

**ALZHEIMER SOCIETY OF CALGARY**  
**Financial Statements**  
**Year Ended March 31, 2020**

**ALZHEIMER SOCIETY OF CALGARY**  
**Index to Financial Statements**  
**Year Ended March 31, 2020**

---

	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 - 15
Schedule of Club 36 Day Programs ( <i>Schedule 1</i> )	16



**DART BRYANT LLP**  
Chartered Professional Accountants  
#250, 1319 Edmonton Trail NE  
Calgary, Alberta T2E 4Y8

David R Dart, CPA, CA  
Edwin L Bryant, CPA, CA  
Denis G Perron, CPA, CA  
Bus: (403) 230-3764  
Fax: (403) 230-3766  
davedart@dartbryant.com  
edbryant@dartbryant.com  
denisperron@dartbryant.com

---

## INDEPENDENT AUDITOR'S REPORT

---

### To the Members of Alzheimer Society of Calgary

#### ***Qualified Opinion***

We have audited the financial statements of Alzheimer Society of Calgary (the Society), which comprise the statement of financial position as at March 31, 2020, 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 March 31, 2020, and its results of 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 charitable organizations, the Society derives revenue from contributions the completeness of which is not susceptible of 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, excess of revenues over expenses and cash flows for the years ended March 31, 2020 and 2019, current assets as at March 31, 2020 and 2019, and net assets as at April 1 and March 31 for both the 2020 and 2019 fiscal years. Our audit opinion on the financial statements for the year ended March 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

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 these 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.

(continues)

Independent Auditor's Report to the Members of Alzheimer Society of Calgary (continued)

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**

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.



August 19, 2020



Chartered Professional Accountants



**ALZHEIMER SOCIETY OF CALGARY**  
**Statement of Financial Position**  
**March 31, 2020**

	2020	2019
<b>ASSETS</b>		
CURRENT		
Cash and cash equivalents	\$ 548,160	\$ 273,414
Accounts receivable	35,549	6,107
Goods and services tax recoverable	11,081	10,331
Prepaid expenses	64,483	40,089
	<u>659,273</u>	<u>329,941</u>
CAPITAL ASSETS <i>(Net of accumulated amortization) (Note 3)</i>	26,212	16,419
LONG TERM INVESTMENTS <i>(Note 4)</i>	<u>2,522,786</u>	<u>2,940,869</u>
	<u><b>\$ 3,208,271</b></u>	<u><b>\$ 3,287,229</b></u>
<b>LIABILITIES AND NET ASSETS</b>		
CURRENT		
Accounts payable	\$ 52,733	\$ 108,800
Deferred contributions <i>(Note 5)</i>	383,026	350,577
	<u>435,759</u>	<u>459,377</u>
DEFERRED REVENUE <i>(Note 4)</i>	<u>1</u>	<u>1</u>
	<u>435,760</u>	<u>459,378</u>
NET ASSETS		
Unrestricted	746,299	811,432
Internally restricted <i>(Note 6)</i>	2,000,000	2,000,000
Net investment in equipment	26,212	16,419
	<u>2,772,511</u>	<u>2,827,851</u>
	<u><b>\$ 3,208,271</b></u>	<u><b>\$ 3,287,229</b></u>

ON BEHALF OF THE BOARD

  
 \_\_\_\_\_ Director  
  
 \_\_\_\_\_ Director

**ALZHEIMER SOCIETY OF CALGARY**  
**Statement of Operations**  
**Year Ended March 31, 2020**

	2020	2019
<b>UNRESTRICTED REVENUE</b>		
Contributions		
General (Note 9)	\$ 1,084,595	\$ 988,778
Bequests	272,174	255,747
Learning and support services - fees for service	32,545	34,153
Investment income (Note 10)	143,335	117,764
Government subsidies - COVID-19	33,279	-
	<u>1,565,928</u>	<u>1,396,442</u>
<b>RESTRICTED REVENUE</b>		
Club 36 Day Programs (Schedule 1)		
Contracted services - Alberta Health Services	573,901	573,901
Fees for service and contributions	91,243	82,367
Learning and support services (Note 8)	481,091	455,244
Dementia Network (Note 8)	245,554	317,684
Contributions for research	12,151	22,242
	<u>1,403,940</u>	<u>1,451,438</u>
<b>TOTAL REVENUE (Note 7)</b>	<u>2,969,868</u>	<u>2,847,880</u>
<b>EXPENSES (Note 11)</b>		
Programs		
Club 36 Day Programs (Schedule 1)	783,220	787,311
Learning and support services	668,312	489,941
First Link	21,041	148,233
Volunteer program	5,467	3,467
Communications	198,295	176,018
Dementia Network	245,227	376,849
Research	12,151	22,242
Fundraising events (Note 9)	135,792	144,982
Fund development	343,283	321,073
Program support	117,141	114,639
	<u>2,529,929</u>	<u>2,584,755</u>
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS</b>	439,939	263,125
Unrealized gain (loss) on investments (Note 10)	(495,279)	(61,256)
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b>	<u>\$ (55,340)</u>	<u>\$ 201,869</u>

