
**ALZHEIMER SOCIETY OF
ALBERTA & NORTHWEST TERRITORIES
FINANCIAL STATEMENTS
JULY 31, 2020**

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, 2020, and the statement of operations, statement of net assets and statement of 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, 2020, and its financial performance and its cash flows for the year 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.

DeGraves Pallard & Associates LLP

Edmonton, Alberta
November 19, 2020

CHARTERED PROFESSIONAL ACCOUNTANTS



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
STATEMENT OF OPERATIONS
FOR THE YEAR ENDED JULY 31, 2020

(with comparative figures for the four month period ending July 31, 2019)

	July 31, 2020 (12 months)	July 31, 2019 (4 months)
REVENUES		
Contributions (Schedules 1, 2)	\$ 2,349,001	\$ 2,086,286
Alzheimer Society of Canada (Note 8)	578,805	398,382
Grants	456,875	114,283
Canada Emergency Wage Subsidies (Note 10)	413,098	-
Investment income	153,915	40,486
Other income	57,540	14,854
Lease inducement (Note 6)	35,239	11,746
	4,044,473	2,666,037
EXPENSES		
Programs and services (Schedule 3)	1,835,913	519,883
General and administration (Schedule 3)	729,144	370,765
Fund development (Schedule 3)	697,766	883,509
Research (Note 9)	424,050	659,575
	3,686,873	2,433,732
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS	357,600	232,305
NET ASSETS, BEGINNING OF PERIOD	4,248,815	4,016,510
NET ASSETS, END OF PERIOD	\$ 4,606,415	\$ 4,248,815

See accompanying notes

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

	2020	2019
ASSETS		
CURRENT		
Cash	\$ 1,524,616	\$ 1,909,799
Accounts receivable (Note 8)	123,425	375,058
Goods and Services Tax recoverable	43,828	21,519
Prepaid expenses	132,647	70,910
	1,824,516	2,377,286
INVESTMENTS (Note 3)	3,863,176	3,409,061
PROPERTY AND EQUIPMENT (Note 4)	407,780	469,056
	\$ 6,095,472	\$ 6,255,403
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 241,459	\$ 675,312
Current portion of deferred lease inducement (Note 6)	35,239	35,239
Current portion of deferred rent (Note 6)	5,001	5,001
	281,699	715,552
DEFERRED CONTRIBUTIONS (Note 5)	877,804	933,179
DEFERRED RENT (Note 6)	47,644	40,708
DEFERRED LEASE INDUCEMENT (Note 6)	281,910	317,149
	1,489,057	2,006,588
<i>Commitments</i> (Note 11)		
NET ASSETS (Notes 4, 7)		
Net investment in equipment	407,780	469,056
Operating Reserve subject to internal restrictions	1,600,000	1,600,000
Internally restricted net assets	2,000,000	2,000,000
Unrestricted net assets	598,635	179,759
	4,606,415	4,248,815
	\$ 6,095,472	\$ 6,255,403

See accompanying notes

ON BEHALF OF THE BOARD


 Director


 Director


ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

STATEMENT OF NET ASSETS
FOR THE YEAR ENDED JULY 31, 2020

(with comparative figures for the four month period ending July 31, 2019)

			(NOTE 7)	(NOTE 5)		
	INVESTMENT IN PROPERTY AND EQUIPMENT	OPERATING RESERVE (NOTE 7)	INTERNALLY RESTRICTED FOR RESEARCH (NOTE 7)	EXTERNALLY RESTRICTED FOR RESEARCH (NOTE 5)	UN- RESTRICTED	July 31, 2020 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 469,056	\$ 1,600,000	\$ 2,000,000	\$ -	\$ 179,759	\$ 4,248,815
EXCESS OF REVENUES OVER EXPENSES	-	-	-	-	357,600	357,600
INVESTMENT INCOME ADDED TO OPERATING RESERVE (Note 7)	-	153,915	-	-	(153,915)	-
TRANSFER BETWEEN RESERVES (Note 7)	-	(153,915)	-	-	153,915	-
RESEARCH						
Proceeds allocated from hockey tournament	-	-	197,201	-	(197,201)	-
Contributions externally restricted for research (Note 5)	-	-	-	226,849	(226,849)	-
Research expenses (Statement 1, Note 9)	-	-	(197,201)	(226,849)	424,050	-
EQUIPMENT						
Amortization	(56,180)	-	-	-	56,180	-
Purchase of computer equipment and furnishings	22,391	-	-	-	(22,391)	-
Disposal of vehicles and computer equipment	(27,487)	-	-	-	27,487	-
	\$ 407,780	\$ 1,600,000	\$ 2,000,000	\$ -	\$ 598,635	\$ 4,606,415
			(NOTE 7)	(NOTE 5)		
	INVESTMENT IN PROPERTY AND EQUIPMENT	OPERATING RESERVE (NOTE 7)	INTERNALLY RESTRICTED FOR RESEARCH (RESTATED)	EXTERNALLY RESTRICTED FOR RESEARCH (RESTATED)	UN- RESTRICTED (RESTATED)	July 31, 2019 TOTAL
NET ASSETS, BEGINNING OF PERIOD	\$ 56,455	\$ 666,338	\$ 2,000,000	\$ -	\$ 1,293,717	\$ 4,016,510
EXCESS OF REVENUES 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 9)	-	-	(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

