

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Financial Statements

Year Ended July 31, 2022

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Index to Financial Statements

Year Ended July 31, 2022

	Page
INDEPENDENT AUDITOR'S REPORT	1 - 2
FINANCIAL STATEMENTS	
Statement of Financial Position	3
Statement of Operations	4
Statement of Changes in Net Assets	5
Statement of Cash Flows	6
Notes to Financial Statements	7 - 14
Schedule of Contributions (<i>Schedule 1</i>)	15
Schedule of Hockey Tournament (<i>Schedule 2</i>)	16
Schedule of Expenses (<i>Schedule 3</i>)	17 - 18

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, 2022, 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, 2022, 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, 2022, current assets and net assets as at July 31, 2022.

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 3, 2022

CHARTERED PROFESSIONAL ACCOUNTANTS


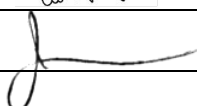
ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Statement of Financial Position

As at July 31, 2022

	2022	2021
ASSETS		
CURRENT		
Cash (Note 2)	\$ 6,923,900	\$ 5,223,469
Accounts receivable (Note 8)	40,480	228,150
Goods and services tax recoverable	26,918	10,131
Prepaid expenses	58,196	100,504
	<u>7,049,494</u>	5,562,254
INVESTMENTS (Note 3)	1,449,543	1,564,116
EQUIPMENT AND LEASEHOLD IMPROVEMENTS (Note 4)	345,896	364,273
	<u>\$ 8,844,933</u>	<u>\$ 7,490,643</u>
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 143,029	\$ 115,765
Current portion of deferred lease inducement (Note 5)	36,739	35,239
Current portion of deferred rent (Note 5)	6,935	5,001
Current portion of deferred contributions related to operations (Note 6)	975,402	362,837
	<u>1,162,105</u>	518,842
DEFERRED CONTRIBUTIONS RELATED TO OPERATIONS (Note 6)	-	483,635
DEFERRED LEASE INDUCEMENT (Note 5)	216,808	246,671
DEFERRED RENT (Note 5)	59,580	54,578
	<u>1,438,493</u>	1,303,726
NET ASSETS		
Investment in equipment and leasehold improvements	345,896	364,273
Operating reserve (Note 7)	1,600,000	1,600,000
Internally restricted for research (Note 7)	1,900,000	1,950,000
Externally restricted for research (Note 7)	1,085,613	12,679
Innovation reserve (Note 7)	22,879	50,000
Capital replacement reserve (Note 7)	71,896	41,029
Unrestricted	2,380,156	2,168,936
	<u>7,406,440</u>	6,186,917
	<u>\$ 8,844,933</u>	<u>\$ 7,490,643</u>

ON BEHALF OF THE BOARD


 _____ Director

 _____ Director

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Statement of Operations

Year Ended July 31, 2022

	2022	2021
REVENUES		
Schedule of Contributions (<i>Schedule 1</i>)	\$ 3,706,624	\$ 1,558,573
Grants	865,513	836,091
Alzheimer Society of Canada (<i>Note 8</i>)	544,242	891,817
Other revenues (<i>Note 9</i>)	90,080	842,959
Lease inducement (<i>Note 5</i>)	35,864	35,239
Investment income (loss)	<u>(68,963)</u>	<u>190,477</u>
	<u>5,173,360</u>	<u>4,355,156</u>
EXPENSES		
Programs and services (<i>Schedule 3</i>)	1,900,408	1,560,316
Fund development (<i>Schedule 3</i>)	1,154,299	461,523
General and administration (<i>Schedule 3</i>)	810,180	610,831
Research (<i>Note 10</i>)	<u>88,950</u>	<u>141,984</u>
	<u>3,953,837</u>	<u>2,774,654</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 1,219,523</u>	<u>\$ 1,580,502</u>

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Statement of Changes in Net Assets

Year Ended July 31, 2022

	Investment in equipment and leasehold improvements	Operating reserve	Internally restricted for research	Externally restricted for research	Innovation reserve	Capital replacement reserve	Unrestricted	2022	2021
NET ASSETS - BEGINNING OF YEAR	\$ 364,273	\$ 1,600,000	\$ 1,950,000	\$ 12,679	\$ 50,000	\$ 41,029	\$ 2,168,936	\$ 6,186,917	\$ 4,606,415
Excess (deficiency) of revenues over expenses	(64,637)	-	(50,000)	(38,950)	(12,431)	-	1,385,541	1,219,523	1,580,502
Transfers (<i>Note 7</i>)	-	-	-	1,111,884	-	62,437	(1,174,321)	-	-
Purchase of equipment and leasehold improvements	46,260	-	-	-	(14,690)	(31,570)	-	-	-
NET ASSETS - END 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

