

**ALZHEIMER SOCIETY
OF
ALBERTA & NORTHWEST TERRITORIES
FINANCIAL STATEMENTS
MARCH 31, 2016**



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, 2016 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, 2016 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
September 24, 2016

DeGraes Pallard & Associates LLP

CHARTERED ACCOUNTANTS



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

	2016	2015
REVENUES		
Contributions (Schedule 1, 2)	\$ 3,365,107	\$ 2,805,306
Government grants (Note 6)	927,176	537,826
Alzheimer Society of Canada (Note 9)	25,773	446,240
Investment income	13,807	41,102
	<u>4,331,863</u>	<u>3,830,474</u>
EXPENSES		
Programs and services (Schedule 3)	1,714,474	1,551,252
Fund development (Schedule 3)	994,141	986,107
General and administration (Schedule 3)	676,513	567,156
Research (Note 8, 9)	341,121	414,874
	<u>3,726,249</u>	<u>3,519,389</u>
EXCESS OF REVENUES OVER EXPENSES FROM OPERATIONS BEFORE OTHER ITEMS	605,614	311,085
NET ASSETS, BEGINNING OF YEAR	4,548,531	4,237,446
NET ASSETS, END OF YEAR	<u>\$ 5,154,145</u>	<u>\$ 4,548,531</u>

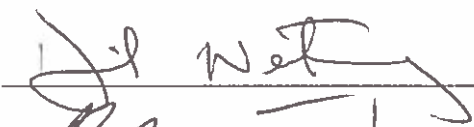
See accompanying notes

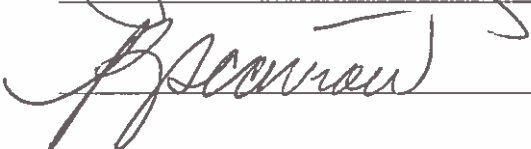
ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
STATEMENT OF FINANCIAL POSITION
AS AT MARCH 31

	2016	2015
ASSETS		
CURRENT		
Cash	\$ 5,959,173	\$ 6,144,630
Accounts receivable (Note 9)	169,421	135,798
Goods and Services Tax recoverable	44,105	37,031
Prepaid expenses (Note 3)	74,348	179,995
	6,247,047	6,497,454
INVESTMENTS (Note 4)	205,444	211,912
EQUIPMENT (Note 5)	96,946	3,532
	\$ 6,549,437	\$ 6,712,898
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable and accrued liabilities	\$ 355,613	\$ 312,724
DEFERRED CONTRIBUTIONS (Note 6)	1,039,679	1,851,643
	1,395,292	2,164,367
<i>Commitments (Note 10)</i>		
NET ASSETS		
Net investment in equipment (Note 5)	96,946	3,532
Operating Reserve subject to internal restrictions (Note 7)	402,174	388,367
Internally restricted net assets	2,540,946	-
Unrestricted net assets	2,114,079	4,156,632
	5,154,145	4,548,531
	\$ 6,549,437	\$ 6,712,898

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	INTERNALLY RESTRICTED	UN- RESTRICTED	2016 TOTAL
NET ASSETS, BEGINNING OF YEAR	\$ 3,532	\$ 388,367	\$ -	\$ 4,156,632	\$ 4,548,531
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	-	-	-	605,614	605,614
INVESTMENT INCOME ADDED TO OPERATING RESERVE (Note 7)	-	13,807	-	(13,807)	-
TRANSFER BETWEEN RESERVES (Notes 2,7)	-	-	2,540,946	(2,540,946)	-
EQUIPMENT					
Amortization	(25,884)	-	-	25,884	-
Purchase of computer equipment and furnishings	86,674	-	-	(86,674)	-
Purchase of vehicle	32,624	-	-	(32,624)	-
	\$ 96,946	\$ 402,174	\$ 2,540,946	\$ 2,114,079	\$ 5,154,145

	INVESTMENT IN EQUIPMENT	OPERATING RESERVE	INTERNALLY RESTRICTED	UN- RESTRICTED	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
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

