

Alzheimer Society of Ontario
Financial Statements
For the year ended March 31, 2021

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Independent Auditor's Report

To the Board of Directors of Alzheimer Society of Ontario

Opinion

We have audited the financial statements of Alzheimer Society of Ontario (the "Society"), which comprise the statement of financial position as at March 31, 2021, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2021, 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.

Basis for Opinion

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 opinion.

Responsibilities of Management and Those Charged with Governance 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related 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.

BDO Canada LLP

Chartered Professional Accountants, Licensed Public Accountants

Oakville, Ontario
June 25, 2021

Alzheimer Society of Ontario Statement of Revenue and Expenses

For the year ended March 31	2021	2020
Revenue		
Support from the public		
Individual giving and direct marketing	\$ 8,428,522	\$ 9,273,219
Bequests	1,965,659	1,629,163
Corporate giving	281,286	181,294
Total support from the public	10,675,467	11,083,676
Government		
Government health programs	560,000	595,000
Partner charities (Note 10)	1,449,846	1,989,226
Literature and seminars	315,854	361,146
Investment and other income	111,184	202,039
Government subsidy (Note 15)	1,230,516	-
Total revenue	14,342,867	14,231,087
Expenses		
Programs		
Services (Note 5)	3,802,221	2,547,466
Research	1,789,383	1,805,820
Partner charities (Note 10)	3,769,903	3,630,352
Government health programs	560,000	595,000
Total program expenses	9,921,507	8,578,638
Support		
Fundraising	2,882,849	3,041,822
Administration (Note 13)	895,172	999,023
Total support expenses	3,778,021	4,040,845
Total expenses	13,699,528	12,619,483
Excess of revenue over expenses before unrealized gains (losses) on long-term investments	643,339	1,611,604
Unrealized gains (losses) on long-term investments	585,292	(352,988)
Excess of revenue over expenses	\$ 1,228,631	\$ 1,258,616

The accompanying notes are an integral part of these financial statements.

Alzheimer Society of Ontario
Statement of Financial Position

March 31 **2021** **2020**

Assets

Current

Cash	\$ 1,309,918	\$ 2,821,529
Short-term investments (Note 3a)	416,154	407,160
Accounts receivable (Note 2 and 15)	1,723,384	582,143
Prepaid expenses	104,849	63,507

3,554,305 **3,874,339**

Long-term investments (Note 3b)	3,613,616	3,015,452
Property and equipment (Note 4)	140,220	123,917
Intangible assets (Note 5)	172,868	688,338

\$ 7,481,009 **\$ 7,702,046**

Liabilities and Fund Balances

Current

Accounts payable and accrued liabilities (Note 7)	\$ 1,353,906	\$ 1,203,310
Deferred revenue (Note 8)	395,574	380,838
Current portion of long-term debt (Note 9)	-	190,000

1,749,480 **1,774,148**

Long-term debt (Note 9)	-	1,425,000
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1,749,480 **3,199,148**

Fund balances

Internally restricted funds	2,631,632	2,260,933
Invested in property and equipment fund	140,220	123,917
Invested in intangible assets fund	172,868	688,338
Unrestricted fund	2,786,809	1,429,710

5,731,529 **4,502,898**

\$ 7,481,009 **\$ 7,702,046**

On behalf of the Board:


 _____ Director


 _____ Director

The accompanying notes are an integral part of these financial statements.

Alzheimer Society of Ontario
Statement of Changes in Fund Balances

For the year ended March 31

	<u>Internally Restricted Funds</u>		Invested In Property and Equipment Fund	Invested in Intangible Assets Fund	Unrestricted Fund	2021	2020
	Fiscal Strength Fund	Strategic Investment Fund					
Fund balance , beginning of year	\$ 1,400,000	\$ 860,933	\$ 123,917	\$ 688,338	\$ 1,429,710	\$ 4,502,898	\$ 3,244,282
Excess (deficiency) of revenue over expenses for the year	-	(503,249)	(39,373)	(705,819)	2,477,072	1,228,631	1,258,616
Purchase of property and equipment	-	-	55,676	-	(55,676)	-	-
Development of intangible assets	-	-	-	190,349	(190,349)	-	-
Transfer to Strategic Investment Fund	-	873,948	-	-	(873,948)	-	-
Fund balance , end of year	\$ 1,400,000	\$ 1,231,632	\$ 140,220	\$ 172,868	\$ 2,786,809	\$ 5,731,529	\$ 4,502,898

The accompanying notes are an integral part of these financial statements.

