



Financial Statements

Alzheimer Society of Ontario

March 31, 2013 and 2012

ALZHEIMER SOCIETY OF ONTARIO
2013 and 2012 Financial Statements

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Independent Auditor's Report

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To the Members of the Alzheimer Society of Ontario

We have audited the accompanying financial statements of the Alzheimer Society of Ontario, which comprise the statements of financial position as at March 31, 2013, March 31, 2012 and April 1, 2011 and the statements of revenue and expenses, changes in fund balances and cash flows for the years ended March 31, 2013 and March 31, 2012, 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 audits. We conducted our audits 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 non-profit organizations, the Society derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to revenues, excess of revenue over expenses, assets and net assets.

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 the Alzheimer Society of Ontario as at March 31, 2013, March 31, 2012 and April 1, 2011, and the results of its operations and its cash flows for the years ended March 31, 2012 and March 31, 2011 in accordance with Canadian accounting standards for not-for-profit organizations..

Grant Thornton LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
June 13, 2013

ALZHEIMER SOCIETY OF ONTARIO
Statements of Financial Position
As at

	March 31, 2013	March 31, 2012	April 1, 2011
ASSETS			
Current assets			
Cash and cash equivalents	\$ 2,629,009	\$ 2,316,361	\$ 2,610,865
Accounts receivable (note 4)	1,045,301	948,794	258,196
Prepaid expenses	35,583	30,819	52,387
	<hr/>	<hr/>	<hr/>
	3,709,893	3,295,974	2,921,448
Investments (note 5)	2,132,780	1,929,614	1,905,729
Property and equipment (note 6)	103,490	134,468	189,519
	<hr/>	<hr/>	<hr/>
	\$ 5,946,163	\$ 5,360,056	\$ 5,016,696
<hr/>			
LIABILITIES AND FUND BALANCES			
Current liabilities			
Accounts payable and accrued liabilities (note 7)	\$ 864,765	\$ 918,495	\$ 850,407
Deferred revenue (note 8)	1,287,785	1,097,029	1,272,356
	<hr/>	<hr/>	<hr/>
	2,152,550	2,015,524	2,122,763
Commitments (note 9)			
Fund balances (note 10)			
Internally Restricted Funds (note 11)	2,490,930	2,510,930	2,060,653
Invested in Property and Equipment Fund	103,490	134,468	189,519
Unrestricted Fund	1,199,193	699,134	643,761
	<hr/>	<hr/>	<hr/>
	3,793,613	3,344,532	2,893,933
	<hr/>	<hr/>	<hr/>
	\$ 5,946,163	\$ 5,360,056	\$ 5,016,696
<hr/>			

See accompanying notes

On behalf of the Board:

Director

Director

ALZHEIMER SOCIETY OF ONTARIO
Statements of Revenue and Expenses
Years ended March 31

	2013	2012
Revenue		
Net fund development revenue (note 12)	\$ 6,773,637	\$ 6,777,944
Grants	815,167	342,951
Investment income (note 5)	227,865	65,088
Other	138,369	187,409
	<hr/> 7,955,038	<hr/> 7,373,392
Expenses (note 13)		
Alzheimer Society of Canada operating cost assessment (note 9(b))	2,099,569	1,701,027
Public policy and program initiatives	967,261	977,596
Marketing and communications	332,465	277,917
Finance and operations	297,744	284,293
Governance	422,800	328,866
	<hr/> 4,119,839	<hr/> 3,569,699
Alzheimer Knowledge Exchange program (note 8)	204,685	333,121
Finding Your Way program	601,613	-
Ontario Caregiver Coalition	8,869	9,831
	<hr/> 4,935,006	<hr/> 3,912,651
Operating surplus	3,020,032	3,460,741
Member chapter contributions for research	229,940	292,643
Research contributions (note 9(c))	<hr/> (1,725,700)	<hr/> (2,218,340)
Net surplus	1,524,272	1,535,044
Revenue sharing - member chapters (note 9(b))	<hr/> (1,075,191)	<hr/> (1,084,445)
Excess of revenue over expenses	<hr/> <hr/> \$ 449,081	<hr/> <hr/> \$ 450,599
Excess of revenue over expenses:		
Research contribution allocated to the internally restricted fund (note 11)	\$ 400,000	\$ 400,000
Remaining excess of revenue over expenses	<hr/> 49,081	<hr/> 50,599
Excess of revenue over expenses	<hr/> <hr/> \$ 449,081	<hr/> <hr/> \$ 450,599

