

**ALZHEIMER SOCIETY
OF
ALBERTA & NORTHWEST TERRITORIES
FINANCIAL STATEMENTS
MARCH 31, 2015**

INDEPENDENT AUDITORS' REPORT

To the members of the Alzheimer Society of Alberta and Northwest Territories

Report on the Financial Statements

We have audited the accompanying financial statements of Alzheimer Society of Alberta and Northwest Territories (the "Society" or "ASANT"), which comprise the statement of financial position as at March 31, 2015 and the statement of operations, its net assets, and its cash flows for the year then ended, along with a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian Auditing Standards for Not-For-Profit organizations. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Basis for Qualified Opinion

The Society derives revenue from contributions and grants, 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 and we were not able to determine whether any adjustments might be necessary to contributions and grants, excess (deficit) of revenues over expenses, and net assets.

Qualified Opinion

In our opinion, except for the effects of any adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the Basis for Qualified Opinion paragraph, these financial statements present fairly, in all material respects, the financial position of the Alzheimer Society of Alberta and Northwest Territories as at March 31, 2015 and the results of its operations, its net assets and its cash flows for the year then ended in accordance with Canadian Accounting Standards for Not-For-Profit organizations.

Edmonton, Alberta
July 27, 2015

DeGraes Pallard + Associates LLP

CHARTERED ACCOUNTANTS



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**STATEMENT OF OPERATIONS
FOR THE YEAR ENDED MARCH 31**

	2015	2014
REVENUES		
Contributions (Schedule 1, 2)	\$ 2,805,306	\$ 4,231,526
Government grants (Note 6)	537,826	1,187,494
Alzheimer Society of Canada (Note 9)	446,240	329,612
Investment income	41,102	28,959
	<u>3,830,474</u>	<u>5,777,591</u>
EXPENSES		
Programs and services (Schedule 3)	1,551,199	1,821,572
Fund development (Schedule 3)	986,107	1,383,967
General and administration (Schedule 3)	567,156	307,689
Research (Note 8, 9)	414,927	175,125
	<u>3,519,389</u>	<u>3,688,353</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS BEFORE OTHER ITEMS	311,085	2,089,238
REIMBURSEMENT OF GRANT PROCEEDS	-	(6,750)
NET ASSETS, BEGINNING OF YEAR	4,237,446	2,154,958
NET ASSETS, END OF YEAR	<u>\$ 4,548,531</u>	<u>\$ 4,237,446</u>

See accompanying notes

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

	2015	2014
ASSETS		
CURRENT		
Cash	\$ 6,144,630	\$ 6,215,140
Accounts receivable (Note 9)	135,798	118,590
Goods and Services Tax recoverable	37,031	58,995
Prepaid expenses (Note 3)	179,995	46,917
	6,497,454	6,439,642
INVESTMENTS (Note 4)	211,912	201,292
EQUIPMENT (Note 5)	3,532	5,958
	\$ 6,712,898	\$ 6,646,892
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 312,724	\$ 138,465
DEFERRED CONTRIBUTIONS (Note 6)	1,851,643	2,270,981
	2,164,367	2,409,446
<i>Commitments (Note 10)</i>		
NET ASSETS		
Net investment in equipment (Note 5)	3,532	5,958
Operating Reserve subject to internal restrictions (Note 7)	388,367	347,265
Unrestricted net assets	4,156,632	3,884,223
	4,548,531	4,237,446
	\$ 6,712,898	\$ 6,646,892

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 MARCH 31**

	INVESTMENT IN EQUIPMENT	OPERATING RESERVE	UNRESTRICTED	2015 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 5,958	\$ 347,265	\$ 3,884,223	\$ 4,237,446
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-	311,085	311,085
REIMBURSEMENT OF GRANT PROCEEDS	-	-	-	-
INVESTMENT INCOME ADDED TO OPERATING RESERVE	-	41,102	(41,102)	-
EQUIPMENT Amortization	(2,426)	-	2,426	-
	\$ 3,532	\$ 388,367	\$ 4,156,632	\$ 4,548,531