Alzheimer Society of Ontario Statement of Cash Flows

For the year ended March 31

2021

2020

Cash provided by (used in)

Operating activities

Excess of revenue over expenses	\$ 1,228,631	\$ 1,258,616
Adjustments required to reconcile excess of revenue over expenses with net cash provided by operating activities		
Amortization of property and equipment	39,373	43,808
Amortization of intangible assets	26,619	99,119
Impairment of intangible assets (Note 5)	679,200	-
Unrealized (gains) losses on long-term investments	(585,292)	352,988
Changes in non-cash working capital balances		
Accounts receivable	(1,141,241)	249,906
Prepaid expenses	(41,342)	13,312
Accounts payable and accrued liabilities	150,596	727,944
Deferred revenue	14,736	23,357
	371,280	2,769,050

Investing activities

Purchase of long-term investments	(12,872)	(91,498)
Purchase of short-term investments	(8,994)	(407,160)
Purchase of property and equipment	(55,676)	(44,456)
Purchase of intangible assets	(190,349)	(310)
	(267,891)	(543,424)

Financing activity

Repayment of long-term debt	(1,615,000)	(190,000)
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Increase (decrease) in cash during the year

	(1,511,611)	2,035,626
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Cash, beginning of year

	2,821,529	785,903
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Cash, end of year

	\$ 1,309,918	\$ 2,821,529
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Alzheimer Society of Ontario

Notes to Financial Statements

March 31, 2021

1. Summary of Significant Accounting Policies

Purpose of the Organization

Alzheimer Society of Ontario is an association of individually incorporated Member Local Societies whose mission is to alleviate the personal and social consequences of Alzheimer's Disease and related disorders and to promote research. The role of the Society is to collaborate with all levels of the Alzheimer's community in order to foster excellence in services, education and research.

The Society was incorporated on January 10, 1983 without share capital, under the relevant provisions of the Ontario Corporations Act. Under the Income Tax Act, the Society is classified as a registered charity and is therefore exempt from income taxes.

Basis of Accounting

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations.

Financial Statement Presentation

These financial statements reflect only the assets, liabilities, and operations under the administration of the Society. The assets, liabilities and operations of the various separately incorporated Ontario Member Local Societies of the Alzheimer Society of Ontario are not included in these financial statements.

Revenue Recognition

Contributions, including public support, bequest and memoriams, and amounts received from corporations and foundations, are recognized as revenue when the amount can be reasonably estimated and collection is reasonably assured. Restricted contributions are initially recorded as deferred revenue and are recognized as revenue in the year in which the related expenses are incurred.

Investment income includes interest, dividends and realized and unrealized gains or losses on investments, and is reported net of fees, commissions and interest expense. Interest income is recorded using the accrual method and dividends are recorded when declared.

Internally Restricted Funds

Fiscal Strength Fund

The purpose of the Fiscal Strength Fund is to manage the financial risk of the Society and its Member Local Societies and promote financial stability. The fund balance represents 50% of normalized operating and fund development expenses and is adjusted periodically to reflect changing expense levels. Additions to the fund and expenditures from the fund require Board approval.

Strategic Investment Fund

The purpose of the Strategic Investment Fund is to support province wide strategic initiatives where greater effectiveness, efficiency, and/or economy can be realized through coordination at the Society level. Additions to the fund and expenditures from the fund require Board approval.