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**Statement of Cash Flows****Year Ended July 31, 2022**

	2022	2021
OPERATING ACTIVITIES		
Excess of revenues over expenses	\$ 1,219,523	\$ 1,580,502
Items not affecting cash:		
Amortization of equipment and leasehold improvements	62,437	54,591
Deferred rent	6,935	6,935
Loss (gain) on disposal of equipment and leasehold improvements	2,200	2,479
Amortization of deferred lease inducement	<u>(35,864)</u>	<u>(35,239)</u>
	<u>1,255,231</u>	1,609,268
Changes in non-cash working capital:		
Accounts receivable	187,672	(104,726)
Goods and services tax recoverable	(16,787)	33,697
Prepaid expenses	42,308	32,143
Accounts payable and accrued liabilities	27,264	(125,695)
Long-term portion of deferred contributions related to operations	(483,635)	(31,332)
Current portion of deferred contributions related to operations	612,565	-
Lease inducement paid	<u>7,500</u>	<u>-</u>
	<u>376,887</u>	(195,913)
Cash flow from operating activities	<u>1,632,118</u>	1,413,355
INVESTING ACTIVITIES		
Increase in fair market value of investments	114,573	(153,868)
Purchase of equipment and leasehold improvements	<u>(46,260)</u>	<u>(13,562)</u>
Cash flow from (used by) investing activities	<u>68,313</u>	(167,430)
INCREASE IN CASH	1,700,431	1,245,925
CASH - BEGINNING OF YEAR	<u>5,223,469</u>	3,977,544
CASH - END OF YEAR	<u>\$ 6,923,900</u>	\$ 5,223,469

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2022

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.

Change in Significant Accounting Policy

Financial Instruments - Related Party Transactions

The Society applied the amendments to Financial Instruments, Section 3856, relating to the recognition of financial instruments originated or exchanged in a related party transaction effective August 1, 2021.

Under these new requirements, such a financial instrument is initially measured at cost, which is determined depending on whether the instrument has repayment terms.

Subsequent measurement depends on the initial method used and is usually at cost less any reduction for impairment.

The adoption of these new requirements had no impact on the organization's financial statements.

(continues)

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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 related to expenses is recorded as deferred grant revenues and is amortized on the same basis and according to the same rates as the related fixed assets or to income and eligible expenses are incurred. Grant funding for current expenses is recorded as revenue.

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.

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 receipted for income tax purposes are recorded at the receipted amounts as unrestricted contributions. Gifts in kind no 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.

(continues)

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2022

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

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	5 years	straight-line method
Furniture and fixtures	5 years	straight-line method
Leasehold improvements	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, 2022

2. CASH

Cash is restricted for the following:

	<u>2022</u>	<u>2021</u>
<u>Funds for Deferred Contributions Related to Operations</u>		
Externally restricted by the Government of Alberta (Note 6)	\$ 645,630	\$ 462,859
Externally restricted for operating grants (Note 6)	199,545	60,785
Externally restricted for expenses approved by the Alberta Gaming, Liquor, and Cannabis Commission (Note 6)	119,767	98,871
Internally restricted for Hockey Tournament (Note 6)	<u>10,460</u>	<u>223,957</u>
	<u>975,402</u>	<u>846,472</u>
<u>Funds for Restricted Net Assets</u>		
Internally restricted for research (Note 7)	1,900,000	1,950,000
Internally restricted for operating reserve (Note 7)	1,600,000	1,600,000
Externally restricted for research (Note 7)	1,085,613	12,679
Internally restricted for capital replacement reserve (Note 7)	57,205	41,029
Internally restricted for innovation reserve (Note 7)	<u>50,000</u>	<u>50,000</u>
	<u>4,692,818</u>	<u>3,653,708</u>
Unrestricted	<u>1,255,680</u>	<u>723,289</u>
	<u>\$ 6,923,900</u>	<u>\$ 5,223,469</u>