	INVESTMENT IN EQUIPMENT	OPERATING RESERVE	UNRESTRICTED	2014 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 4,616	\$ 318,306	\$ 1,832,036	\$ 2,154,958
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-	2,089,238	2,089,238
INVESTMENT INCOME ADDED TO OPERATING RESERVE	-	28,959	(28,959)	-
REIMBURSEMENT OF GRANT PROCEEDS	-	-	(6,750)	(6,750)
EQUIPMENT Purchase of office furniture	3,768	-	(3,768)	-
Amortization	(2,426)	-	2,426	-
	\$ 5,958	\$ 347,265	\$ 3,884,223	\$ 4,237,446

See accompanying notes

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED MARCH 31

	2015	2014
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 311,085	\$ 2,082,488
Add (deduct) items not involving cash:		
Amortization of equipment and furnishings	2,426	2,426
	313,511	2,084,914
Net change in non-cash working capital accounts		
Increase in accounts receivable	(17,208)	(37,688)
Decrease (increase) in Goods and Services Tax recoverable	21,964	-
Decrease (increase) in prepaid expenses	(133,078)	98,832
Increase (decrease) in accounts payable	174,259	(5,702)
Decrease in deferred contributions	(419,338)	(892,207)
	(373,401)	(836,765)
INVESTMENT ACTIVITIES		
Increase in the fair market value of investments	(10,620)	(13,424)
Purchase of office furniture	-	(3,768)
	(10,620)	(17,192)
INCREASE (DECREASE) IN CASH DURING THE YEAR	(70,510)	1,230,957
CASH, BEGINNING OF YEAR	6,215,140	4,984,183
CASH, END OF YEAR	\$ 6,144,630	\$ 6,215,140

See accompanying notes

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

1. PURPOSE AND STATUS OF THE ORGANIZATION

The Alzheimer Society of Alberta and Northwest Territories ("ASANT" 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.

ASANT is also affiliated with the Alzheimer Society of Canada as the organizations each have the same objectives.

The mission of Alzheimer Society of Alberta and Northwest Territories is to heighten 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.

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 financial statements for a 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

MARCH 31, 2015

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES CONTINUED

ALZHEIMER'S FACE OFF HOCKEY TOURNAMENT

The Society operated a hockey tournament in the City of Edmonton in April 2015. As a result of the hockey fundraising event taking place subsequent to the March 31, 2015 year-end, the Society has deferred all amounts received related to the Edmonton hockey tournament until the event is completed in the month of April 2015 (see Note 3). Any expenditures that were incurred prior to March 31, 2015 related to the specific hockey tournament have been recognized as prepaid expenses unless they were incurred for the purpose of promoting the event prior to March 31, 2015.

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.

EQUIPMENT

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

ALLOCATION OF EXPENSES

Expenses are allocated by ASANT 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 MATERIALS AND SERVICES

Contributed materials and 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 March 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

MARCH 31, 2015

3. ALZHEIMER'S FACE OFF HOCKEY TOURNAMENT

During the year, the Society organized a hockey tournament in Edmonton which is to take place subsequent to March 31, 2015. As a result of certain amounts being collected prior to March 31, 2015, the Society recognized \$788,613 (2014 - \$802,290) as deferred revenue (Note 7). As at March 31, 2015, ASANT had recognized expenses of \$88,286 (2014 - \$80,568) for the purpose of promoting the hockey tournament. As part of hosting the hockey tournament, prepaid expenses include \$158,066 (2014 - \$34,972) that are directly related to the consumption of goods and services being supplied to ASANT during the month of April, 2015.

A summary of the hockey tournament expenses recognized in these financial statements as at March 31 is as follows:

	2015	2014
Consulting	\$ 57,375	\$ 24,798
Interest and service charges	16,360	40,806
Website	7,310	5,805
Advertising and promotion	5,241	5,306
Office	1,230	1,769
Travel	770	1,084
Supplies	-	1,000
Total Expenses	\$ 88,286	\$ 80,568

ASANT recognized revenues and expenses in these financial statements related to the Edmonton hockey tournament occurring in April, 2014 resulting in net proceeds of \$590,275 (2014 - \$1,072,475 (see Schedule 2)). In the fiscal year ended March 31, 2014, ASANT organized hockey tournaments in both Edmonton and Calgary.