Alzheimer Society of Ontario

Notes to Financial Statements

March 31, 2021

1. Summary of Significant Accounting Policies (continued)

Financial Instruments

Initial measurement

Financial instruments are measured at fair value when issued or acquired. Transaction costs and financing fees relating to financial instruments that are measured subsequently at fair value are recognized in operations in the year in which they are incurred.

Subsequent measurement

The Society subsequently measures its financial assets and liabilities at amortized cost less impairment, except for those equities quoted in an active market, which are measured at fair value. The Society has also irrevocably elected to measure its fixed income investments at fair value. All changes in fair value of the Society's investments in equities quoted in an active market and in fixed income investments are recorded in the statement of revenue and expenses.

For financial assets measured at cost or amortized cost, the Society regularly assesses whether there are any indications of impairment. If there is an indication of impairment, and the Society determines that there is a significant adverse change in the expected timing or amount of future cash flows from the asset, it recognizes an impairment loss in the statement of revenue and expenses. Any reversals of previously recognized impairment losses are recognized in operations in the year the reversal occurs.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the period. Actual results could differ from management's best estimates as additional information becomes available in the future.

Property and Equipment

Purchased property and equipment are recorded at cost. The Society provides for amortization using the straight-line method at rates designed to amortize the cost of the property and equipment over their estimated useful lives. The annual amortization rates are as follows:

Furniture and equipment	- 5 years
Computer equipment	- 3 years
Leasehold improvements	- over term of lease

When a property or equipment no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Any write-downs recognized are not reversed.

Alzheimer Society of Ontario **Notes to Financial Statements**

March 31, 2021

1. Summary of Significant Accounting Policies (continued)

Intangible Assets

Intangible assets consists of a customer relationship management system (CRM), is recorded at cost and is amortized over its estimated useful life. This intangible asset is being amortized on a straight-line basis over 5 years. The balance also includes HRIS software which is being amortized on a straight-line basis over 3 years.

Intangible assets with finite useful lives are tested for impairment when events or circumstances indicate that their carrying amount may not be recoverable. As the original customer relationship management (CRM) system is no longer being utilized by the Society it has been written down during the year to its estimated fair value (Note 5).

Development Costs

All research costs relating to internal projects are charged to operations in the year of the expenditure. Development costs are only capitalized if they meet the criteria for capitalization and are amortized over the expected useful life of the intangible asset. Development costs are written off when there is no longer an expectation of future benefits.

Interfund Transfers and Allocations

The excess of revenue over expenses for the year is allocated in accordance with the Society's financial policy statements. Any residual excess is allocated to the Unrestricted Fund. Interfund transfers are made in accordance with policies and guidelines approved by the Board of Directors.

Operating and Overhead Expenses

Certain operating and overhead expenses are allocated to other expense categories based upon reasonable estimates of staff time or costs incurred (Note 12).

Foreign Currency

The Society's results of operations denominated in foreign currencies are translated into Canadian dollars at the exchange rate in effect at that date. At the transaction date, each asset is translated into Canadian dollars by the use of the exchange rate in effect at that date. At the period end date, monetary assets and investments carried at fair value are translated into Canadian dollars by using the exchange rate in effect at that date. Exchange gains and losses arising from these transactions are reflected in income or expense in the period.

Donated Services

The operation of the Society is dependent on services provided by volunteers. Since these services are not normally purchased by the Society and due to the difficulty of determining their fair market value, donated services are not recorded in the accounts.

Remuneration of the Board

Members of the Board of Directors are volunteers who serve without remuneration.