See accompanying notes

ALZHEIMER SOCIETY OF ONTARIO
Statements of Changes in Fund Balances
Years ended March 31

	March 31, 2013			
	Internally Restricted (note 11)	Invested in Property and Equipment Fund	Unrestricted Fund	Total
Fund balances, beginning of year	\$ 2,510,930	\$ 134,468	\$ 699,134	\$ 3,344,532
Excess (deficiency) of revenue over expenses	380,000	(38,520)	107,601	449,081
Invested in property and equipment	-	7,542	(7,542)	-
Net transfer from internally restricted fund (notes 10 and 11)	(400,000)	-	400,000	-
Fund balances, end of year	\$ 2,490,930	\$ 103,490	\$ 1,199,193	\$ 3,793,613

	March 31, 2012			
	Internally Restricted (note 11)	Invested in Property and Equipment Fund	Unrestricted Fund	Total
Fund balances, beginning of year	\$ 2,060,653	\$ 189,519	\$ 643,761	\$ 2,893,933
Excess (deficiency) of revenue over expenses	400,000	(60,263)	110,862	450,599
Invested in property and equipment	-	5,212	(5,212)	-
Transfer to internally restricted fund (note 9(b))	50,277	-	(50,277)	-
Fund balances, end of year	\$ 2,510,930	\$ 134,468	\$ 699,134	\$ 3,344,532

See accompanying notes

ALZHEIMER SOCIETY OF ONTARIO
Statements of Cash Flows
Years ended March 31

	2013	2012
Operating activities		
Excess of revenue over expenses	\$ 449,081	\$ 450,599
Items not involving cash		
Unrealized investment gains	(167,798)	(1,518)
Amortization of property and equipment	38,520	60,263
	<hr/> 319,803	<hr/> 509,344
Net change in non-cash during the year		
Accounts receivable	(96,507)	(690,598)
Prepaid expenses	(4,764)	21,568
Accounts payable and accrued liabilities	(53,730)	68,088
Deferred revenue	190,756	(175,327)
	<hr/> 35,755	<hr/> (776,269)
Cash flows from operating activities	<hr/> 355,558	<hr/> (266,925)
Investing activities		
Additions to investments	(35,368)	(22,367)
Additions to property and equipment	(7,542)	(5,212)
Cash flows from investing activities	<hr/> (42,910)	<hr/> (27,579)
Increase (decrease) in cash and cash equivalents during the year	312,648	(294,504)
Cash and cash equivalents, beginning of year	<hr/> 2,316,361	<hr/> 2,610,865
Cash and cash equivalents, end of year	<hr/> <hr/> \$ 2,629,009	<hr/> <hr/> \$ 2,316,361

Cash and cash equivalents consist of the following:

Cash on hand and in banks for operations, bearing interest at 0.00% to 1.25%	\$ 1,521,736	\$ 944,854
Cash held for First Link and other programs (note 8)	2,373	35,797
Deposits bearing interest at 1.45% to 2.20%	1,104,900	1,335,710
	<hr/> \$ 2,629,009	<hr/> \$ 2,316,361

See accompanying notes

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

1. Description of organization

The Alzheimer Society of Ontario (the "Society") is an association of individually incorporated member chapters 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.

2. Summary of significant accounting policies

Financial statement presentation

The 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 chapters of the Society are not included in these financial statements.

These statements have been prepared by management in accordance with Canadian accounting standards for not-for-profit organizations (ASNPO), using the deferral method of reporting restricted contributions.