4. INVESTMENTS

Investments consist of the following:

	2015	2014
Mutual fund (CI Investments)	\$ 137,352	\$ 129,087
Mutual fund (Investors Group)	74,560	72,205
	\$ 211,912	\$ 201,292

Although these investments can be converted to cash within 90 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. Investment income of \$13,424 (2014 - \$9,046) was recognized in these financial statements related to the mutual funds held by Investors Group and CI Investments.

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

5. EQUIPMENT

	2015		2014	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment and furnishings	\$ 71,999	\$ 68,467	\$ 71,999	\$ 66,041
Net book value		\$ 3,532		\$ 5,958

6. DEFERRED CONTRIBUTIONS

During the year, the Society received \$788,613 (2014 - \$802,290) in contributions for the hockey fundraising event that was scheduled for April 2015 (Note 3).

There has been no additional funding from the Government of Alberta for the Dementia First Link Project ("DFLP") for the year ended March 31, 2015 (2014 - \$630,000). However, contributions of \$20,673 (2014 - \$nil) have been received from individual donors directly by ASANT for the DFLP. The government grant and related donations funded the creation of an on-line support network for those clients seeking information around Alzheimer's and related dementia along with the hiring of additional First Link coordinators throughout Alberta to assist those impacted by the disease. Interest income of \$9,449 (2014 - \$19,056) was earned on these funds held by ASANT during the year. The balance of unspent contributions as at March 31, 2015 related to the DFLP is \$782,466 (2014 - \$1,274,662).

Deferred contributions include the unspent contributions received from the public to support designated projects. As at March 31, 2015, the deferred contributions related to the development of library resources is \$nil (2014 - \$71).

Changes in deferred contributions are as follows:

	Balance March 31, 2014	Received In Year	Recognized As Revenue	Balance March 31, 2015
Hockey tournament (Note 3)	\$ 802,290	\$ 788,613	\$ (802,290)	\$ 788,613
Dementia First Link Project	1,274,662	30,122	(522,318)	782,466
Casino and bingo funds	193,958	158,020	(71,414)	280,564
Projects	71	-	(71)	-
	\$ 2,270,981	\$ 976,755	\$(1,396,093)	\$ 1,851,643



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2015

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 year, the Board did not allocate any additional amounts from the Operating Reserve, with the exception of the earnings on the investment account (2015 - \$41,102, 2014 - \$28,959), to assist in the funding of the Society's on-going operations.

8. RESEARCH FUNDING

During the year, ASANT funded five (2014 - one) Alberta Research grants totaling \$414,874 (2014 - \$74,836) in partnership with Alberta Innovates - Bio Solutions ("AI-Bio"). 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 were funded 50/50 by ASANT and AI-Bio. During the year, the previous commitment of \$650,000 was fully funded by ASANT and a new commitment was made to fund additional grants with a total expected commitment from each party in the amount of \$550,000. As at March 31, 2015, the Society issued grants totaling \$314,345 related to the additional funding amount of \$550,000.

9. 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 three levels of societies (national, provincial and local chapter) 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, provincial and local 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

MARCH 31, 2015

9. RELATED PARTY TRANSACTIONS CONTINUED

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

	2015	2014
REVENUES		
Memorials	\$ 89,037	\$ 45,981
Direct mail campaign	629,836	594,594
Other	80,964	63,588
Bequests	54,871	109,029
Donations	101,382	64,507
	<u>956,090</u>	<u>877,699</u>
EXPENSES		
Research assessments	96,276	109,579
Operating assessments	92,002	105,014
Direct mail expenses	321,572	333,494
	<u>509,850</u>	<u>548,087</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 446,240</u>	<u>\$ 329,612</u>
	2015	2014
Amount of National Direct Mail Campaign revenue included in accounts receivable	<u>\$ 123,310</u>	<u>\$ 65,144</u>

As at March 31, 2015, ASANT incurred research expenses of \$414,927, with \$nil (2014 - \$100,000) being paid to the Alzheimer Society of Canada.