See accompanying notes

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

	2016	2015
CASH PROVIDED BY (USED FOR)		
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 605,614	\$ 311,085
Add (deduct) items not involving cash:		
Amortization of equipment and furnishings	25,884	2,426
	631,498	313,511
Net change in non-cash working capital accounts		
Increase in accounts receivable	(33,623)	(17,208)
Decrease (increase) in Goods and Services Tax recoverable	(7,074)	21,964
Decrease (increase) in prepaid expenses	105,647	(133,078)
Increase in accounts payable	42,889	174,259
Decrease in deferred contributions	(811,964)	(419,338)
	(704,125)	(373,401)
INVESTMENT ACTIVITIES		
Decrease (increase) in the fair market value of investments	6,468	(10,620)
Equipment purchases	(119,298)	-
	(112,830)	(10,620)
(DECREASE) IN CASH DURING THE YEAR	(185,457)	(70,510)
CASH, BEGINNING OF YEAR	6,144,630	6,215,140
CASH, END OF YEAR	\$ 5,959,173	\$ 6,144,630

See accompanying notes

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

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 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

MARCH 31, 2016

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 29 - May 1, 2016. As a result of the hockey fundraising event taking place subsequent to the March 31, 2016 year-end, the Society has deferred all amounts received related to the Edmonton hockey tournament until the event is completed in the month of May, 2016 (see Note 3). Any expenditures that were incurred prior to March 31, 2016 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, 2016.

Any 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.

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, 2016

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, 2016. As a result of certain amounts being collected prior to March 31, 2016, the Society recognized \$559,994 (2015 - \$788,613) as deferred revenue (Note 6). As at March 31, 2016, ASANT had recognized expenses of \$80,589 (2015 - \$88,286) for the purpose of promoting the hockey tournament. As part of hosting the hockey tournament, prepaid expenses include \$25,986 (2015 - \$158,066) that are directly related to the consumption of goods and services being supplied to ASANT subsequent to year end when the hockey tournament takes place.

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

	2016	2015
Consulting	\$ 44,014	\$ 57,375
Interest and service charges	20,867	16,360
Website	7,452	7,310
Advertising and promotion	5,810	5,241
Office	1,435	1,230
Travel	1,011	770
Total Expenses	\$ 80,589	\$ 88,286

ASANT recognized revenues and expenses in these financial statements related to the Edmonton hockey tournament occurring in April, 2015 resulting in net proceeds of \$629,866 (2015 - \$590,275) (see Schedule 2).

4. INVESTMENTS

Investments consist of the following:

	2016	2015
Mutual fund (CI Investments)	\$ 131,196	\$ 137,352
Mutual fund (Investors Group)	74,248	74,560
	\$ 205,444	\$ 211,912

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 losses of \$6,469 (2015 - investment income of \$10,620) 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, 2016

5. EQUIPMENT

	2016		2015	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Computer equipment and furnishings	\$ 158,673	\$ 87,826	\$ 71,999	\$ 68,467
Vehicle	32,624	6,525	-	-
	191,297	94,351	71,999	68,467
Net book value	\$ 96,946		\$ 3,532	

6. DEFERRED CONTRIBUTIONS

During the year, the Society received \$559,994 (2015 - \$788,613) in contributions for the hockey fundraising event that was scheduled for April 29 - May 1, 2016 (Note 3).

The Dementia First Link Project ("DFLP") continued throughout the March 31, 2016 fiscal year. This project 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. The unspent contributions as at March 31, 2015 of \$782,466 were fully expended at December 31, 2015 when the related contract ended. Effective January 1, 2016, ASANT entered into a new agreement with the Government of Alberta to continue the DFLP project. The total grant amount to be received for the three year contract term ending December 31, 2018 is \$1,950,000. ASANT received \$350,000 under this new contract incurring related expenses of \$142,333 resulting in a deferred revenue balance of \$207,667 as at March 31, 2016.

Changes in deferred contributions are as follows:

	Balance March 31, 2015	Received In Year	Recognized As Revenue	Balance March 31, 2016
Hockey tournament (Note 3)	\$ 788,613	\$ 559,994	\$ (788,613)	\$ 559,994
Dementia First Link Project	782,466	350,000	(924,799)	207,667
Casino and bingo funds	280,564	151,018	(159,564)	272,018
	\$ 1,851,643	\$ 1,061,012	\$ (1,872,976)	\$ 1,039,679



ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES

NOTES TO FINANCIAL STATEMENTS

MARCH 31, 2016

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. In addition to the surplus amounts the Board of Directors have allocated any earnings on the investment accounts (2016 - \$13,807, 2015 - \$41,102) to the operating reserve.

The Board of Directors has internally restricted \$2,540,946 for research purposes related to the prevention and treatment of Alzheimer's disease.

8. RESEARCH FUNDING

During the year, ASANT made a commitment to fund up to \$500,000 (2015 - \$550,000) for research grants 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. As at March 31, 2016, the Society issued grants totaling \$191,121 (2015 - \$414,874) related to this agreement with AI-Bio. In addition to the research grants, ASANT fully funded a fellowship award administered by AI-Bio in the amount of \$50,000 (2015 - \$nil).