Use of estimates

The preparation of financial statements in conformity with ASNPO requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the statement of financial position date and the reported amounts of revenue and expenses for the year then ended. Actual results may differ from such estimates.

Financial instruments

The Society's financial instruments are comprised of cash and cash equivalents, accounts receivable, investments and accounts payable.

Financial assets and financial liabilities are initially recognized at their fair value.

The Society subsequently measures all financial assets and financial liabilities at amortized cost with the exception of investments. Amortized cost is the amount initially recognized less any principal payments. Investments are subsequently measured at fair value based on active market rates. Under this method, the realized and unrealized gains and losses on investments are recognized in the statement of revenue and expenses. The fair value of the investments is disclosed in note 5.

Cash and cash equivalents

Cash and cash equivalents include deposits in banks, certificates on deposits and short-term investments with original maturity dates of three months or less.

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

2. Summary of significant accounting policies - continued

Property and equipment

Purchased property and equipment are recorded at cost. Amortization is provided for on a straight-line basis over a period of five years for furniture and equipment and three years for computer equipment. Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease.

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 (the "Board").

Revenue recognition

Contributions, including public support, bequest and memoriams, corporate 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, taxes and interest expense. Interest income is recorded using the accrual method and dividends are recorded when declared.

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 13).

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 are volunteers who serve without remuneration.

3. First-time adoption of ASNPO-based accounting standards

These financial statements are the first financial statements for which the Society has applied ASNPO. Comparative period information was prepared in accordance with ASNPO and the provisions set out in Section 1501 of the CICA Handbook - First-time adoption by not-for-profit organizations.

The date of transition to ASNPO is April 1, 2011. The Society's transition from Canadian generally accepted accounting principles ("previous GAAP") to ASNPO has not had an impact on the opening fund balances as at April 1, 2011, the statement of revenue and expenses or the statement of cash flows for the year ended March 31, 2012.

As a result, the reconciliations and disclosures required by Section 1501 First-time adoption by not-for-profit organizations are not necessary and have not been presented in these financial statement notes.

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

4. Accounts receivable

	March 31, 2013	March 31, 2012	April 1, 2011
Alzheimer Society of Canada	\$ 839,098	\$ 747,745	\$ 139,313
Member chapters	17,119	67,644	62,956
Other	189,084	133,405	55,927
	<hr/>	<hr/>	<hr/>
	\$ 1,045,301	\$ 948,794	\$ 258,196

5. Investments

The fair value of investments was as follows:

	March 31, 2013	March 31, 2012	April 1, 2011
Common stocks and equities	\$ 1,325,525	\$ 1,160,099	\$ 1,116,285
Fixed income	671,032	673,429	629,355
Cash and cash equivalents	136,223	96,086	160,089
	<hr/>	<hr/>	<hr/>
	\$ 2,132,780	\$ 1,929,614	\$ 1,905,729

The common stocks and equities are invested in Canadian and internationally publicly traded securities.

The fixed income investments mature from June 2013 to September 2023 and earn interest at rates of 1.405% to 9.95%.

The cash and cash equivalents is comprised of cash in the investment account and Canada treasury bills maturing in April and June 2013.

Investment income comprises:

	March 31, 2013	March 31, 2012
Interest income	\$ 91,465	\$ 90,502
Realized capital gains (losses)	(382)	(1,027)
Unrealized capital gains	165,960	1,518
Less: management fees	(29,178)	(25,906)
	<hr/>	<hr/>
	\$ 227,865	\$ 65,087

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

6. Property and equipment

	March 31, 2013		
	Cost	Accumulated Amortization	Net
Furniture and equipment	\$ 128,852	\$ 110,867	\$ 17,985
Computer equipment	314,316	305,159	9,157
Leasehold improvements	132,402	56,054	76,348
	<u>\$ 575,570</u>	<u>\$ 472,080</u>	<u>\$ 103,490</u>

	March 31, 2012		
	Cost	Accumulated Amortization	Net
Furniture and equipment	\$ 127,935	\$ 85,283	\$ 42,652
Computer equipment	310,762	305,159	5,603
Leasehold improvements	129,331	43,118	86,213
	<u>\$ 568,028</u>	<u>\$ 433,560</u>	<u>\$ 134,468</u>