See accompanying notes

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED JULY 31, 2020

(with comparative figures for the four month period ending July 31, 2019)

	July 31, 2020 (12 months)	July 31, 2019 (4 months)
CASH PROVIDED BY (USED FOR):		
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 357,600	\$ 232,305
Add (deduct) items not involving cash:		
Rent inducement included in premises lease	6,936	45,709
Amortization of equipment and furnishings	56,180	27,108
Amortization of deferred lease inducements	(35,239)	(11,746)
Gain on disposal of equipment included in other income	(31,903)	-
	<u>353,574</u>	<u>293,376</u>
Net change in non-cash working capital accounts		
Decrease (increase) in accounts receivable	251,633	(125,371)
Increase in Goods and Services Tax recoverable	(22,309)	(9,309)
Decrease (increase) in prepaid expenses	(61,737)	56,712
Increase (decrease) in accounts payable and accrued liabilities	(433,853)	464,065
Decrease in deferred contributions	(55,375)	(1,012,931)
	<u>(321,641)</u>	<u>(626,834)</u>
INVESTMENT ACTIVITIES		
Increase in the fair market value of investments	(144,429)	(37,704)
Purchase of investments	(1,000,000)	-
Proceeds on disposal of investments	690,314	-
Purchase of equipment	(22,391)	(17,548)
Proceeds on disposal of equipment	59,390	-
Purchase of leasehold improvements	-	(58,027)
	<u>(417,116)</u>	<u>(113,279)</u>
DECREASE IN CASH DURING THE PERIOD	(385,183)	(446,737)
CASH, BEGINNING OF PERIOD	1,909,799	2,356,536
CASH, END OF PERIOD	\$ 1,524,616	\$ 1,909,799

See accompanying notes

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020

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 approved management's request to change AS AB/NT's fiscal year end to July 31. Thus, these financial statements are for the year ending July 31, 2020, with comparative figures for the four month period 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, 2020

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

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, 2020

3. INVESTMENTS

Investments consist of the following:

	July 31, 2020	July 31, 2019
ATB Investment accounts - 90 day notice	\$ 1,703,489	\$ 1,366,887
ATB Compass Conservative Funds	1,331,301	1,228,400
ATB Investment accounts - 31 day notice	749,439	736,408
Mutual fund (Investors Group)	78,947	77,366
	\$ 3,863,176	\$ 3,409,061

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, 2020		July 31, 2019	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Leasehold improvements	\$ 422,161	\$ 54,472	\$ 422,161	\$ 13,618
Computer equipment	134,244	103,068	172,557	151,847
Furniture and fixtures	32,882	23,967	32,882	19,053
Vehicles	-	-	97,477	71,503
	589,287	181,507	725,077	256,021
Net book value	\$ 407,780		\$ 469,056	



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020

5. DEFERRED CONTRIBUTIONS

AS AB/NT continued to provide 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 supports three specific projects covering the period between February 15, 2019 to March 31, 2022. The maximum funding amount of \$2,451,000 is to be dispersed over three years. Funding for year one of the project in the amount of \$703,300 was received and recognized in the financial statements for the year-ending March 31, 2019 with spending under the project beginning in April, 2019. For the fiscal year ending July 31, 2020, AS AB/NT received interest income of \$4,256 and incurred program expenses of \$331,819 under the agreement resulting in a deferred revenue balance of \$309,501. As at July 31, 2020, the Society has only received funding for year one of the project. The remainder of the funding is to be dispersed for years two and three in the amounts of \$800,400 and \$947,300 respectively.

During the year, the Society received \$833,716 in contributions for the hockey fundraising event that was scheduled to take place in April, 2020. Unforeseen circumstances related to the Covid-19 pandemic resulted in the cancellation of this fundraising event. However, a portion of the donations that were received related to this hockey event have been recognized as revenues in these financial statements (see Schedule 2). Participants and sponsors were given the option to defer their registrations, table purchases and sponsorships to a similar hockey event that is expected to take place in April, 2021 resulting in \$216,197 being recognized as deferred contributions.

