

**ALZHEIMER SOCIETY OF CALGARY**

**FINANCIAL STATEMENTS**

**MARCH 31, 2011**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of the Alzheimer Society of Calgary

We have audited the accompanying financial statements of the Alzheimer Society of Calgary ("the Society"), which comprise the balance sheet as at March 31, 2011, and the statements of operations and changes in fund balances, and changes in cash resources 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 generally accepted auditing standards, 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 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 audit opinion.

### ***Basis of 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, current assets and net assets.

### ***Qualified Opinion***

In our opinion, except for the possible effects of the matter described in the Basis of Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Alzheimer Society of Calgary as at March 31, 2011, and its financial performance and its cash resources for the year then ended in accordance with Canadian generally accepted accounting principles.

**ALZHEIMER SOCIETY OF CALGARY  
BALANCE SHEET  
MARCH 31, 2011**

|   | <u>2011</u>             | <u>2010</u>             |
|---|-------------------------|-------------------------|
|   | \$                      | \$                      |
| <b>ASSETS</b>   |                         |                         |
| <b>CURRENT</b>  |                         |                         |
| Cash and cash equivalents   | 243,811                 | 304,952                 |
| Accounts receivable   | 17,808                  | 15,344                  |
| Prepaid expenses  | <u>26,853</u>           | <u>41,441</u>           |
|   | 288,472                 | 361,737                 |
| LONG-TERM INVESTMENTS (Note 3)                                    | 1,822,223               | 1,716,541               |
| PROPERTY AND EQUIPMENT (Note 4)                                   | <u>158,159</u>          | <u>116,584</u>          |
|   | <u><b>2,268,854</b></u> | <u><b>2,194,862</b></u> |
| <b>LIABILITIES AND NET ASSETS</b>                                 |                         |                         |
| <b>CURRENT</b>  |                         |                         |
| Accounts payable  | 88,608                  | 168,224                 |
| Deferred contributions (Note 5)                                   | <u>59,574</u>           | <u>60,874</u>           |
|   | 148,182                 | 229,098                 |
| DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT (Note 6) | 94,142                  | 96,447                  |
| DEFERRED REVENUE (Note 3)   | <u>1</u>                | <u>1</u>                |
|   | <u><b>242,325</b></u>   | <u><b>325,546</b></u>   |
| <b>NET ASSETS</b>   |                         |                         |
| General   | 502,318                 | 449,179                 |
| Research (Note 8)   | 60,194                  | -                       |
| Appropriated surplus (Note 7)                                     | 1,400,000               | 1,400,000               |
| Net investment in property and equipment                          | <u>64,017</u>           | <u>20,137</u>           |
|   | 2,026,529               | 1,869,316               |
|   | <u><b>2,268,854</b></u> | <u><b>2,194,862</b></u> |
| COMMITMENTS (Note 13)   |                         |                         |

Approved on behalf of the board: \_\_\_\_\_  
Director

\_\_\_\_\_  
Director

Please see Notes

**ALZHEIMER SOCIETY OF CALGARY  
STATEMENT OF OPERATIONS  
YEAR ENDED MARCH 31, 2011**

|  | <u>2011</u>      | <u>2010</u>      |
|--|------------------|------------------|
|  | \$               | \$               |
| <b>UNRESTRICTED REVENUE</b>                          |                  |                  |
| Contributions  |                  |                  |
| General  | 214,886          | 305,650          |
| Bequests   | 308,016          | 100              |
| Fundraising activities ( <i>Schedule 1</i> )         | 448,441          | 508,829          |
| Investment income (Note 3)                           | 102,534          | 312,627          |
| Dementia Care Training Centre – fees for service     | 19,805           | 17,154           |
| Membership fees                                      | 610              | 860              |
| Earned capital contributions (Note 6)                | <u>30,305</u>    | <u>3,508</u>     |
|  | <u>1,124,597</u> | <u>1,148,728</u> |
| <b>RESTRICTED REVENUE</b>                            |                  |                  |
| Club 36 Day Programs ( <i>Schedule 2</i> )           |                  |                  |
| Contracted services – <i>Alberta Health Services</i> | 494,401          | 453,865          |
| Fees for service and contributions                   | 39,944           | 35,529           |
| Dementia Care Training Centre                        | 96,474           | 126,731          |
| E-learning   | 8,000            |                  |
| Public Awareness                                     | <u>8,500</u>     | <u>10,000</u>    |
|  | <u>647,319</u>   | <u>626,125</u>   |
| <b>TOTAL REVENUE</b> (Note 9)                        | <u>1,771,916</u> | <u>1,774,853</u> |
| <b>EXPENSES</b> (Note 11)                            |                  |                  |
| Programs   |                  |                  |
| Club 36 Day Programs ( <i>Schedule 2</i> )           | 584,085          | 497,547          |
| Dementia Care Training Centre                        | 393,526          | 324,235          |
| Volunteer program                                    | 59,130           | 44,984           |
| Public awareness and communications                  | 118,967          | 127,218          |
| Research (Note 8)                                    | 39,806           | 100,000          |
| Fundraising events ( <i>Schedule 1</i> )             | 75,389           | 47,633           |
| Fund development department                          | 212,364          | 188,759          |
| Program support                                      | <u>131,436</u>   | <u>115,642</u>   |
|  | <u>1,614,703</u> | <u>1,446,018</u> |
| <b>EXCESS OF REVENUES OVER EXPENSES</b>              | <u>157,213</u>   | <u>328,835</u>   |

