	<u>Research</u>	<u>Total</u>
2020	\$ 239,174	\$ 349,050	\$ 588,224
2021	192,638	13,950	206,588
2022	183,755	20,000	203,755
2023	183,755	-	183,755
2024	183,755	-	183,755
	<u>\$ 983,077</u>	<u>\$ 383,000</u>	<u>\$ 1,366,077</u>

11. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform to the presentation adopted for the current period.



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**SCHEDULE OF CONTRIBUTIONS****FOR THE FOUR MONTH PERIOD ENDED JULY 31, 2019**

(with comparative figures for the year ended March 31, 2019)

	July 31, 2019	March 31, 2019
CONTRIBUTIONS		
Fundraising	\$ 1,706,296	\$ 1,770,378
Bequests	182,819	287,005
Other donations	126,895	378,322
Memorials	70,276	189,925
	\$ 2,086,286	\$ 2,625,630



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
SCHEDULE OF HOCKEY TOURNAMENT REVENUE AND EXPENSES
FOR THE FOUR MONTH PERIOD ENDED JULY 31, 2019
(with comparative figures for the year ended March 31, 2019)

	July 31, 2019 (April 2019 Tournament)	March 31, 2019 (April 2018 Tournament)
REVENUE	\$ 1,499,334	\$ 1,307,612
EXPENSES		
Contracted services	256,893	259,960
Rentals and fees	158,236	154,206
Supplies	111,135	85,450
Advertising and promotion	57,776	60,236
Consulting	39,879	31,061
Salaries and benefits	30,438	22,394
Interest and service charges	14,833	14,701
Travel	1,328	916
	670,518	628,924
EXCESS OF REVENUE OVER EXPENSES	\$ 828,816	\$ 678,688

Due to the majority of the planning for the April 26-28, 2019 hockey game being performed prior to the March 31, 2019 year end, there were certain revenues and expenses related to this game that were recognized in the March 31, 2019 financial statements. Specifically, revenues of \$21,104 related to gifts-in-kind for items that were consumed prior to March 31, 2019 and expenses incurred of \$173,226 related to organizing the event were recognized in the March 31, 2019 financial statements. Thus, the total amount received less the expenses related to the hockey tournament that took place between April 26-28, 2019 is \$676,694. The comparable net proceeds related to the similar hockey game that took place between April 27-29, 2018 was \$518,247.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**SCHEDULE OF EXPENSES****FOR THE FOUR MONTH PERIOD ENDED JULY 31, 2019**

(with comparative figures for the year ended March 31, 2019)

	PROGRAMS AND SERVICES	FUND DEVELOPMENT	GENERAL AND ADMINISTRATION	July 31, 2019 TOTAL	March 31, 2019 TOTAL
HUMAN RESOURCES					
Salaries and benefits	\$ 393,475	\$ 171,543	\$ 186,425	\$ 751,443	\$ 2,069,699
Contract services	3,075	293,986	33,869	330,930	519,440
Staff training and development	3,184	652	1,407	5,243	19,435
Volunteer development	1,962	603	724	3,289	5,924
	401,696	466,784	222,425	1,090,905	2,614,498
TRAVEL AND MEETINGS					
Staff	2,474	2,534	2,225	7,233	23,578
Board and executive	-	-	3,885	3,885	16,298
	2,474	2,534	6,110	11,118	39,876
OFFICE FACILITIES					
Rent and utilities	73,101	20,103	35,756	128,960	334,322
Insurance	1,598	2,350	1,606	5,554	11,715
Janitorial	414	68	612	1,094	7,659
	75,113	22,521	37,974	135,608	353,696
OPERATING					
Program materials	10,088	293,449	3,390	306,927	359,654
Advertising	297	57,953	-	58,250	95,287
Office supplies	4,381	1,756	25,554	31,691	56,943
Bank charges	13	15,169	16,496	31,678	77,651
Printing	2,363	19,499	287	22,149	25,753
Repairs and maintenance	10,818	381	5,821	17,020	4,327
Telecommunications	9,259	2,241	2,335	13,835	41,168
Equipment rental	2,038	464	2,041	4,543	17,491
Postage and courier	1,084	708	940	2,732	14,824
Registration and subscriptions	259	50	-	309	2,368
Director's liability insurance	-	-	284	284	852
	40,600	391,670	57,148	489,418	696,318
OTHER					
Amortization	-	-	27,108	27,108	42,469
Audit and legal fees	-	-	20,000	20,000	76,794
	-	-	47,108	47,108	119,263
TOTAL	\$ 519,883	\$ 883,509	\$ 370,765	\$ 1,774,157	\$ 3,823,651