The Society received a grant in July, 2020 from the City of Edmonton Family and Community Support Services program ("FCSS") in the amount of \$171,370. The purpose of this one-time grant is for the Society to address social needs in Edmonton resulting from the Covid-19 pandemic.

The Society operated the Minds in Motion ("MiM") program which is a program that combines physical activity and mental stimulation for people with early to mid-stage Alzheimer's disease or another form of dementia. During the year the Society received grants of \$86,225 for this program. Spending under this program totalled \$46,216, resulting in deferred contributions of \$40,009 as at July 31, 2020.

The Society received a grant in the amount of \$67,500 from Alberta Health Services to fund the Young Onset Dementia Project. The purpose of this grant is to fund a Young Onset Dementia Coordinator position to provide individualized services and support for persons living with young onset dementia.

During the year, the Society received certain contributions which were externally restricted by donors for research purposes. The Society recognized \$289,152 (July 31, 2019 - \$20,294) related to these donations in these financial statements based on the research expenditures incurred (see Note 9).

In addition, the Society received \$43,527 (July 31, 2019 - \$10,475) in donations restricted for program costs. These donations were spent on program expenses disclosed on Schedule 3.



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020

5. DEFERRED CONTRIBUTIONS CONTINUED

Changes in deferred contributions are as follows:

	Balance July 31, 2019	Received/ Receivable In Period	Recognized As Revenue	Balance July 31, 2020
ADSAP	\$ 637,064	\$ 4,256	\$ 331,819	\$ 309,501
Hockey tournament (April 2021)	10,043	833,716	627,562	216,197
City of Edmonton Family and Community Support Services Program	-	171,370	-	171,370
Casino and bingo funds	276,072	107,617	258,313	125,376
Minds in Motion Program	-	86,225	46,216	40,009
Young Onset Dementia Project	-	67,500	54,115	13,385
Let's Sing Together	-	3,125	1,909	1,216
Collaborating For Inclusion of Older Adults	-	1,500	750	750
Edmonton Community Foundation Grant	10,000	-	10,000	-
Restricted for research	-	289,152	(289,152)	-
Restricted for program costs	-	43,527	(43,527)	-
	\$ 933,179	\$ 1,607,988	\$ 998,005	\$ 877,804

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, 2020, \$52,645 (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 \$317,149 as at July 31, 2020 (2019 - \$352,388).



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020

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. As at July 31, 2020, the Operating Reserve remains at \$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, 2020 - \$153,915; July 31, 2019 - \$40,486) 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, 2020

8. RELATED PARTY TRANSACTIONS CONTINUED

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

	July 31, 2020 (12 months)	July 31, 2019 (4 months)
REVENUES		
Direct mail campaign	\$ 712,002	\$ 166,719
Bequests	207,547	300,000
Donations	184,254	83,404
Memorials	41,355	16,373
Other	23,502	8,016
	<u>1,168,660</u>	<u>574,512</u>
EXPENSES		
Direct mail expenses	378,844	102,497
Research assessments	110,590	37,651
Operating assessments	100,421	35,982
	<u>589,855</u>	<u>176,130</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 578,805</u>	<u>\$ 398,382</u>
	<u>2020</u>	<u>2019</u>
Amount of National Direct Mail Campaign revenue included in accounts receivable	<u>\$ 123,325</u>	<u>\$ 334,667</u>

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 year, the Society issued grants totalling \$49,300 and \$199,750 respectively related to the AARP Round VI and VII agreements with AI. As at July 31, 2020, the Society has fulfilled all of its commitments for Round VII. The Society has a remaining commitment of \$13,950 for Round VI.



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

JULY 31, 2020

9. RESEARCH FUNDING CONTINUED

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. There was no funding by the Society during the year under these grants. The remaining commitment of \$100,000 that was originally to be funded during the July 31, 2020 fiscal year has been extended to the July 31, 2021 year.

During the year, the Society received a donation in the amount of \$175,000 that was externally restricted by the donor for a specific research project. Thus, at the donor's request, this amount has been provided to the University of Alberta to fund the Novel Therapy for Alzheimer's Disease project.

10. CANADA EMERGENCY WAGE SUBSIDIES

The Canada Emergency Wage Subsidy ("CEWS") is an amount provided to employers who have experienced a decline in their operating revenues due to the Covid-19 pandemic. The CEWS is available for wages paid in 4 week periods beginning on March 15, 2020 ending on December 19, 2020. The Government of Canada has proposed extending the CEWS until June, 2021. During the year, the Society received the CEWS in the amount of \$413,098 related to the claim periods of March 15, 2020 thru July 4, 2020. The remaining days included in the month of July have a claim period ending on August 1, 2020. AS AB/NT will recognize any CEWS that its entitled to related to the August 1st claim period in their next fiscal year end.