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

2. Accounts Receivable

	2021	2020
Alzheimer Society of Canada	\$ 1,018,441	\$ 181,084
Member Local Societies	246,050	222,011
Government (Note 15)	287,803	131,434
Other	171,090	47,614
	\$ 1,723,384	\$ 582,143

3. Investments

- (a) Short-term investments consist of a redeemable Guaranteed Investment Certificate with a maturity date of September 2021 (2020 - June 2020) bearing interest at 0.54% (2020 - 2.00%).
- (b) The fair value of long-term investments is as follows:

	2021	2020
Cash	\$ 32,494	\$ 288,132
Fixed income	654,914	441,441
Equities - Canadian	309,946	236,619
Equities - Foreign	519,389	534,088
Pooled funds - Canadian	1,083,607	827,872
Pooled funds - Foreign	1,013,266	687,300
	\$ 3,613,616	\$ 3,015,452

The fixed income investments mature from May 2021 to December 2064 (2020 - April 2020 to November 2024) and earn interest at rates of 0.583% to 9.95% (2020 - 1.15% to 9.95%).

The equities are invested in Canadian and international publicly traded securities.

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

4. Property and Equipment

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Furniture and equipment	\$ 221,933	\$ 144,612	\$ 221,933	\$ 136,005
Computer equipment	141,544	109,553	436,974	423,514
Leasehold improvements	218,208	187,300	194,972	170,443
	\$ 581,685	\$ 441,465	\$ 853,879	\$ 729,962
Net book value		\$ 140,220		\$ 123,917

5. Intangible Assets

	2021		2020	
	Cost	Accumulated Amortization	Cost	Accumulated Amortization
Customer Relationship Management (CRM) system	\$ 190,349	\$ 19,035	\$ 915,776	\$ 236,576
HRIS system	22,752	21,198	22,752	13,614
	\$ 213,101	\$ 40,233	\$ 938,528	\$ 250,190
Net book value		\$ 172,868		\$ 688,338

In the prior year, the Society's customer relationship management (CRM) system consisted of costs incurred for the purchase and implementation of a fundraising platform for the Society, Alzheimer Society of Canada ("ASC") and other local societies in Ontario that was completed in 2017 (Note 9). During the year, it was determined that the fundraising platform purchased in 2017 is no longer viable for the Society and the local societies. The Society has instead transitioned to Alzheimer Society of Toronto's ("AST") instance of the CRM which is a more cost effective alternative, leaving the original fundraising platform solely for ASC's use. As the original instance of the fundraising platform is no longer being utilized by the Society, the net carrying amount of the asset was written down by \$679,200 to its fair value of \$Nil. The write down is included as a service expense in the statement of revenue and expenses.

The current CRM system relates to costs incurred by the Society to integrate AST's instance of CRM with the majority of local societies in Ontario.

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

6. Credit Facility

The Society has an unused demand operating credit facility (2020 - unused) of \$1,000,000 available which bears interest at the bank's prime rate and is due on demand. The facility is secured by a general security agreement providing a first-priority security interest on all present and future property of the Society and an assignment of fire and other perils insurance on the property and assets.

7. Accounts Payable and Accrued Liabilities

	2021	2020
Alzheimer Societies in Ontario ("ASiO")		
Shared Services Centre (Note 10(i))	\$ 985,304	\$ 805,368
Alzheimer Society of Canada	46,142	54,134
Other	322,460	343,808
	\$ 1,353,906	\$ 1,203,310

8. Deferred Revenue

	Opening Balance	Amounts Received	Program Expenses	Closing Balance
brainXchange grant (a)	\$ 156,619	\$ 305,967	\$ 193,521	\$ 269,065
Finding Your Way Program (b)	-	560,000	560,000	-
Scholarship Fund (c)	71,227	-	13,363	57,864
U-First Program (d)	-	35,000	-	35,000
Dementia Strategy Program (e)	-	249,000	249,000	-
Burton Project (f)	-	51,853	51,853	-
OBI U-First for Care Partners (g)	-	64,100	52,947	11,153
Other general programs	152,992	-	130,500	22,492
	\$ 380,838	\$ 1,265,920	\$ 1,251,184	\$ 395,574

(a) The brainXchange program (formally known as the Alzheimer Knowledge Exchange program) is supported by income earned by brainXchange. The brainXchange program facilitates the exchange of information, innovation and expertise among caregivers, educators, research and policy makers by connecting people to knowledge and dementia expertise.