10. COMMITMENTS

ASANT has entered into short-term leases for office space in Edmonton, Lethbridge, Grande Prairie, Medicine Hat, Fort McMurray and Red Deer. The lease terms vary from monthly tenancy to five years. Basic annual rent for the next five years is as follows:

2016	-	\$	183,500
2017	-	\$	164,951
2018	-	\$	151,769
2019	-	\$	145,599
2020	-	\$	59,041

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
SCHEDULE OF CONTRIBUTIONS
FOR THE YEAR ENDED MARCH 31

	<u>2015</u>	<u>2014</u>
CONTRIBUTIONS		
Fundraising (Note 3, 7)	\$ 1,681,065	\$ 2,687,400
Other donations	487,946	313,812
Bequests	373,351	880,453
Memorials	177,737	200,985
Research	85,207	148,876
	<u>\$ 2,805,306</u>	<u>\$ 4,231,526</u>

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
SCHEDULE OF HOCKEY GAME REVENUE AND EXPENSES
FOR THE YEAR ENDED MARCH 31

	2015	2014
REVENUE	\$ 1,159,870	\$ 2,091,861
EXPENSES		
Contracted services	243,023	495,359
Rentals and fees	160,634	202,244
Supplies	96,950	242,668
Advertising and promotion	27,399	7,457
Consulting	23,498	38,428
Interest and service charges	8,087	19,386
Website	5,160	2,152
Office	4,590	2,037
Travel	254	9,655
	569,595	1,019,386
EXCESS OF REVENUE OVER EXPENSES	\$ 590,275	\$ 1,072,475

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES**SCHEDULE OF EXPENSES
FOR THE YEAR ENDED MARCH 31**

	PROGRAMS AND SERVICES	FUND DEVELOPMENT	GENERAL AND ADMINISTRATION	2015 TOTAL	2014 TOTAL
HUMAN RESOURCES					
Contract services (Note 3, 6)	\$ 138,138	\$ 362,839	\$ 49,176	\$ 550,153	\$ 1,306,424
Salaries and benefits	1,035,594	156,230	191,825	1,383,649	1,076,247
Staff training and development	16,393	2,837	30,553	49,783	6,785
	1,190,125	521,906	271,554	1,983,585	2,389,456
TRAVEL AND MEETINGS					
Staff	34,894	12,206	23,392	70,492	62,480
Board and executive	593	-	33,436	34,029	41,278
	35,487	12,206	56,828	104,521	103,758
OFFICE FACILITIES					
Rent and utilities	143,163	20,976	19,985	184,124	146,573
Insurance	-	-	5,262	5,262	3,498
Janitorial	1,977	299	1,655	3,931	2,945
	145,140	21,275	26,902	193,317	153,016
OPERATING					
Program materials	45,230	349,353	3,279	397,862	522,211
Advertising (Note 3)	55,810	26,084	3,231	85,125	51,428
Bank charges (Note 3)	-	28,847	47,618	76,465	101,294
Office supplies (Note 3)	12,362	6,888	25,209	44,459	60,303
Telecommunications (Note 3)	23,070	4,024	9,034	36,128	35,704
Printing	13,694	8,826	3,804	26,324	26,650
Memberships	6,727	647	11,974	19,348	1,811
Repairs and maintenance	12,357	1,900	1,968	16,225	3,930
Postage	5,312	2,788	5,501	13,601	13,803
Equipment rental	5,680	859	3,280	9,819	8,954
Director's liability insurance	-	-	981	981	962
	180,242	430,216	115,879	726,337	827,050
OTHER					
Audit and legal fees	-	-	93,027	93,027	36,125
Amortization	-	-	2,426	2,426	2,426
Volunteer development	205	504	540	1,249	1,397
	205	504	95,993	96,702	39,948
TOTAL	\$ 1,551,199	\$ 986,107	\$ 567,156	\$ 3,104,462	\$ 3,513,228