3. INVESTMENTS

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

	<u>2022</u>	<u>2021</u>
Mutual funds	<u>\$ 1,449,543</u>	<u>\$ 1,564,116</u>

4. EQUIPMENT AND LEASEHOLD IMPROVEMENTS

	Cost	Accumulated amortization	2022 Net book value	2021 Net book value
Leasehold improvements	\$ 433,029	\$ 138,355	\$ 294,674	\$ 326,834
Computer equipment	158,428	110,311	48,117	31,620
Furniture and fixtures	30,024	26,919	<u>3,105</u>	<u>5,819</u>
	<u>\$ 621,481</u>	<u>\$ 275,585</u>	<u>\$ 345,896</u>	<u>\$ 364,273</u>

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2022

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, 2022, \$66,515 (2021 - \$59,579) has been recorded as deferred rent. This is broken down into the current portion of \$6,935 (2021 - \$5,001) and the long-term portion of \$59,580 (2021 - \$54,578).

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, 2022, the deferred lease inducement is \$246,672 (2021 - \$281,910). This is broken down into the current portion of \$35,239 (2021 - \$35,239) and the long-term portion of \$211,433 (2021 - \$246,671).

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, 2022, the deferred lease inducement is \$6,875. This is broken down into the current portion of \$1,500 and the long-term portion of \$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	2022	2021
Balance, beginning of year	\$ 98,871	\$ 747,601	\$ 846,472	\$ 877,804
Funding received	209,884	1,145,921	1,355,805	881,130
Funding repaid	-	-	-	(2,500)
Revenue recognized	(188,988)	(1,037,887)	(1,226,875)	(909,962)
	<u>\$ 119,767</u>	<u>\$ 855,635</u>	<u>\$ 975,402</u>	<u>\$ 846,472</u>
Current portion	\$ 119,767	\$ 855,635	\$ 975,402	\$ 362,837
Long-term portion	-	-	-	483,635
	<u>\$ 119,767</u>	<u>\$ 855,635</u>	<u>\$ 975,402</u>	<u>\$ 846,472</u>

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2022

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, 2022 the Board has internally restricted an operating reserve of \$1,600,000 (2021 - \$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 \$nil for the year ending July 31, 2022 (2021 - \$245,069).

As of July 31, 2022, the Board has internally restricted \$1,900,000 (2021 - \$1,950,000) for research purposes related to the prevention and treatment of Alzheimer's disease. In the current year, \$50,000 (2021 - \$50,000) of this fund was spent on research.

During the year ending July 31, 2022, the Society received donations externally restricted for research of \$1,111,884 (2021 - \$104,663) and had \$12,679 (2021 - \$nil) remaining from the prior year. Of this amount, \$38,950 was spent on research during the year (2021 - \$91,984), leaving \$1,085,613 restricted for future research expenditures (2021 - \$12,679).

As of July 31, 2022 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, \$14,690 was spent on capital additions and \$12,431 was spent on software upgrades (2021 - \$nil). Contributions made to this reserve were \$nil (2021 - \$50,000).

As of July 31, 2022 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 \$62,437 (2021 - \$54,591) has been allocated to this reserve, offset by capital purchases of \$46,260 (2021 - \$13,562).

8. RELATED PARTY TRANSACTIONS

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

	<u>2022</u>	<u>2021</u>
REVENUES		
Direct mail campaign	\$ 835,031	\$ 904,494
Donations	215,940	387,810
Memorials	111,688	87,981
Bequests	49,488	159,537
Other	16,377	19,120
	<u>1,228,524</u>	<u>1,558,942</u>
EXPENSES		
Direct mail campaign	(509,759)	(454,724)
Operating	(112,794)	(97,372)
Research	(61,729)	(115,029)
	<u>\$ 544,242</u>	<u>\$ 891,817</u>

(continues)

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2022

8. RELATED PARTY TRANSACTIONS *(continued)*

Included in accounts receivable balance is \$39,546 (2021 - \$160,981) 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.

9. GOVERNMENT ASSISTANCE

Included in other revenues are the following COVID-19 subsidies:

Canada Emergency Wage Subsidy

The society has been approved for the Canada Emergency Wage Subsidy in the amount of \$69,081 (2021 - \$711,217) which has been credited to the statement of operations as other income.

Canada Emergency Rent Subsidy

The society has been approved for the Canada Emergency Rent Subsidy in the amount of \$14,581 (2021 - \$98,899) which has been credited to the statement of operations as other income.