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, 2016

9. RELATED PARTY TRANSACTIONS CONTINUED

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

	2016	2015
REVENUES		
Memorials	\$ 57,312	\$ 89,037
Direct mail campaign	578,421	629,836
Other	73,867	80,964
Bequests	11,065	54,871
Donations	83,949	101,382
	<u>804,614</u>	<u>956,090</u>
EXPENSES		
Research assessments	198,026	96,276
Operating assessments	202,040	92,002
Direct mail expenses	378,775	321,572
	<u>778,841</u>	<u>509,850</u>
EXCESS OF REVENUES OVER EXPENSES	<u>\$ 25,773</u>	<u>\$ 446,240</u>
	2016	2015
Amount of National Direct Mail Campaign revenue included in accounts receivable	<u>\$ 123,203</u>	<u>\$ 123,310</u>

As at March 31, 2016, ASANT incurred research expenses of \$341,121, with \$100,000 (2015 - \$nil) 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:

2017	- \$	152,215
2018	- \$	140,504
2019	- \$	142,791
2020	- \$	51,429
2021	- \$	2,542

ALZHEIMER SOCIETY OF ALBERTA AND NORTHWEST TERRITORIES
NOTES TO FINANCIAL STATEMENTS
MARCH 31, 2016

11. COMPARATIVE FIGURES

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



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

	2016	2015
CONTRIBUTIONS		
Fundraising (Note 3, 7)	\$ 1,766,126	\$ 1,681,065
Other donations	596,028	487,946
Bequests	830,087	373,351
Memorials	133,243	177,737
Research	39,623	85,207
	\$ 3,365,107	\$ 2,805,306



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

	<u>2016</u>	<u>2015</u>
REVENUE	\$ 1,194,856	\$ 1,159,870
EXPENSES		
Rentals and fees	190,854	160,634
Contracted services	170,059	243,023
Supplies	94,269	96,950
Advertising and promotion	64,645	27,399
Consulting	31,841	23,498
Interest and service charges	8,044	8,087
Website	3,657	5,160
Travel	1,279	254
Office	342	4,590
	<u>564,990</u>	<u>569,595</u>
EXCESS OF REVENUE OVER EXPENSES (Note 2)	\$ 629,866	\$ 590,275

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

	PROGRAMS AND SERVICES	FUND DEVELOPMENT	GENERAL AND ADMINISTRATION	2016 TOTAL	2015 TOTAL
HUMAN RESOURCES					
Salaries and benefits	\$ 1,146,840	\$ 176,690	\$ 204,868	\$ 1,528,398	\$ 1,383,649
Contract services	131,326	267,350	80,978	479,654	550,153
Staff training and development	6,369	1,266	19,567	27,202	49,783
	1,284,535	445,306	305,413	2,035,254	1,983,585
TRAVEL AND MEETINGS					
Staff	36,758	10,859	39,214	86,831	70,492
Board and executive	135	-	18,997	19,132	34,029
	36,893	10,859	58,211	105,963	104,521
OFFICE FACILITIES					
Rent and utilities	216,828	13,226	15,463	245,517	184,124
Insurance	95	-	8,828	8,923	5,262
Janitorial	3,177	489	2,964	6,630	3,931
	220,100	13,715	27,255	261,070	193,317
OPERATING					
Program materials	67,164	409,094	9,686	485,944	397,862
Office supplies	14,725	2,620	97,312	114,657	44,512
Advertising	11,456	59,166	13,421	84,043	85,125
Bank charges	462	29,976	22,069	52,507	76,465
Repairs and maintenance	25,161	2,409	11,653	39,223	16,225
Telecommunications	22,005	6,282	6,610	34,897	36,128
Postage	8,614	3,311	3,909	15,834	13,601
Equipment rental	9,871	1,264	2,726	13,861	9,819
Printing	7,419	2,164	1,221	10,804	26,324
Memberships	3,220	466	1,781	5,467	19,348
Director's liability insurance	-	-	981	981	981
	170,097	516,752	171,369	858,218	726,390
OTHER					
Audit and legal fees	1,484	228	87,884	89,596	93,027
Amortization	-	-	25,884	25,884	2,426
Volunteer development	1,365	7,281	497	9,143	1,249
	2,849	7,509	114,265	124,623	96,702
TOTAL	\$ 1,714,474	\$ 994,141	\$ 676,513	\$ 3,385,128	\$ 3,104,515