	April 1, 2011		
	Cost	Accumulated Amortization	Net
Furniture and equipment	\$ 127,935	\$ 59,699	\$ 68,236
Computer equipment	355,653	333,519	22,134
Leasehold improvements	129,331	30,182	99,149
	<u>\$ 612,919</u>	<u>\$ 423,400</u>	<u>\$ 189,519</u>

The Society moved to new premises in the 2009 fiscal year. Netted against the cost of leasehold improvements are lease inducements received totalling \$237,092.

7. Accounts payable and accrued liabilities

	March 31, 2013	March 31, 2012	April 1, 2011
Alzheimer Society of Canada	\$ 58,844	\$ 57,508	\$ 236,764
Tanz Centre for Research in Neurodegenerative	-	538,000	350,000
Other	805,921	322,987	263,643
	<u>\$ 864,765</u>	<u>\$ 918,495</u>	<u>\$ 850,407</u>

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

8. Deferred revenue

	April 1, 2012 Opening Balance	Increase	Decrease	March 31, 2013 Opening Balance
Alzheimer Knowledge Exchange grant (a)	\$ 55,084	\$ 263,776	\$ 204,685	\$ 114,175
Scholarship Fund (b)	493,487	-	-	493,487
Deferred Research Fund	250,000	-	-	250,000
Ontario Caregiver Coalition	7,075	11,450	8,869	9,656
Volunteer Mobilization program	50,000	-	18,117	31,883
Finding Your Way program (c)	150,000	500,000	601,613	48,387
U-First program	46,953	188,725	67,868	167,810
Ontario Trillium Foundation Grant	-	100,000	-	100,000
Other	44,430	700,895	672,938	72,387
	\$ 1,097,029	\$ 1,764,846	\$ 1,574,090	\$ 1,287,785

	April 1, 2011 Opening Balance	Increase	Decrease	March 31, 2012 Opening Balance
First Link Program grant	\$ 80,256	\$ -	\$ 80,256	\$ -
Alzheimer Knowledge Exchange grant (a)	67,631	320,574	333,121	55,084
Scholarship Fund (b)	493,487	-	-	493,487
Deferred Research Fund	500,000	-	250,000	250,000
Chapter consolidation support	18,759	-	18,759	-
Ontario Caregiver Coalition	7,030	9,876	9,831	7,075
Behavioural Support Systems	22,740	-	22,740	-
Volunteer Mobilization program	-	50,000	-	50,000
Finding Your Way program (c)	-	150,000	-	150,000
U-First program	-	46,953	-	46,953
Other	82,453	-	38,023	44,430
	\$ 1,272,356	\$ 577,403	\$ 752,730	\$ 1,097,029

- (a) The Alzheimer Knowledge Exchange program (AKE) is supported by a grant from the Ministry of Health and Long Term Care through the Elizabeth Bruyere Research Institute and the Seniors' Health Transfer Network. The AKE facilitates the exchange of information, innovation and expertise among caregivers, educators, research and policy makers by connecting people to knowledge and dementia expertise.
- (b) The Scholarship Fund was established in fiscal 2012 through a donation from an anonymous donor. The Alzheimer Society's Research Advisory Council is currently preparing recommendations for the disbursement of the Scholarship Fund which will be granted over the next five years.
- (c) During fiscal 2013, the Society received \$500,000 (2012 - \$150,000) from the Ontario Seniors' Secretariat to initiate 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.

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

9. Commitments

(a) Joint lease agreement

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 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 is as follows:

2014	\$ 111,771
2015	120,207
2016	120,207
2017	120,207
2018	120,207
Subsequent years	80,137
	<hr/>
	\$ 672,736

(b) 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 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) is distributed to the province from which it originated. Direct Mail revenue is flowed to the Society net of the related development expenses (note 12). The Society pays ASC member assessments based on their percentage of total revenue across the federation in order to support ASC's expense budget.