**ALZHEIMER SOCIETY OF CALGARY**  
**Statement of Changes in Net Assets**  
**Year Ended March 31, 2020**

	Unrestricted	Internally Restricted	Net Investment in Equipment	2020	2019
<b>NET ASSETS - BEGINNING OF YEAR</b>	\$ 811,432	\$ 2,000,000	\$ 16,419	\$ 2,827,851	\$ 2,625,982
Excess (deficiency) of revenue over expenses	(55,340)	-	-	(55,340)	201,869
Amortization	18,223	-	(18,223)	-	-
Additions to capital assets	(28,016)	-	28,016	-	-
<b>NET ASSETS - END OF YEAR</b>	<u>\$ 746,299</u>	<u>\$ 2,000,000</u>	<u>\$ 26,212</u>	<u>\$ 2,772,511</u>	<u>\$ 2,827,851</u>

**ALZHEIMER SOCIETY OF CALGARY**  
**Statement of Cash Flows**  
**Year Ended March 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Excess of unrestricted revenue over expenses	\$ (55,340)	\$ 201,869
Items not affecting cash:		
Amortization	18,223	13,899
Realized (gain) loss on investments	8,690	1,159
Unrealized (gain) loss on investments	495,279	61,256
	466,852	278,183
Changes in non-cash working capital ( <i>Note 12</i> )	(78,204)	102,912
Cash flow from operating activities	388,648	381,095
<b>INVESTING ACTIVITIES</b>		
Purchase of capital assets	(28,016)	-
Purchase of long-term investments	(486,911)	(1,960,888)
Proceeds on sale of long-term investments	401,025	960,791
Cash flow used by investing activities	(113,902)	(1,000,097)
<b>INCREASE (DECREASE) IN CASH FLOW</b>	274,746	(619,002)
Cash - beginning of year	273,414	892,416
<b>CASH - END OF YEAR</b>	\$ 548,160	\$ 273,414
<b>CASH FLOWS SUPPLEMENTARY INFORMATION</b>		
Investment income received ( <i>Note 10</i> )	\$ 143,335	\$ 117,764
<b>CASH CONSISTS OF:</b>		
Cash and cash equivalents	\$ 548,160	\$ 273,414



**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

---

**1. NATURE OF OPERATIONS**

The Alzheimer Society of Calgary is a charitable organization incorporated under the Societies Act of Alberta with a mission to enable local people impacted by dementia to live life well and build the capacity of the community to support and care for them. This is accomplished through the provision of support, information and referrals for individuals and families living with dementia; adult day programs in two Calgary sites; training and education for professional care partners; and public awareness and education activities. The Society also provides funding for research into the cause and cure of Alzheimer's disease and dementia.

As income from contracted services and fees for service is insufficient to cover the costs of all programs undertaken, the ongoing operations of the Society are dependent on donations and fundraising from those interested. Consequently, the Society is exposed to liquidity risk which is the risk of encountering difficulties meeting its financial obligations because of the uncertainty of the amount and timing of receipt of contributions from its supporters. This liquidity risk has been mitigated by the establishment of an internally restricted fund to provide against an interruption in operations, should there be difficulty in meeting the Society's obligations (*Note 6*).

The Society is a registered charity and is therefore exempt from the payment of income tax.

---

**2. SUMMARY OF ACCOUNTING POLICIES**

Basis of presentation

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

Financial statements are prepared on the assumption that the entity is a going concern, meaning that it will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. Management is required to assess whether there are any events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern. Management is not aware of any such material uncertainties; accordingly these financial statements have been prepared using the going concern assumption.