Please see Notes

**ALZHEIMER SOCIETY OF CALGARY  
STATEMENT OF CHANGES IN NET ASSETS  
YEAR ENDED MARCH 31, 2011**

|                                | <u>2011</u>   |                                       |                      |                       | <u>2010</u>        |
|--------------------------------|---|---------------------------------------|----------------------|-----------------------|--------------------|
|                                | <u>Investment in<br/>Property and<br/>Equipment</u><br>\$ | <u>Appropriated<br/>Surplus</u><br>\$ | <u>General</u><br>\$ | <u>Research</u><br>\$ | <u>Total</u><br>\$ |
| Net assets, beginning of year  | 20,137  | 1,400,000                             | 449,179              |                       | 1,869,316          |
| Excess of revenue              |   |                                       | 157,213              |                       | 157,213            |
| Amortization                   | (48,115)  |                                       | 48,115               |                       | -                  |
| Earned capital contributions   | 30,305  |                                       | (30,305)             |                       | -                  |
| Equipment purchased            | 89,690  |                                       | (89,690)             |                       | -                  |
| Deferred capital contributions | (28,000)  |                                       | 28,000               |                       | -                  |
| Transfer to research           |   |                                       | (100,000)            | 100,000               | -                  |
| Transfer from research         |   |                                       | 39,806               | (39,806)              | -                  |
|                                | <u>64,017</u>   | <u>1,400,000</u>                      | <u>502,318</u>       | <u>60,194</u>         | <u>2,026,529</u>   |
|                                |   |                                       |                      |                       | <u>1,869,316</u>   |

Please see Notes

**ALZHEIMER SOCIETY OF CALGARY  
STATEMENT OF CASH FLOWS  
YEAR ENDED MARCH 31, 2011**

|  | <u>2011</u>     | <u>2010</u>      |
|--|-----------------|------------------|
|  | \$              | \$               |
| <b>CASH WAS PROVIDED FROM (USED IN)</b>                              |                 |                  |
| <b>OPERATIONS</b>  |                 |                  |
| Excess (deficiency) of revenue over expenses                         | 157,213         | 328,835          |
| Add (deduct) non-cash items  |                 |                  |
| Amortization   | 48,115          | 23,343           |
| Earned capital contribution  | (30,305)        | (3,508)          |
| (Gain) loss on investments   | <u>(17,031)</u> | <u>(230,816)</u> |
|  | 157,992         | 117,854          |
| Changes in non-cash operating working capital (Note 10)              | <u>(68,792)</u> | <u>156,288</u>   |
|  | <u>89,200</u>   | <u>274,142</u>   |
| <b>FINANCING</b>   |                 |                  |
| Purchase of property and equipment                                   | (89,690)        | (45,219)         |
| Increase in deferred contributions related to property and equipment | <u>28,000</u>   | <u>34,000</u>    |
|  | <u>(61,690)</u> | <u>(11,219)</u>  |
| <b>INVESTING</b>   |                 |                  |
| Purchase of long-term investments                                    | (457,584)       | (650,140)        |
| Proceeds on sale of long-term investments                            | <u>368,933</u>  | <u>597,737</u>   |
|  | <u>(88,651)</u> | <u>(52,403)</u>  |
| <b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>                     | (61,141)        | 210,520          |
| CASH AND CASH EQUIVALENTS, beginning of year                         | <u>304,952</u>  | <u>94,432</u>    |
| <b>CASH AND CASH EQUIVALENTS, end of year</b>                        | <u>243,811</u>  | <u>304,952</u>   |

Please see Notes

**ALZHEIMER SOCIETY OF CALGARY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2011**

**1. PURPOSE OF THE ORGANIZATION**

The Alzheimer Society of Calgary (the Society) is a charitable organization incorporated under the Societies Act of Alberta whose mission is to alleviate the personal and social consequences of Alzheimer's disease and other related dementias, and promote the search for a cause and cure. This is accomplished through the provision of education and support services through the Dementia Care Training Centre to those in the Calgary region, including individuals, families and professionals working in related fields, whose lives are affected by Alzheimer's disease and other related dementias.

One of the ways in which the mission of the Society is accomplished is through the operation of Club 36 Day Programs. These Programs provide meaningful activities in a day program environment for persons with dementia, as well as respite for their care givers. Alberta Health Services contracts for these services from the Society (2011: \$494,401; 2010: \$453,865). These fees cover a portion of the costs of the Club 36 Day Programs.