11. 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:

	Leases	Research	Total
2021	\$ 238,271	\$ 113,950	\$ 352,221
2022	199,679	20,000	219,679
2023	189,972	-	189,972
2024	187,373	-	187,373
2025	169,406	-	169,406
	\$ 984,701	\$ 133,950	\$ 1,118,651



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED JULY 31, 2020

(with comparative figures for the four month period ending July 31, 2019)

	July 31, 2020 (12 months)	July 31, 2019 (4 months)
CONTRIBUTIONS		
Fundraising	\$ 1,042,363	\$ 1,706,296
Other donations	623,906	126,895
Bequests	537,663	182,819
Memorials	145,069	70,276
	\$ 2,349,001	\$ 2,086,286



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
SCHEDULE OF HOCKEY TOURNAMENT REVENUES AND EXPENSES
FOR THE YEAR ENDED JULY 31, 2020

(with comparative figures for the four month period ending July 31, 2019)

	July 31, 2020 (April 2020 Tournament)	July 31, 2019 (April 2019 Tournament)
REVENUES	\$ 627,562	\$ 1,499,334
EXPENSES		
Consulting	59,696	39,879
Salaries and benefits	49,974	30,438
Advertising and promotion	28,730	57,776
Bank charges	16,023	14,833
Supplies	2,960	111,135
Rentals and fees	2,517	158,236
Travel	308	1,328
Contracted services	-	256,893
	160,208	670,518
EXCESS OF REVENUES OVER EXPENSES	\$ 467,354	\$ 828,816

Unforeseen circumstances related to the Covid-19 pandemic resulted in the cancellation of the hockey fundraising event that was scheduled to take place in April, 2020. However, prior to the cancellation of the event, contributions of \$843,759 were collected by the Society. Participants and sponsors were given the option to defer their registrations, table purchases and sponsorships in anticipation of the fundraising event taking place in April, 2021 or to donate their contributions. At the direction of the donors, donation revenues of \$627,562 are recorded in these financial statements with the remaining \$216,197 being deferred to the event in April, 2021. Although the April, 2020 event was cancelled, various expenses in the amount of \$160,208 were incurred related to the planning of the hockey games.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
SCHEDULE OF EXPENSES
FOR THE YEAR ENDED JULY 31, 2020

(with comparative figures for the four month period ending July 31, 2019)

	PROGRAMS AND SERVICES	FUND DEVELOPMENT	GENERAL AND ADMINISTRATION	July 31, 2020 TOTAL	July 31, 2019 TOTAL
HUMAN RESOURCES					
Salaries and benefits	\$ 1,393,006	\$ 447,884	\$ 417,521	\$ 2,258,411	\$ 751,443
Contract services	60,787	64,821	8,379	133,987	330,930
Staff training and development	11,105	13,625	10,517	35,247	5,243
Volunteer development	8,532	992	190	9,714	3,289
	1,473,430	527,322	436,607	2,437,359	1,090,905
TRAVEL AND MEETINGS					
Staff	8,395	2,063	2,119	12,577	7,233
Board and executive	276	-	7,478	7,754	3,885
	8,671	2,063	9,597	20,331	11,118
OFFICE FACILITIES					
Rent and utilities	224,456	67,620	73,045	365,121	128,960
Insurance	4,638	-	5,111	9,749	5,554
Janitorial	1,952	194	-	2,146	1,094
	231,046	67,814	78,156	377,016	135,608
OPERATING					
Program materials	54,336	14,577	4,967	73,880	306,927
Office supplies	16,154	4,839	46,456	67,449	31,691
Bank charges	77	27,685	31,001	58,763	31,678
Advertising	2,234	40,919	-	43,153	58,250
Telecommunications	25,473	7,727	6,483	39,683	13,835
Equipment rental	8,094	1,745	1,834	11,673	4,543
Postage and courier	6,461	826	3,910	11,197	2,732
Printing	5,643	944	1,655	8,242	22,149
Repairs and maintenance	2,851	604	504	3,959	17,020
Registration and subscriptions	1,443	701	96	2,240	309
Director's liability insurance	-	-	867	867	284
	122,766	100,567	97,773	321,106	489,418
OTHER					
Amortization	-	-	56,180	56,180	27,108
Audit and legal fees	-	-	50,831	50,831	20,000
	-	-	107,011	107,011	47,108
TOTAL	\$ 1,835,913	\$ 697,766	\$ 729,144	\$ 3,262,823	\$ 1,774,157