A summary of accounting policies used is as follows:

Financial instruments policy

Financial instruments reported in these financial statements include cash and cash equivalents, accounts receivable, long-term investments and accounts payable. All these financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets being long term investments with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments being cash and cash equivalents, accounts receivable and accounts payable, 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.

Fair value for accounts receivable and accounts payable is considered to be the same as their cost due to the short terms to maturity. Fair value for long term investments is determined by reference to closing market prices at year end.

*(continues)*

---

**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

---

2. SUMMARY OF ACCOUNTING POLICIES (*continued*)

Cash and cash equivalents

Cash and cash equivalents include cash in banks and brokerage accounts, and short term deposits capable of liquidation within 90 days.

Capital assets

Capital assets purchased are recorded at cost. Donated capital assets and artwork are recorded at fair value when a fair value can be reasonably determined.

Website development costs are capitalized when they exceed the Society's capitalization threshold due to the fact that they benefit future periods through education of the public and financial support to the Society.

Capital assets are amortized on a straight-line basis over their estimated useful lives of four to five years. Donated artwork is not amortized.

Revenue recognition

The Society follows the deferral method of accounting for contributions. 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 contributions are recognized as revenue in the year in which the related expenses are incurred. 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 in unrestricted contributions. Gifts in kind not receipted for income tax purposes have not been recorded in the financial statements (*Note 7*).

Restricted contributions received for the purchase of equipment are deferred and amortized to income on the same basis as the amortization of the equipment acquired.

Fees for service are recognized when the related service is provided

Investment income includes dividends, interest, and realized and unrealized gains and losses. Unrealized gains and losses on financial assets carried at fair value are included in investment income and recognized as revenue in the statement of operations (*Note 9*).

Donated services

During the year volunteers contributed thousands of hours to assist the Society in carrying out its mission. Because of the difficulty of determining their number and fair value, donated services are not recognized in the financial statements.

Allocation of general support expenses to other functions

The Society presents expenses in the statement of operations on the basis of function performed, including programs, research, fundraising events, fund development and program support.

Expenses which are directly attributable to a function are recorded as expenses of that function. Expenses which are not directly attributable to any specific function are recorded as program support expenses.

(*continues*)

---

**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

2. SUMMARY OF ACCOUNTING POLICIES (*continued*)

Use of estimates

In preparing the Society's financial statements, management is required to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the year. Actual results could differ from these estimates.

These financial statements include estimates for valuation of long term investments, amortization of capital assets, accrued expenses and allocation for administration salaries and costs between departments.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	Net Book Value 2020	Net Book Value 2019
<u>Equipment</u>				
Office equipment	\$ 226,095	\$ 226,095	\$ -	\$ 12,620
Donated artwork	3,800	-	<b>3,800</b>	3,800
	<u>229,895</u>	<u>226,095</u>	<u><b>3,800</b></u>	<u>16,420</u>
 <u>Intangible assets</u>				
Website	104,121	81,709	<b>22,412</b>	-
	<u>\$ 334,016</u>	<u>\$ 307,804</u>	<u><b>\$ 26,212</b></u>	<u>\$ 16,420</u>



**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

**4. LONG TERM INVESTMENTS**

	<b>2020</b>	<b>2019</b>
Cash equivalents, measured at amortized cost	\$ 157,717	\$ 246,646
Preferred shares, measured at fair market value	889,265	1,201,945
Fixed income bonds, measured at fair market value	914,321	1,078,711
Common shares, measured at fair market value	264,708	120,894
Other, measured at fair market value	296,774	292,672
Cash surrender value of life insurance policy, measured at amortized cost	1	1
	<b>\$ 2,522,786</b>	<b>\$ 2,940,869</b>

Fixed income bonds

Investments include a portfolio of laddered fixed income bonds with interest rates from 4.4% to 5.85% expected to be held to maturities up to November 2020. The Society is exposed to interest rate risk on the fixed income bonds to the extent that interest rates fluctuate while the investments are owned. As these bonds are traded on the open market, changes in interest rates will affect the fair value of the investments. It is anticipated that the maturing investments will be reinvested so have all been treated as long-term investments.

Cash surrender value of life insurance policies

The Society has been irrevocably appointed as the sole beneficiary on a term life insurance policy having a face value of \$100,000. As there is no cash surrender value in this policy, it has been recorded at a nominal value of \$1 which is offset by deferred revenue of \$1.

