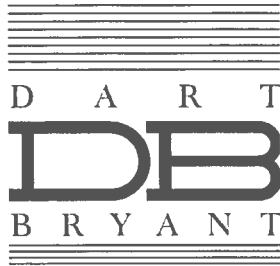


ALZHEIMER SOCIETY OF CALGARY
Financial Statements
Year Ended March 31, 2017

ALZHEIMER SOCIETY OF CALGARY
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Year Ended March 31, 2017

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DART BRYANT
CHARTERED ACCOUNTANTS

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INDEPENDENT AUDITOR'S REPORT

To the Members of Alzheimer Society of Calgary

We have audited the accompanying financial statements of Alzheimer Society of Calgary, which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in net assets and cash flows for the year then ended, and 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves 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 qualified audit opinion.

Basis for Qualified Opinion

In common with many not-for-profit organizations, Alzheimer Society of Calgary derives revenue from contributions 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 Alzheimer Society of Calgary. Therefore, we were not able to determine whether any adjustments might be necessary to contributions revenue, excess of revenues over expenses, and cash flows from operations for the year ended March 31, 2017, current assets and net assets as at March 31, 2017.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Alzheimer Society of Calgary as at March 31, 2017 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.

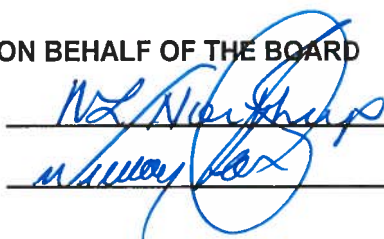
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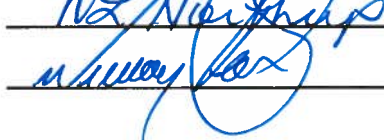
CHARTERED ACCOUNTANTS

ALZHEIMER SOCIETY OF CALGARY
Statement of Financial Position
March 31, 2017

	2017	2016
ASSETS		
CURRENT		
Cash and cash equivalents	\$ 489,135	\$ 309,387
Accounts receivable	9,651	5,672
Goods and services tax recoverable	7,422	8,192
Prepaid expenses	53,042	36,181
	<u>559,250</u>	<u>359,432</u>
CAPITAL ASSETS <i>(Net of accumulated amortization) (Note 3)</i>	42,056	65,718
LONG TERM INVESTMENTS <i>(Note 4)</i>	2,128,149	2,217,263
	<u>\$ 2,729,455</u>	<u>\$ 2,642,413</u>
LIABILITIES AND NET ASSETS		
CURRENT		
Accounts payable	\$ 70,667	\$ 106,519
Deferred contributions <i>(Note 5)</i>	40,480	13,937
	<u>111,147</u>	<u>120,456</u>
DEFERRED REVENUE <i>(Note 4)</i>	1	1
	<u>111,148</u>	<u>120,457</u>
NET ASSETS		
Unrestricted	1,176,251	1,056,238
Internally restricted <i>(Note 6)</i>	1,400,000	1,400,000
Net investment in equipment	42,056	65,718
	<u>2,618,307</u>	<u>2,521,956</u>
	<u>\$ 2,729,455</u>	<u>\$ 2,642,413</u>

ON BEHALF OF THE BOARD

 Director

 Director

Please see Notes

ALZHEIMER SOCIETY OF CALGARY
Statement of Operations
Year Ended March 31, 2017

	2017	2016
UNRESTRICTED REVENUE		
Contributions		
General (Note 8)	\$ 953,715	\$ 1,007,667
Bequests	50,100	302,772
Learning and support services - fees for service	21,875	15,100
Investment income (Note 4)	107,433	90,500
Realized gain (loss) on investments (Note 4)	(633)	(7,483)
Gain (loss) on disposal of capital assets	-	(6,149)
	<u>1,132,490</u>	<u>1,402,407</u>
RESTRICTED REVENUE		
Club 36 Day Programs (Schedule 1)		
Contracted services - Alberta Health Services	565,158	538,189
Fees for service and contributions	61,340	58,027
Learning and support services	134,452	90,941
First Link funding	145,708	-
Public awareness and communication	-	37,698
Contributions for research	25,762	73,431
	<u>932,420</u>	<u>798,286</u>
TOTAL REVENUE (Note 7)	<u>2,064,910</u>	<u>2,200,693</u>
EXPENSES (Note 9)		
Programs		
Club 36 Day Programs (Schedule 1)	711,891	699,407
Learning and support services	408,844	496,578
First Link	144,336	-
Volunteer program	4,833	2,653
Public awareness and communications	179,452	185,343
Research	25,762	73,431
Fundraising events (Note 8)	99,007	119,956
Fund development	338,759	290,803
Program support	160,202	169,521
	<u>2,073,086</u>	<u>2,037,692</u>
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FROM OPERATIONS	<u>(8,176)</u>	<u>163,001</u>
Unrealized gain (loss) on investments (Note 4)	104,527	(89,478)
EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES	<u>\$ 96,351</u>	<u>\$ 73,523</u>

ALZHEIMER SOCIETY OF CALGARY
Statement of Changes in Net Assets
Year Ended March 31, 2017