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.

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

Financial statements are prepared on the assumption that the entity is a going concern, meaning 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.

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles, the more significant of which are:

Financial Instruments

Financial instruments reported in these financial statements include cash, term deposits, accounts receivable, investments and accounts payable. All these financial instruments are classified as held-for-trading and initially recorded at their fair value. 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 stock 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 three months or less.

**ALZHEIMER SOCIETY OF CALGARY  
NOTES TO FINANCIAL STATEMENTS  
MARCH 31, 2011**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

Property and Equipment

Property and equipment purchased are recorded at cost. Donated property and equipment are recorded at fair value when a fair value can be reasonably determined.

Office equipment and vehicles are amortized on a straight-line basis over their estimated useful lives of four to five years. Donated artwork is not amortized.

Investments

(a) Investments for which there is an active trading market are classified as held-for-trading and reported 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.

(b) The Society is the irrevocable beneficiary of a life insurance policy. The Society records the investment in this policy at the cash surrender value of the policy at the time of the donation. The carrying value of the policy is reviewed annually to determine whether an adjustment in the cash surrender value is required. Any changes in the cash surrender value of the policy prior to the death of the insured individual is adjusted to long term investments and related deferred revenue (Note 3).

The Society defers the recognition of revenue from these policies until the death benefit is realized, at which time the death benefit is reported in income.

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 9).

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

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 (Note 3).

Donated Services

During the year volunteers contributed approximately 2,517 (2010: 2,250) 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.

**ALZHEIMER SOCIETY OF CALGARY  
NOTES TO FINANCIAL STATEMENTS (CONTD.)  
MARCH 31, 2011**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONTD.)**

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 property and equipment, amortization of deferred contributions related to property and equipment, and allocation of administration salaries and costs between departments.

Future changes in significant accounting policies

The Accounting Standards Board will be implementing Part III of the CICA Handbook Accounting Standards for Not-for-Profit Organizations effective January 1, 2012. The Society will adopt these standards for its 2013 fiscal year and does not anticipate that there will be any material effect on its financial statements.

**3. LONG-TERM INVESTMENTS**

|   | <u>2011</u>      | <u>2010</u>      |
|---|------------------|------------------|
|   | \$               | \$               |
| Common and preferred shares                     | 69,424           | 27,282           |
| Fixed income bonds                              | 1,752,798        | 1,689,258        |
| Cash surrender value of life insurance policies | 1                | 1                |
|   | <u>1,822,223</u> | <u>1,716,541</u> |

Marketable Securities

Investments consist of bonds with maturities between 2012 and 2108 bearing interest rates between 4.352% and 9.976%. The Society is exposed to interest rate risk on the fixed income bonds to the extent that interest rates fluctuate. As these bonds are openly traded on the market, changes in interest rates will affect the fair value of the investments.

**ALZHEIMER SOCIETY OF CALGARY  
NOTES TO FINANCIAL STATEMENTS (CONTD.)  
MARCH 31, 2011**

**3. LONG-TERM INVESTMENTS (CONTD.)**

Life Insurance Policies

The Society has been appointed as irrevocable beneficiary on a term life insurance policy having a face value of approximately \$100,000 (2010: \$100,000). As there is no cash surrender value in this policy it has been recorded at a nominal value.

Investment Income (Loss)

|                                       | <b>2011</b>    | <b>2010</b>    |
|---------------------------------------|----------------|----------------|
|                                       | <b>\$</b>      | <b>\$</b>      |
| Investment income consists of:        |                |                |
| Interest income                       | 85,502         | 81,811         |
| Unrealized gain (loss) on investments | 23,169         | 201,611        |
| Realized gain (loss) on investments   | (6,137)        | 29,205         |
|                                       | <b>102,534</b> | <b>312,627</b> |

All investment income is available for use in general operations.

**4. PROPERTY AND EQUIPMENT**

|                  | <b>2011</b>    |                                     | <b>2010</b>               |                           |
|------------------|----------------|-------------------------------------|---------------------------|---------------------------|
|                  | <b>Cost</b>    | <b>Accumulated<br/>Amortization</b> | <b>Net Book<br/>Value</b> | <b>Net Book<br/>Value</b> |
|                  | <b>\$</b>      | <b>\$</b>                           | <b>\$</b>                 | <b>\$</b>                 |
| Office equipment | 285,023        | 130,664                             | 154,359                   | 112,784                   |
| Donated artwork  | 3,800          | -                                   | 3,800                     | 3,800                     |
| Vehicles         | 80,512         | 80,512                              | -                         | -                         |
|                  | <b>369,335</b> | <b>211,176</b>                      | <b>158,159</b>            | <b>116,584</b>            |