**5. DEFERRED CONTRIBUTIONS**

Deferred contributions represent unspent resources received in the current year which have been restricted by the contributors to be used to fund specific programs to be conducted in following years. Changes in the deferred contributions balance are as follows:

	<b>2020</b>	<b>2019</b>
Balance, beginning of year	\$ 350,577	\$ 284,300
Restricted contributions received during the year	579,376	682,474
Recognized in revenue	(546,927)	(616,197)
Balance, end of year	<b>\$ 383,026</b>	<b>\$ 350,577</b>

Deferred contributions on hand at March 31, 2020 are for support of various initiatives and projects by the Society.

**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

**6. INTERNALLY RESTRICTED NET ASSETS**

The Society's Board of Directors has internally restricted net assets in order to provide a reserve to be used to ensure ongoing operations of the Society's programs and services, should there be an unanticipated interruption or decline in revenue, or for other purposes as determined by the Board.

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 2,000,000	\$ 1,400,000
Addition to internally restricted	-	600,000
Balance, end of year	<u>\$ 2,000,000</u>	<u>\$ 2,000,000</u>

**7. CLASSIFICATION OF REVENUE**

	<u>2020</u>	<u>2019</u>
Contributions	\$ 1,626,337	\$ 1,467,129
Grants and other funding	1,046,678	1,142,580
Fees for service	120,239	120,408
Investment income	143,335	117,764
Subtotal	<u>2,936,589</u>	<u>2,847,881</u>
Government grant - COVID-19	33,279	-
	<u>\$ 2,969,868</u>	<u>\$ 2,847,881</u>

Included in contributions of \$1,626,336 (2019: \$1,467,129) are receipted gifts in kind totaling \$5,009 (2019: \$5,934) received in connection with annual fund-raising events.

Contributions in kind of \$40,344 (2019: \$84,941) were received from corporate sponsors to assist with various specific fund-raising events. As these contributions are in kind and have not been receipted for income tax purposes, the amount has not been recorded in these financial statements.



**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

**8. RESTRICTED REVENUE - FUNDING FOR PROGRAMS**

Funding source	Learning and Support Services	Dementia Network	Total
United Way	\$ 99,263	-	\$ 99,263
Gordie Howe C.A.R.E.S	257,834	\$ 25,500	283,334
Alzheimer Society of Alberta and Northwest Territories	26,617	-	26,617
Other - organizations and individuals	97,377	220,054	317,431
			-
	\$ 481,091	\$ 245,554	\$ 726,645

Learning and Support Services (LSS) is a key program delivered by the Society under which a team of social workers provides support and connections to community resources. The LSS team also delivers education to a wide variety of stakeholders, including people impacted by dementia and their families, the public, and professionals working in the field of dementia care.

Dementia Network Calgary is a multi-stakeholder group of organizations and individuals that is taking a cross-sector, collaborative approach to tackling the complex challenges of dementia. The Alzheimer Society of Calgary provides backbone support for the initiative which includes co-ordination of activities, communications, awareness and mobilization of funding.

**9. PRIMARY FUND-RAISING INITIATIVES**

The following summarizes the revenue from specific fund-raising activities occurring in the year, as included in total contributions revenue of \$1,084,595, as well as directly related expenses.

	Revenue	Expenses	2020	2019
General & direct mail contributions	\$ 592,182	\$ 38,953	\$ 553,229	\$ 367,364
Walk/Run	287,520	96,839	190,681	210,448
	\$ 879,702	\$ 135,792	\$ 743,910	\$ 577,812

**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

**10. INVESTMENT INCOME**

Investment income consists of the following:

	2020	2019
Interest and dividend Income	\$ 152,025	\$ 118,923
Gain (loss) on sale of investments	(8,690)	(1,159)
Subtotal	143,335	117,764
Unrealized gain (loss) on investments	(495,279)	(61,256)
Total investment income	<u>\$ (351,944)</u>	<u>\$ 56,508</u>

All investment income is available for use in general operations.

**11. CLASSIFICATION OF EXPENSES**

	2020	2019
Salaries and benefits	\$ 1,539,432	\$ 1,488,456
Rent	203,979	179,536
Program support, materials, supplies & technology	184,171	159,443
Research grants	12,151	22,242
Legal, accounting, and audit fees	37,233	36,907
Direct fund-raising expenses	98,877	116,194
Public awareness	81,598	56,314
Amortization	18,223	13,899
Direct programming expenses	288,257	393,536
Strategic Planning	1,684	669
Conferences, education and training	40,437	44,577
Travel, and vehicle repairs and maintenance	9,282	9,020
Life insurance premiums	2,039	2,039
Consulting fees	12,566	33,203
Leasehold improvements	-	28,723
	<u>\$ 2,529,929</u>	<u>\$ 2,584,758</u>

Total salaries and benefits of \$1,539,432 (2019: \$1,488,456) include \$126,759 (2019: \$113,712) paid as remuneration to employees whose principal duties involve fund-raising.