10. 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 \$33,950 (2021 - \$75,000). The society also issued \$50,000 (2021 - \$50,000) to the Governors of the University of Lethbridge for the Hope for Tomorrow research program, which was part of a commitment to provide \$1,000,000 over a 3 year period beginning on May 1, 2018, which has been fully paid as of July 31, 2022. The Society also issued a payment to NeurAlbertaTech of \$5,000 (2021 - \$0). Additional research expenditures during the year totaled \$nil (2021 - \$16,984).

An agreement has been signed with the Campus Alberta Neuroscience for the Alzheimer Society of Alberta and Northwest Territories to invest \$5 million over a 5-year period commencing in fiscal 2023. This funding will be for the purpose of funding research into the cause, prevention, and cure of Alzheimer's disease and other dementias.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Notes to Financial Statements

Year Ended July 31, 2022

11. COMMITMENTS

The society has signed a five year commitment with the Campus Alberta Neurosciece. See Note 10 for additional details.

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:

2023	\$	282,885
2024		278,461
2025		242,470
2026		242,470
2027		234,112
Thereafter		<u>452,691</u>
	\$	<u>1,733,089</u>

12. 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, 2022.

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.

13. COVID-19

The impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impacts on the Society and its funders and donors. Management is actively monitoring the impact on its financial condition, liquidity, operations, suppliers, sector and workforce.

Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Society is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.

14. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Schedule of Contributions

(Schedule 1)

Year Ended July 31, 2022

	2022	2021
CONTRIBUTIONS		
General Donations	\$ 1,529,120	\$ 493,572
Hockey Tournament <i>(Schedule 2)</i>	1,326,069	54,478
General Fundraising	365,171	351,635
Bequests	291,902	505,566
Memorials	194,362	153,322
	<hr/>	
	\$ 3,706,624	\$ 1,558,573

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**Schedule of Hockey Tournament***(Schedule 2)***Year Ended July 31, 2022**

	2022	2021
REVENUES	\$ 1,326,069	\$ 54,478
EXPENSES		
Alumni	225,348	-
Event	216,315	3,274
Consulting	138,064	57,154
Salaries and benefits	73,790	-
Advertising	43,641	3,507
Other	26,293	1,079
	<u>723,451</u>	<u>65,014</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ 602,618	\$ (10,536)

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Schedule of Expenses

(Schedule 3)

Year Ended July 31, 2022

	Programs and Services	Fund Development	General and Administration	2022	2021
Human Resources					
Salaries and benefits	\$ 1,257,643	\$ 359,521	\$ 554,435	\$ 2,171,599	\$ 1,768,514
Contract services	150,452	364,240	13,606	528,298	204,655
Staff training and volunteer development	26,466	3,578	22,543	52,587	45,475
	<u>1,434,561</u>	<u>727,339</u>	<u>590,584</u>	<u>2,752,484</u>	<u>2,018,644</u>
Travel and Meetings					
Board and executive	1,056	29	35,813	36,898	215
Staff	18,492	3,729	390	22,611	2,369
	<u>19,548</u>	<u>3,758</u>	<u>36,203</u>	<u>59,509</u>	<u>2,584</u>
Office Facilities					
Rent, repairs and utilities	230,386	34,063	66,110	330,559	318,534
Insurance	-	2,005	8,471	10,476	7,452
	<u>230,386</u>	<u>36,068</u>	<u>74,581</u>	<u>341,035</u>	<u>325,986</u>
Operating					
Program materials	33,550	260,783	21,834	316,167	53,442
Advertising	55,439	45,507	-	100,946	14,003
Bank charges	-	56,680	18,539	75,219	31,608
Office supplies	41,011	8,672	25,390	75,073	52,142
Amortization of equipment and leasehold improvements	42,237	7,345	12,855	62,437	54,591
Telecommunications	24,251	3,618	8,347	36,216	37,008
Professional fees	-	-	15,375	15,375	21,551
Equipment rentals	4,046	1,576	2,816	8,438	9,930
Postage and courier	4,050	2,481	2,355	8,886	6,103
Repairs and maintenance	6,837	-	29	6,866	65
Printing	3,327	195	258	3,780	2,939
Registration and subscriptions	1,165	277	86	1,528	1,189

(continues)

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

Schedule of Expenses (continued)

(Schedule 3)

Year Ended July 31, 2022

	Programs and Services	Fund Development	General and Administration	2022	2021
Operating (continued)					
Director's liability insurance	-	-	928	928	885
	215,913	387,134	108,812	711,859	285,456
Total	\$ 1,900,408	\$ 1,154,299	\$ 810,180	\$ 3,864,887	\$ 2,632,670