**5. DEFERRED CONTRIBUTIONS**

|   | <b>2011</b>   | <b>2010</b>   |
|---|---------------|---------------|
|   | <b>\$</b>     | <b>\$</b>     |
| Deferred contributions represent unspent resources received in the current year which have been restricted by the contributors to be used to fund specific training programs to be conducted in the following year. Changes in the deferred contributions balance are as follows: |               |               |
| Balance, beginning of year  | 60,874        | 18,650        |
| Restricted contributions received during the year   | 43,584        | 103,167       |
| Recognized in revenue   | (44,884)      | (60,943)      |
| Balance, end of year  | <b>59,574</b> | <b>60,874</b> |

**ALZHEIMER SOCIETY OF CALGARY  
NOTES TO FINANCIAL STATEMENTS (CONTD.)  
MARCH 31, 2011**

**6. DEFERRED CONTRIBUTIONS RELATED TO PROPERTY AND EQUIPMENT**

|  | <b>2011</b>     | <b>2010</b> |
|--|-----------------|-------------|
|  | <b>\$</b>       | <b>\$</b>   |
| Deferred contributions related to property and equipment represents donated equipment and restricted contributions with which various capital assets have been purchased. The changes in deferred contributions for the year are as follows: |                 |             |
| Balance, beginning of year   | <b>96,447</b>   | 30,355      |
| Restricted contributions received in the year  | <b>28,000</b>   | 34,000      |
| Donated equipment  | -               | 35,600      |
| Earned capital contribution  | <b>(30,305)</b> | (3,508)     |
|  | <b>94,142</b>   | 96,447      |

**7. APPROPRIATED SURPLUS**

|  | <b>2011</b>      | <b>2010</b> |
|--|------------------|-------------|
|  | <b>\$</b>        | <b>\$</b>   |
| The Society's Board of Directors has internally restricted net assets in order to provide a reserve to be used to ensure ongoing operation of the Society's programs and services, should there be an unanticipated interruption in revenue: |                  |             |
| Balance, beginning and end of year   | <b>1,400,000</b> | 1,400,000   |

**8. RESEARCH**

During the year the Board approved the creation of an internally restricted fund established for the purpose of managing the Board's commitment to funding research into the cause of and cure for Alzheimer disease. The Board will annually budget the minimum amount the Society will commit to funding research. During each year the Board will identify and evaluate research proposals and provide grants for chosen research projects.

The Board approved a budget of \$100,000 for 2011 for research projects, of which \$39,806 was allocated by March 31, 2011.

**9. REVENUE**

|                              | <b>2011</b>      | <b>2010</b> |
|------------------------------|------------------|-------------|
|                              | <b>\$</b>        | <b>\$</b>   |
| Contributions                | <b>1,088,565</b> | 953,295     |
| Fees for service             | <b>550,512</b>   | 505,423     |
| Investment income (Note 3)   | <b>102,534</b>   | 312,627     |
| Earned capital contributions | <b>30,305</b>    | 3,508       |
|                              | <b>1,771,916</b> | 1,774,853   |

Included in contributions of \$1,088,565 (2010: \$953,295) is \$5,427 (2010: \$7,977) of gifts in kind received in connection with annual fund-raising events and the e-learning project.

Contributions in kind of \$140,000 (2010: \$204,000) were received from corporate sponsors to assist with various specific annual fund-raising events. As these contributions have not been receipted for income tax purposes, the \$140,000 (2010: \$204,000) has not been recorded in these financial statements.

**ALZHEIMER SOCIETY OF CALGARY  
NOTES TO FINANCIAL STATEMENTS (CONTD.)  
MARCH 31, 2011**

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

|                             | <u>2011</u>     | <u>2010</u>    |
|-----------------------------|-----------------|----------------|
|                             | \$              | \$             |
| Accounts receivable         | (2,464)         | 10,996         |
| Prepaid expenses            | 14,588          | (9,871)        |
| Accounts payable            | (79,616)        | 112,939        |
| Deferred contributions, net | (1,300)         | 42,224         |
|                             | <u>(68,792)</u> | <u>156,288</u> |

**11. CLASSIFICATION & ALLOCATION OF EXPENSES**

Classification

|  | <u>2011</u>      | <u>2010</u>      |
|--|------------------|------------------|
|  | \$               | \$               |
| Amortization                                     | 48,115           | 23,343           |
| Brochures, newsletters and printing advertising  | 43,662           | 40,220           |
| Conferences, education and training              | 41,426           | 25,617           |
| Direct fund-raising expenses                     | 63,153           | 46,700           |
| Equipment rental and leasing                     | 13,600           | 10,573           |
| Life insurance premiums                          | 2,039            | 2,039            |
| Office support, materials, supplies & technology | 95,514           | 92,541           |
| Professional fees                                | 27,086           | 30,293           |
| Programming                                      | 35,745           | 31,325           |
| Rent   | 143,622          | 125,024          |
| Salaries and benefits                            | 1,015,140        | 886,931          |
| Strategic planning                               | 31,388           | 16,854           |
| Support for National Research Program (Note 12)  | 39,806           | 100,000          |
| Travel and vehicle repairs and maintenance       | 14,407           | 14,558           |
|  | <u>1,614,703</u> | <u>1,446,018</u> |

Total salaries and benefits of \$1,015,140 include \$58,108 paid as remuneration to an employee whose principal duties involve fund-raising.