**12. CHANGES IN NON-CASH WORKING CAPITAL**

	2020	2019
Accounts receivable	\$ (29,442)	\$ 1,361
Accounts payable	(56,067)	39,757
Deferred contributions	32,449	66,277
Prepaid expenses	(24,394)	(4,324)
GST payable (receivable)	(750)	(159)
	<u>\$ (78,204)</u>	<u>\$ 102,912</u>

**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

---

**13. 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 March 31, 2020.

***(a) Market risk***

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The Society is exposed to market risk through its investments. The Society manages this risk through an established investment policy.

***(b) 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 rate. The Society is exposed to interest rate risk arising from the possibility that interest rate fluctuations will affect the value of its fixed rate investments. The Society manages this risk through an established investment policy.

***(c) Other price risk***

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risks through its investment in quoted shares.

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

---

**14. RELATED PARTY TRANSACTIONS**

The Society is incorporated as an independent local not-for-profit organization serving Calgary and surrounding regions. The Society works collaboratively with the Alzheimer Society of Alberta and Northwest Territories (ASANT), which is a federated member of the Alzheimer Society of Canada (Canada); however, there is no joint control or significant influence exercised by Canada or ASANT over the Society's operating and investing decisions.

---



**ALZHEIMER SOCIETY OF CALGARY**  
**Notes to Financial Statements**  
**Year Ended March 31, 2020**

---

**15. COMMITMENTS**

The Society entered into a lease for its office premises for a period of eleven years ending November 30, 2027. The lease requires annual base rent and parking of approximately \$73,000 excluding additional common area costs estimated at \$70,000 to \$75,000 annually which are included in total rent expenses of \$203,979 (*Note 11*).

The Society entered into lease agreements for space in which it conducts its Club 36 Seton and Club 36 Harvest Hills day programs. The Seton lease agreement was signed for five years ending November 30, 2022 and requires an annual base rent of approximately \$27,850. The Harvest Hills lease was renewed for three years, ending March 31, 2023, requiring annual base rent of approximately \$30,000. Annual rents on both of these locations are included in total rent expenses of \$203,979 (*Note 11*).

The Society has entered into contracts for the lease of office equipment that end November 2022, May 2023 and July 2025 requiring annual payments of approximately \$9,200 .

The minimum annual base rent payments for the next five years are:

	\$
2021	141,875
2022	145,021
2023	131,879
2024	80,998
2025	84,630

---

**16. SUBSEQUENT EVENTS**

Just prior to year-end, the World Health Organization categorized the outbreak of a strain of the novel coronavirus (COVID-19) as a pandemic which has lead to a number of public health and emergency measures which have been put in place by various levels of government to attempt to combat the spread of the virus. At this time, the duration and potential impact of COVID-19 is unknown and it is not possible to reliably estimate the impact these events may have on the financial results and condition of the Society in future periods.

---

**ALZHEIMER SOCIETY OF CALGARY**  
**Schedule of Club 36 Day Programs**  
**Year Ended March 31, 2020**

*(Schedule 1)*

	2020	2019
<b>REVENUE</b>		
Contracted services - Alberta Health Services	\$ 573,901	\$ 573,901
Fees for service - Alberta Health Services	14,080	17,690
Fees for service - clients	25,345	24,380
Contributions, including bequests	37,492	36,660
Music & art therapy revenue	7,722	1,284
Music & art therapy contributions	6,604	2,353
	<u>665,144</u>	<u>656,268</u>
<b>EXPENSES</b>		
Salary and employee benefits	590,747	579,801
Program support	44,098	68,861
Program and craft supplies	28,426	25,716
Food and kitchen supplies	42,754	38,919
Rent and cleaning	73,835	70,897
Mileage and parking	3,359	3,118
	<u>783,219</u>	<u>787,312</u>
<b>DEFICIENCY OF EXPENSES OVER REVENUE</b>	<u>\$ (118,075)</u>	<u>\$ (131,044)</u>