	Unrestricted	Internally Restricted	Net Investment in Equipment	2017	2016
NET ASSETS - BEGINNING OF YEAR	\$ 1,056,238	\$ 1,400,000	\$ 65,718	\$ 2,521,956	\$ 2,448,433
Excess (deficiency) of revenue over expenses	96,351	-	-	96,351	73,523
Amortization	23,662	-	(23,662)	-	-
NET ASSETS - END OF YEAR	\$ 1,176,251	\$ 1,400,000	\$ 42,056	\$ 2,618,307	\$ 2,521,956

ALZHEIMER SOCIETY OF CALGARY
Statement of Cash Flows
Year Ended March 31, 2017

	2017	2016
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses	\$ 96,351	\$ 73,523
Items not affecting cash:		
Amortization	23,662	23,662
Loss on disposal of assets	-	6,149
Realized (gain) loss on investments	633	7,483
Unrealized (gain) loss on investments	(104,527)	89,478
	16,119	200,295
Changes in non-cash working capital (<i>Note 10</i>)	(29,379)	(98,437)
Cash flow from (used by) operating activities	(13,260)	101,858
INVESTING ACTIVITIES		
Purchase of capital assets	-	(36,255)
Purchase of long-term investments	(411,026)	(458,300)
Proceeds on sale of long-term investments	604,034	309,276
Cash flow from (used by) investing activities	193,008	(185,279)
INCREASE (DECREASE) IN CASH FLOW	179,748	(83,421)
Cash and cash equivalents - beginning of year	309,387	392,808
CASH AND CASH EQUIVALENTS - END OF YEAR	\$ 489,135	\$ 309,387
CASH FLOWS SUPPLEMENTARY INFORMATION		
Interest received	\$ (107,433)	\$ 90,499
CASH CONSISTS OF:		
Cash and cash equivalents	\$ 489,135	\$ 309,387

ALZHEIMER SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended March 31, 2017

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 support 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

These financial statements have been prepared in accordance with Canadian Accounting Standards for Not-for-Profit Organizations (ASNFPPO).

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:

(continues)

ALZHEIMER SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended March 31, 2017

2. SUMMARY OF ACCOUNTING POLICIES *(continued)*

Financial instruments policy

Financial instruments reported in these financial statements include cash, term deposits, accounts receivable, investments and accounts payable. All these financial instruments are initially recorded at their fair value. Subsequently cash, term deposits, accounts receivable and accounts payable are recorded at amortized cost. Investments are recorded at fair market value at the year-end based on published activity in an active market. Any change between their fair value at the fiscal year-end and the initially recorded cost is recorded as an unrealized gain or loss in the year in the statement of operations.

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 investments is determined by reference to closing market prices at the year end.

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.

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.

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 cost of equipment acquired.

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 4).

(continues)

ALZHEIMER SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended March 31, 2017

2. SUMMARY OF ACCOUNTING POLICIES *(continued)*

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 expense.

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, and allocation of administration salaries and costs between departments.

3. CAPITAL ASSETS

	Cost	Accumulated amortization	Net Book Value 2017	Net Book Value 2016
<u>Equipment</u>				
Office equipment	\$ 209,992	\$ 188,239	\$ 21,753	\$ 30,194
Donated artwork	3,800	-	3,800	3,800
	213,792	188,239	25,553	33,994
<u>Intangible assets</u>				
Website	76,106	59,603	16,503	31,724
	\$ 289,898	\$ 247,842	\$ 42,056	\$ 65,718

ALZHEIMER SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended March 31, 2017

4. LONG TERM INVESTMENTS

	2017	2016
Preferred shares	\$ 956,280	\$ 667,310
Fixed income bonds	1,005,789	1,432,706
Equity	112,235	66,983
Cash equivalents	53,844	50,263
Cash surrender value of life insurance policy	1	1
	<u>\$ 2,128,149</u>	<u>\$ 2,217,263</u>

Fixed income bonds

Investments include a portfolio of laddered fixed income bonds expecting to be held to maturities up to 2108. 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.

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.

Investment Income

	2017	2016
Investment income consists of:		
Investment income - interest and dividends	\$ 107,433	\$ 90,499
Realized gain (loss) on investments	(633)	(7,483)
Unrealized gain (loss) on investments	104,527	(89,478)
	<u>\$ 211,327</u>	<u>\$ (6,462)</u>

All investment income is available for use in general operations.

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 the following year. Changes in the deferred contributions balance are as follows:

	2017	2016
Balance, beginning of year	\$ 13,937	\$ 66,660
Restricted contributions received during the year	54,700	31,500
Recognized in revenue	(28,157)	(84,223)
Balance, end of year	<u>\$ 40,480</u>	<u>\$ 13,937</u>

Deferred contributions on hand at March 31, 2017 are for support of various initiatives and projects by the Society.