**ALZHEIMER SOCIETY OF CALGARY  
NOTES TO FINANCIAL STATEMENTS (CONTD.)  
MARCH 31, 2011**

**12. RELATED PARTY TRANSACTIONS**

The Society is related to the Alzheimer Society of Canada ("Canada"), and the Alzheimer Society of Alberta and Northwest Territories ("ASANT") by virtue of their common objectives. None of the organizations has control of, or is controlled by, one of the other organizations, nor is there joint control or significant influence exercised by Canada or Alberta over the Society.

The three levels of Societies work closely together to accomplish the common objective of alleviating the personal and social consequences of Alzheimer's disease and other dementias and to promote the search for a cause and a cure.

In 2011, the Alzheimer Society of Calgary contributed \$39,806 (2010: \$100,000) to the National Research program of the Alzheimer Society of Canada. This was paid in May 2011 and included at March 31, 2011 in accounts payable.

**13. COMMITMENTS**

Premises

The Society entered into a lease for its office premises for six years ending November 30, 2016. The lease requires annual base rent and additional common area costs estimated at \$58,000 annually.

The Society entered into lease agreements for space in which it conducts its Club 36 Southwood and Club 36 Harvest Hills programs. The Southwood lease was renewed in 2009 for three years to January 31, 2012, requiring annual rent of approximately \$17,000. The Harvest Hills lease was renewed for three years to March 31, 2014, requiring annual rent of approximately \$20,000

The minimum annual lease payments for the next five years are:

|      |         |
|------|---------|
|      | \$      |
| 2012 | 113,000 |
| 2013 | 96,000  |
| 2014 | 101,000 |
| 2015 | 81,000  |
| 2016 | 77,000  |

**ALZHEIMER SOCIETY OF CALGARY  
SCHEDULE OF FUNDRAISING EVENTS  
YEAR ENDED MARCH 31, 2011**

*Schedule 1*

|  | 2011           |               | 2010           |                |
|--|----------------|---------------|----------------|----------------|
|  | Revenue        | Expenses      | Net            | Net            |
|  | \$             | \$            | \$             | \$             |
| Donor renewal                                      | 230,269        | 18,005        | 212,264        | 188,504        |
| Memory walk/run                                    | 172,339        | 57,384        | 114,955        | 92,712         |
| Golf tournament, gala<br>and other external events | 29,850         | -             | 29,850         | 85,456         |
| Coffee break                                       | 15,983         | -             | 15,983         | 21,908         |
| Casino   | -              | -             | -              | 72,616         |
|  | <u>448,441</u> | <u>75,389</u> | <u>373,052</u> | <u>461,196</u> |

**ALZHEIMER SOCIETY OF CALGARY  
SCHEDULE OF CLUB 36 DAY PROGRAMS  
YEAR ENDED MARCH 31, 2011**

*Schedule 2*

|   | 2011            | 2010           |
|---|-----------------|----------------|
|   | \$              | \$             |
| <b>REVENUE</b>                                      |                 |                |
| Restricted  |                 |                |
| Contracted services                                 |                 |                |
| Alberta Health Services                             | 494,401         | 453,865        |
| Fees for service                                    | 36,306          | 34,404         |
| Contributions                                       | 3,638           | 1,125          |
| Total Revenue                                       | <u>534,345</u>  | <u>489,394</u> |
| <b>EXPENSES</b>                                     |                 |                |
| Salary and employee benefits                        | 456,459         | 382,079        |
| Program support                                     | 30,733          | 27,375         |
| Program and craft supplies                          | 5,586           | 6,400          |
| Food and kitchen supplies                           | 28,074          | 24,612         |
| Rent and cleaning                                   | 50,538          | 46,410         |
| Vehicle repairs and maintenance                     | 9,608           | 10,671         |
| Special projects                                    | 3,087           | -              |
|   | <u>584,085</u>  | <u>497,547</u> |
| <b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES</b> | <u>(49,740)</u> | <u>(8,153)</u> |