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

8. Deferred Revenue (continued)

- (b) The Society received \$560,000 (2020 - \$595,000) from the Ontario Seniors' Secretariat for the Finding Your Way program (previously named Wandering Prevention program) in various targeted cultural communities. The purpose of the program is to reduce the incidents of missing people with dementia and to increase the likelihood of their safe return home. The program will increase public awareness, education and resources, and strengthen relationships with local organizations. All funds received were spent during the year.
- (c) The Scholarship Fund was established in fiscal 2012 through a donation from an anonymous donor and will be disbursed for qualified expenditures.
- (d) U-First is a dementia education and training program in Ontario for healthcare professionals.
- (e) The Ministry of Health and Long Term Care granted money to the Alzheimer Society of Toronto ("AST") to provide support and services to clients through the First Link Program by hiring new First Link Navigators, including \$249,000 (2020 - \$249,000) for AST to provide to the Alzheimer Society of Ontario for training, knowledge transfer/exchange, project coordination, monitoring and evaluation. All funds received during the year were fully spent in accordance with the agreement.
- (f) U-First is a dementia education and training program in Ontario for healthcare professionals. The Burton Project is a new program associated with U-First with the goal of building skills for paid and unpaid caregivers of people with responsive behaviour. The development of the plan is divided into 3 years for curriculum development, materials and training and implementation. The funds were used for program materials design and production, educating training specialists and developing an evaluation criteria.
- (g) The Ontario Brain Institute (OBI) provided funding to the Society for the Growing Expertise in Evaluation and Knowledge Translation (GEEK) program. The program provides funding, evaluation expertise, and support to community-led programs and services for people living with brain disorders. Funds received during the year were spent in accordance with the agreement.

9. Long-term Debt

The Society completed the purchase and implementation of its CRM system and converted the related non-revolving instalment loan to a non-revolving amortizing loan, in the amount of \$1,900,000. The Society made monthly interest only payments of \$5,415 until October 2018, at which time the loan becomes repayable in monthly principal repayments of \$15,833 plus interest, until maturity in September 2022. The loan bears interest at 3.42% and is secured by a general security agreement providing a first-priority security interest on all present and future personal property of the Society and an assignment of fire and other perils insurance on the property and assets of the Society that the lender has security over.

In the current year, the Society fully repaid the loan and paid interest in the amount of \$52,255 (2020 - \$58,753) as well as a breakage fee of \$48,381.

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

10. Federation Agreements

In April 2009, the Society entered into a Federation Agreement ("FA") with the Alzheimer Society of Canada ("ASC") which replaced the existing agreement between ASC and the provincial Member Local Societies. All funds received by ASC (except Safely Home registrations, investment income, national foundation, and corporation revenue and federal government grants for centrally coordinated national programs) are distributed to the province from which it originated. Direct mail revenue is flowed to the Society on a net basis. The Society pays ASC member assessments based on their percentage of total revenue across the federation in order to support ASC's expense budget. Partner charities on the statement of revenue and expenses includes payments made to ASC of \$1,425,442 (2020 - \$1,682,084).

On April 1, 2017, the Society entered into a new Alzheimer Societies in Ontario ("ASiO") Federation Agreement with 30 Societies. Under the terms of the agreement, the Society will distribute to the Local Societies \$1,000,000 annually, determined by the ratio of the respective Local Societies' fundraising revenue. Partner charities on the statement of revenue and expenses includes payments made to Local Societies of \$2,344,461 (2020 - \$1,948,268).

Partner charities revenue:

	2021	2020
ASiO shared services centre (i)	\$ 536,155	\$ 463,845
Chapter research	26,295	97,035
Ontario Government Dementia Strategy - First Link	249,000	249,000
Revenue from local societies	70,604	214,702
Shared services centre	567,792	964,644
	\$ 1,449,846	\$ 1,989,226

- (i) ASiO shared services centre revenue is designated for the costs associated to operate shared services under the ASiO Federation Agreement. \$500,000 is the set amount collected from the ASiO on an annual basis for this purpose. During the year, \$536,155 was incurred (2020 - \$463,845). Included in accounts payable and accrued liabilities is \$985,304 (2020 - \$805,368) (Note 7).