ALZHEIMER SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended March 31, 2017

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. No changes were made in the current year:

	2017	2016
Balance, beginning and end of year	\$ 1,400,000	\$ 1,400,000

7. CLASSIFICATION OF REVENUE

Contributions	\$ 1,169,453	\$ 1,516,927
Fees for service	642,949	606,898
First Link funding	145,708	-
Investment income	107,433	90,499
Realized gain (loss) on investments	(633)	(7,483)
Gain (loss) on disposal of capital assets	-	(6,149)
	\$ 2,064,910	\$ 2,200,692

Included in contributions of \$1,169,453 (2016: \$1,516,927) are receipted gifts in kind totalling \$3,067 (2016: \$4,420) received in connection with annual fund-raising events.

Contributions in kind of \$81,783 (2016: \$70,917) 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 \$81,783 (2016: \$70,917) has not been recorded in these financial statements.

8. FUNDRAISING

The following summarizes the revenue from specific fund-raising activities occurring in the year, as included in total contributions revenue of \$953,715, as well as directly related expenses.

	Revenue	Expenses	2017	2016
General & direct mail contributions	\$ 349,268	\$ 19,705	\$ 329,563	\$ 386,034
Walk/Run	283,787	79,302	204,485	203,797
Externally-initiated events	74,071	-	74,071	42,646
Casino	67,665	-	67,665	-
	\$ 774,791	\$ 99,007	\$ 675,784	\$ 632,477

ALZHEIMER SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended March 31, 2017

9. CLASSIFICATION OF EXPENSES

	2017	2016
Salaries and benefits	\$ 1,349,753	\$ 1,239,243
Rent	204,358	214,014
Program support, materials, supplies & technology	141,450	155,044
Research grants	25,762	73,431
Legal, accounting, and audit fees	36,710	47,449
Direct fund-raising expenses	70,283	97,138
Public awareness	71,587	59,286
Amortization	23,662	23,662
Direct programming expenses	53,353	50,884
Strategic Planning	396	2,419
Conferences, education and training	25,218	23,636
Travel, and vehicle repairs and maintenance	5,840	5,751
Life insurance premiums	2,039	2,039
Dementia Network	43,153	43,696
Moving costs	19,522	-
	\$ 2,073,086	\$ 2,037,692

Total salaries and benefits of \$1,349,753 (2016: \$1,239,243) include \$108,379 (2016: \$110,590) paid as remuneration to employees whose principal duties involve fund-raising.

10. CHANGES IN NON-CASH WORKING CAPITAL

	2017	2016
(Increase) decrease in accounts receivable	\$ (3,979)	\$ 7,851
(Increase) decrease in prepaid expenses	(16,860)	(6,182)
Increase (decrease) in accounts payable	(35,853)	(52,922)
Increase (decrease) in deferred contributions	26,543	(52,723)
GST payable (receivable)	770	5,539
	\$ (29,379)	\$ (98,437)

11. 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; however, there is no joint control or significant influence exercised by Canada or ASANT over the Society's operating and investing decisions.

In 2016, the Society entered into a partnership agreement with ASANT to bring the national program, First Link®, to the Calgary region. The program is funded by Alberta Health Services for a period of three years ending December 31, 2018. The Society received \$145,708 of funding for this program in 2017.

ALZHEIMER SOCIETY OF CALGARY
Notes to Financial Statements
Year Ended March 31, 2017

12. COMMITMENTS

The Society entered into a lease for its office premises for the eleven years ending November 30, 2027. The lease requires annual base rent and parking of approximately \$70,000 excluding additional common area costs estimated at \$71,000 annually which are included in total rent expense of \$204,358 (*Note 9*).

The Society entered into lease agreements for space in which it conducts its Club 36 Beaverdam and Club 36 Harvest Hills day programs. The Beaverdam lease agreement has been renewed for two years ending March 31, 2018, and requires annual base rent of approximately \$21,600. The Harvest Hills lease has been renewed for the three years ending March 31, 2020 requiring annual base rent of approximately \$27,000. Annual rent on both of these locations are included in total rent expense of \$204,358 (*Note 9*).

The Society has entered into a contract that ends November 2021 for the lease of office equipment.

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

	\$
2018	121,202
2019	91,905
2020	108,539
2021	81,555
2022	83,501

13. COMPARATIVE FIGURES

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

ALZHEIMER SOCIETY OF CALGARY
Schedule of Club 36 Day Programs
Year Ended March 31, 2017

(Schedule 1)

	2017	2016
REVENUE		
Contracted services - Alberta Health Services	\$ 565,158	\$ 538,189
Fees for service - Alberta Health Services	17,698	12,863
Fees for service - clients	20,940	24,734
Music & art therapy revenue	5,424	4,418
Contributions, including bequests	12,555	3,433
Music & art therapy contributions	4,723	12,579
	<u>626,498</u>	<u>596,216</u>
EXPENSES		
Salary and employee benefits	554,704	535,943
Program support	38,606	44,742
Program and craft supplies	20,615	20,017
Food and kitchen supplies	29,783	29,641
Rent and cleaning	66,723	66,690
Vehicle repairs and maintenance	1,460	2,375
	<u>711,891</u>	<u>699,408</u>
DEFICIENCY OF EXPENSES OVER REVENUE	<u>\$ (85,393)</u>	<u>\$ (103,192)</u>