**Alzheimer Society of Calgary**

Year End: March 31, 2011

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES**

Date: 4/1/2010 To 3/31/2011

**APPENDIX IV**

| Number   | Date      | Name                                      | Account No | Reference Annotation | Debit     | Credit    |
|--|-----------|---|------------|----------------------|-----------|-----------|
| 2  | 3/31/2011 | Capital Assets                            | 0000-1200  | 6.4-1                | 22,648.40 |           |
| 2  | 3/31/2011 | Computer R/M                              | 1000-4235  | 6.4-1                |           | 3,397.26  |
| 2  | 3/31/2011 | Computer R/M                              | 1100-4235  | 6.4-1                |           | 1,132.42  |
| 2  | 3/31/2011 | Computer R/M                              | 1200-4235  | 6.4-1                |           | 4,529.68  |
| 2  | 3/31/2011 | Computer R/M                              | 5000-4235  | 6.4-1                |           | 4,529.68  |
| 2  | 3/31/2011 | Computer R/M                              | 6000-4235  | 6.4-1                |           | 4,529.68  |
| 2  | 3/31/2011 | Computer R/M                              | 7001-4235  | 6.4-1                |           | 4,529.68  |
| 11 - to record client adjustment<br>to capitalize computers purchased in year  |           |   |            |                      |           |           |
| 3  | 3/31/2011 | Capital Assets                            | 0000-1200  | 6.4-2                | 1,305.68  |           |
| 3  | 3/31/2011 | Office Supplies                           | 6000-4200  | 6.4-2                |           | 1,305.68  |
| 11 - to record client adjustment<br>capitalizing binding machine   |           |   |            |                      |           |           |
| 4  | 3/31/2011 | Unamortized Capital Contributions         | 0000-2500  | 6.4-3                | 8,966.71  |           |
| 4  | 3/31/2011 | Contributed Asset Revenue Recognition     | 0000-3090  | 6.4-3                |           | 8,966.71  |
| 11 - to record client adjustment<br>for revenue from unamortized capital contribution  |           |   |            |                      |           |           |
| 5  | 3/31/2011 | Accumulated Amortization - Capital Assets | 0000-1210  | 6.4-4                |           | 4,529.68  |
| 5  | 3/31/2011 | Amortization Expense                      | 1000-4290  | 6.4-4                | 905.94    |           |
| 5  | 3/31/2011 | Amortization Expense                      | 1100-4290  | 6.4-4                | 452.97    |           |
| 5  | 3/31/2011 | Amortization Expense                      | 1200-4290  | 6.4-4                | 452.97    |           |
| 5  | 3/31/2011 | Amortization Expense                      | 5000-4290  | 6.4-4                | 679.45    |           |
| 5  | 3/31/2011 | Amortization Expense                      | 6000-4290  | 6.4-4                | 1,585.38  |           |
| 5  | 3/31/2011 | Amortization Expense                      | 7001-4290  | 6.4-4                | 452.97    |           |
| 11 - to record revised<br>amortization for computers capitalized   |           |   |            |                      |           |           |
| 6  | 3/31/2011 | GST Receivable                            | 0000-1105  | U, 6.4-5             | 265.63    |           |
| 6  | 3/31/2011 | Accounts Payable                          | 0000-2050  | U, 6.4-5             |           | 11,156.25 |
| 6  | 3/31/2011 | E-Learning                                | 6000-5486  | U, 6.4-5             | 10,890.62 |           |
| 11 - to record client adjustment<br>for 4th instalment on Empowered Caring e-learning module from ICOM   |           |   |            |                      |           |           |
| 7  | 3/31/2011 | Capital Assets                            | 0000-1200  | U, 6.4-6             | 593.45    |           |
| 7  | 3/31/2011 | Website Development                       | 0000-1202  | U, 6.4-6             | 43,562.49 |           |
| 7  | 3/31/2011 | Website Development                       | 0000-1202  | U, 6.4-6             | 2,050.00  |           |
| 7  | 3/31/2011 | E-Learning                                | 6000-5486  | U, 6.4-6             |           | 43,562.49 |
| 7  | 3/31/2011 | E-Learning                                | 6000-5486  | U, 6.4-6             |           | 2,050.00  |
| 7  | 3/31/2011 | E-Learning                                | 6000-5486  | U, 6.4-6             |           | 593.45    |
| 11 - to record client adjustment<br>capitalizing costs of Empowered Care E-Learning module, and conversion of Dementia<br>Basics for IPAD & purchase of Ipad |           |   |            |                      |           |           |
| 8  | 3/31/2011 | Deferred Revenue-DCTC E-Learning          | 0000-2109  | 6.4-7                | 50,657.68 |           |
| 8  | 3/31/2011 | Unamortized Capital Contributions         | 0000-2500  | 6.4-7                |           | 85,973.00 |
| 8  | 3/31/2011 | E-Learning                                | 6000-3270  | 6.4-7                | 35,315.32 |           |
| 11 - to record client adjustment<br>transferring E-learning revenue to unamortized capital contributions re: Dementia<br>Basics and Empowered Care modules   |           |   |            |                      |           |           |
| 9  | 3/31/2011 | Unamortized Capital Contributions         | 0000-2500  | 6.4-8                | 20,311.19 |           |
| 9  | 3/31/2011 | Contributed Asset Revenue Recognition     | 0000-3090  | 6.4-8                |           | 20,311.19 |
| 11 - to record client adjustment   |           |   |            |                      |           |           |