Partner charities expenses:

	2021	2020
ASC operating cost assessment	\$ 1,425,442	\$ 1,682,084
ASiO revenue distribution	1,941,129	1,722,386
Other	403,332	225,882
	\$ 3,769,903	\$ 3,630,352

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

11. Commitments

Pursuant to the co-tenancy agreement signed on April 1, 2008, the Alzheimer Societies of Canada, Ontario and Toronto co-located in new premises in order to benefit from efficiencies of scale. The lease was subsequently renewed until December 31, 2028. The co-tenancy agreement sets out the terms of the sharing of costs (based on the related cost drivers, which are primarily shared equally by each of the three co-tenants). Shared costs include leasehold improvements, furniture, equipment, rent, phones, and IT.

The Society's portion of the operating lease commitment for the next five years and thereafter is as follows:

2022	\$	90,740
2023		91,143
2024		91,949
2025		92,353
2026		93,159
Thereafter		250,845
	\$	710,189

12. Operating, Overhead and Executive Expense Allocations

Certain operating, overhead and executive expenses are allocated to other expense categories based upon reasonable estimates of staff time or costs incurred.

	2021	2020
Summary of expenses:		
Facilities and office	\$ 283,378	\$ 313,039
Professional fees and consulting	45,059	41,997
Amortization	24,843	29,278
	\$ 353,280	\$ 384,314
Summary of allocations:		
Fundraising	\$ 128,082	\$ 174,584
Services	225,198	209,730
	\$ 353,280	\$ 384,314

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

13. Shared Services

Effective April 1, 2016, the Society, in conjunction with Alzheimer Society of Canada and Alzheimer Society of Toronto, agreed to merge the finance operations of each organization into one shared services department. Under the terms of the shared services agreement, the Society's portion of costs is determined annually. The cost related to the shared services department for the current year was \$414,604 (2020 - \$481,155) and is included in administration on the statement of revenue and expenses.

14. Financial Instruments Risks

Credit risk

Credit risk arises from the potential that a counterparty will fail to perform its obligations. The Society is exposed to credit risk primarily with respect to their accounts receivable. The Society manages this risk through regular monitoring of balances and continuous communication with debtors.

Market risk

Market risk is the risk of potential loss caused by fluctuations in fair value or future cash flows of financial instruments through changes in their underlying market value. The Society is exposed to this risk through its long-term investments. The Society manages its risk through its Statement of Investment Policies and Guidelines.

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society is exposed to interest rate risk arising from the possibility that changes in interest rates will affect the value of its investments. The Society manages its risk through its Statement of Investment Policies and Procedures.

Currency risk

Currency risk is the risk that arises from fluctuations in foreign exchange rates. The Society is exposed to currency risk with respect to its long-term investments denominated in U.S. dollars. \$1,099,041 (2020 - \$665,760) of investments are held in U.S. dollars.

These risks have not changed from the prior year.

Alzheimer Society of Ontario Notes to Financial Statements

March 31, 2021

15. COVID-19

The impact of COVID-19 in Canada and on the global economy increased significantly. As the impacts of COVID-19 continue, there could be further impacts on the Society, its funders and donors. Management is actively monitoring the impact on its financial condition, liquidity, operations, suppliers, sector, and workforce.

The Society qualified for the Canada Emergency Wage Subsidy ("CEWS") and the Canada Emergency Rent Subsidy ("CERS") from the Government of Canada during the year. Included in government subsidy revenue is \$1,176,770 related to CEWS of which \$143,599 is recorded in accounts receivable and \$53,746 related to CERS of which \$4,708 is recorded in accounts receivable. Given the daily evolution of the COVID-19 outbreak and the global responses to curb its spread, the Society is not able to fully estimate the effects of the COVID-19 outbreak on its results of operations, financial condition, or liquidity at this time.