**Alzheimer Society of Calgary**

Year End: March 31, 2011

**SCHEDULE OF ADJUSTING JOURNAL ENTRIES**

Date: 4/1/2010 To 3/31/2011

**APPENDIX IV-1**

| Number  | Date      | Name                                      | Account No        | Reference | Annotation | Debit             | Credit            |
|---|-----------|---|-------------------|-----------|------------|-------------------|-------------------|
| recording revenue from unamortized capital contribution re E-learning   |           |   |                   |           |            |                   |                   |
| 10  | 3/31/2011 | Accumulated Amortization - Capital Assets | 0000-1210         | 6.4-9     |            |                   | 8,408.27          |
| 10  | 3/31/2011 | Amortization Expense                      | 1000-4290         | 6.4-9     |            | 1,681.65          |                   |
| 10  | 3/31/2011 | Amortization Expense                      | 1100-4290         | 6.4-9     |            | 840.83            |                   |
| 10  | 3/31/2011 | Amortization Expense                      | 1200-4290         | 6.4-9     |            | 840.83            |                   |
| 10  | 3/31/2011 | Amortization Expense                      | 5000-4290         | 6.4-9     |            | 1,261.24          |                   |
| 10  | 3/31/2011 | Amortization Expense                      | 6000-4290         | 6.4-9     |            | 2,942.89          |                   |
| 10  | 3/31/2011 | Amortization Expense                      | 7001-4290         | 6.4-9     |            | 840.83            |                   |
| 11 - to record client adjustment<br>correcting amortization re newly capitalized items and corrections                                    |           |   |                   |           |            |                   |                   |
| 11  | 3/31/2011 | Contributed Asset Revenue Recognition     | 0000-3090         | HH1A      |            |                   | 1,027.00          |
| 11  | 3/31/2011 | E-Learning                                | 6000-3270         | HH1A      |            | 1,027.00          |                   |
| 11 - to record additional<br>unamortized capital contribution so that revenue from e-learning agrees to expense<br>in 6000-5486           |           |   |                   |           |            |                   |                   |
| 12  | 3/31/2011 | Accrued Liabilities                       | 0000-2055         |           |            | 100,000.00        |                   |
| 12  | 3/31/2011 | Accrued Liabilities                       | 0000-2055         |           |            |                   | 39,806.00         |
| 12  | 3/31/2011 | Research                                  | 0000-2800         |           |            |                   | 100,000.00        |
| 12  | 3/31/2011 | Research                                  | 0000-2800         |           |            | 39,806.00         |                   |
| 12  | 3/31/2011 | Operating Surplus (Deficit)               | 0000-2900         |           |            | 60,194.00         |                   |
| 12  | 3/31/2011 | Research                                  | 1010-9010         |           |            |                   | 100,000.00        |
| 12  | 3/31/2011 | Research                                  | 1010-9010         |           |            | 39,806.00         |                   |
| 11 - to adjust research payable to<br>actual amount paid in 2011 and record the amount set aside for research as internally<br>restricted |           |   |                   |           |            |                   |                   |
|   |           |   |                   |           |            | <b>450,338.12</b> | <b>450,338.12</b> |
| <b>Net Income (Loss)</b>  |           |   | <b>157,212.92</b> |           |            |                   |                   |

**Alzheimer Society of Calgary**  
**Year End: March 31, 2011**  
**SUMMARY OF UNADJUSTED DIFFERENCES**

**APPENDIX V**

| Refno | Description                       | Assets                    | Liabilities        | Income                  | Annotation |
|-------|-----------------------------------|---------------------------|--------------------|-------------------------|------------|
| SUD1  | 11 - to reclassify software to    | (6,545.00)                | 0.00               | 6,545.00                |            |
| SUD4  | 11 - to adjust amortization for   | 832.92                    | 0.00               | (832.92)                |            |
| SUD5  | 11 - to reverse recording of      | (18,942.32)               | 0.00               | 18,942.32               |            |
| SUD7  | 11 - difference on calculation of | 2,088.81                  | 0.00               | (2,088.81)              |            |
| SUD8  | 11 - unrecorded liabilities       | (257.67)                  | 0.00               | 257.67                  |            |
| SUD9  | 11 - difference on calculation of | 1,458.91                  | 0.00               | (1,458.91)              |            |
| SUD10 | 11- Community Spirit Grant        | 0.00                      | 0.00               | 0.00                    |            |
| SUD11 | 11 - March receipts recorded in   | 170.00                    | 0.00               | (170.00)                |            |
|       | <b>Understated/(Overstated)</b>   | <b><u>(21,194.35)</u></b> | <b><u>0.00</u></b> | <b><u>21,194.35</u></b> |            |

effect of unadjusted differences on the statement of operations is less than materiality \$26,000 => no need for adjustment for any of these differences.

**Alzheimer Society of Calgary**

Year End: March 31, 2011

**SCHEDULE OF UNADJUSTED DIFFERENCES**

Date: 4/1/2010 To 3/31/2011

**APPENDIX V1**

| Number   | Date      | Name                                      | Account No | Reference Annotation | Debit     | Credit    |
|--|-----------|---|------------|----------------------|-----------|-----------|
| SUD1   | 3/31/2011 | Capital Assets                            | 0000-1200  | 7.3-4                |           | 6,545.00  |
| SUD1   | 3/31/2011 | Computer R/M                              | 1000-4235  | 7.3-4                | 981.75    |           |
| SUD1   | 3/31/2011 | Computer R/M                              | 1100-4235  | 7.3-4                | 327.25    |           |
| SUD1   | 3/31/2011 | Computer R/M                              | 1200-4235  | 7.3-4                | 1,309.00  |           |
| SUD1   | 3/31/2011 | Computer R/M                              | 5000-4235  | 7.3-4                | 1,309.00  |           |
| SUD1   | 3/31/2011 | Computer R/M                              | 6000-4235  | 7.3-4                | 1,309.00  |           |
| SUD1   | 3/31/2011 | Computer R/M                              | 7001-4235  | 7.3-4                | 1,309.00  |           |
| 11 - to reclassify software to expense; \$6545 purchased from Turnkey with 9 computers. Software not normally capitalized.                                 |           |   |            |                      |           |           |
| SUD4   | 3/31/2011 | Accumulated Amortization - Capital Assets | 0000-1210  | U. 1                 | 5,000.00  |           |
| SUD4   | 3/31/2011 | Accumulated Amortization - Capital Assets | 0000-1210  | U. 1                 |           | 4,167.08  |
| SUD4   | 3/31/2011 | Amortization Expense                      | 1000-4290  | U. 1                 |           | 166.58    |
| SUD4   | 3/31/2011 | Amortization Expense                      | 1100-4290  | U. 1                 |           | 83.29     |
| SUD4   | 3/31/2011 | Amortization Expense                      | 1200-4290  | U. 1                 |           | 83.29     |
| SUD4   | 3/31/2011 | Amortization Expense                      | 5000-4290  | U. 1                 |           | 124.94    |
| SUD4   | 3/31/2011 | Amortization Expense                      | 6000-4290  | U. 1                 |           | 291.52    |
| SUD4   | 3/31/2011 | Amortization Expense                      | 7001-4290  | U. 1                 |           | 83.30     |
| 11 - to adjust amortization for incorrect calculation of amortization on e-learning and on office furniture  |           |   |            |                      |           |           |
| SUD5   | 3/31/2011 | Deferred Revenue-DCTC E-Learning          | 0000-2109  | HH. 1                | 17,400.00 |           |
| SUD5   | 3/31/2011 | Deferred Revenue-DCTC E-Learning          | 0000-2109  | HH. 1                |           | 36,342.32 |
| SUD5   | 3/31/2011 | Contributed Asset Revenue Recognition     | 0000-3090  | HH. 1                |           | 17,400.00 |
| SUD5   | 3/31/2011 | E-Learning                                | 6000-3270  | HH. 1                | 36,342.32 |           |
| 11 - to reverse recording of deferred e-learning and record unamortized contribution on capitalization of e-learning module                                |           |   |            |                      |           |           |
| SUD7   | 3/31/2011 | Unamortized Capital Contributions         | 0000-2500  | HH                   | 2,088.81  |           |
| SUD7   | 3/31/2011 | Contributed Asset Revenue Recognition     | 0000-3090  | HH                   |           | 2,088.81  |
| 11 - difference on calculation of earned capital contribution  |           |   |            |                      |           |           |
| SUD8   | 3/31/2011 | Accrued Liabilities                       | 0000-2055  | BB.3-1               |           | 257.67    |
| SUD8   | 3/31/2011 | Office Supplies                           | 1000-4200  | BB.3-1               | 257.67    |           |
| 11 - unrecorded liabilities  |           |   |            |                      |           |           |
| SUD9   | 3/31/2011 | Prepaid Expenses                          | 0000-1150  | L. 1                 | 1,458.91  |           |
| SUD9   | 3/31/2011 | Computer R/M                              | 5000-4235  | L. 1                 |           | 1,458.91  |
| 11 - difference on calculation of Blackbaud maintenance contract   |           |   |            |                      |           |           |
| SUD10  | 3/31/2011 | General Donations                         | 0000-3000  | 31                   |           | 25,000.00 |
| SUD10  | 3/31/2011 | Donor Renewal Revenue                     | 5003-3420  | 31                   | 25,000.00 |           |
| 11- Community Spirit Grant recorded as donor renewal in 2011 but in general in 2010; reclassify for presentation purposes to be consistent with prior year |           |   |            |                      |           |           |
| SUD11  | 3/31/2011 | General Bank BOM                          | 0000-1000  | C. 3                 | 170.00    |           |
| SUD11  | 3/31/2011 | Memorial Donations                        | 0000-3010  | C. 3                 |           | 170.00    |
| 11 - March receipts recorded in April  |           |   |            |                      |           |           |