Additionally, on April 1, 2009, the Society entered into a five year federation agreement with the then 39 member chapters in Ontario. Under the terms of the agreement, the Society will distribute to the chapters all revenue received according to where the donors reside (except for donations designated to be spent on research, investment income and revenue from government, foundations and corporations for province-wide initiatives). Each chapter will pay the Society an assessment based on their percentage of total revenue taken from its share of allocated chapter revenue. The Society is committed to minimum annual payments of \$300,000 to the Toronto member chapter, \$250,000 to the Ottawa member chapter, and \$9,000 to each of the remaining chapters. In addition, the agreement provides for the sharing of other miscellaneous revenues.

In fiscal 2012, revenue sharing as per the federation agreement was calculated for fiscal 2010. It was determined that \$50,277 was to be paid to 6 chapters for the fiscal year. The revenue sharing was disbursed from the Unrestricted Fund in 2012. Under the terms of the federation agreement, an identical amount was contributed to the Strategic Investment Fund from the Unrestricted Fund (note 11). In fiscal 2013, revenue sharing as per the agreement was calculated for fiscal 2011 and 2012, and no additional disbursements were required.

(c) Research contributions

The Society and Ontario member chapters made contributions totalling \$1,725,700 (March 31, 2012 - \$1,430,340) to the Alzheimer Society of Canada Research Program.

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

10. Fund balances

Fiscal Strength Fund

The purpose of the internally restricted Fiscal Strength Fund is to manage the financial risk of the Society and its member chapters 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.

Working Capital Fund

The purpose of the internally restricted Working Capital Fund was to manage the liquidity risk of the Society. During the year, the Board passed a motion to remove restrictions on the fund balance and transfer the balance to the Unrestricted Fund.

Research Contributions Fund

The fund represents amounts received which have been internally restricted for research and which are expected to be distributed in the following fiscal period.

Strategic Investment Fund

The purpose of the internally restricted 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.

Donor Fund (previously Endowment Fund)

Management has determined that when these donations were originally received, previous management characterized the donations as an endowment fund, even though the terms of the donations did not conform to the definition of an endowment. As a result, the fund is no longer considered to be an endowment fund, but an internally restricted fund. This change has been given retroactive application in these financial statements.

To date, principal amounts of the donations have been maintained, and realized investment income has been used to support medical research. It is the Society's intention to disburse the principal balance of this fund on research in future years.

Unrestricted Fund

The Unrestricted Fund comprises the cumulative residual surplus or deficit of the Society that remains after the provisions of all other funds have been satisfied.

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

11. Internally restricted funds

	April 1, 2012 Opening Balance	Excess of Revenue Over Expenditures	Transfers	March 31, 2013 Closing Balance
Fund				
Fiscal Strength	\$ 1,300,000	\$ -	\$ 100,000	\$ 1,400,000
Working Capital	500,000	-	(500,000)	-
Research Contributions	400,000	400,000	-	800,000
Strategic Investment	114,632	(20,000)	-	94,632
Donor	196,298	-	-	196,298
Total	\$ 2,510,930	\$ 380,000	\$ (400,000)	\$ 2,490,930

	April 1, 2011 Opening Balance	Excess of Revenue Over Expenditures	Transfers	March 31, 2012 Closing Balance
Fund				
Fiscal Strength	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
Working Capital	500,000	-	-	500,000
Research Contributions	-	400,000	-	400,000
Strategic Investment (note 9(b))	64,355	-	50,277	114,632
Donor	196,298	-	-	196,298
Total	\$ 2,060,653	\$ 400,000	\$ 50,277	\$ 2,510,930

During the last quarter of fiscal 2013, donations were received in amounts significantly greater than expected, through additional bequests, increased online donations, and chapter contributions to research. A management decision was made to designate \$800,000 (2012 - \$400,000) of these funds to additional contributions for research in fiscal 2014. In order to ensure the effective disbursement of these funds, they were segregated as an internally restricted fund, pending their consideration by the Research Advisory Council and a final decision by the Society's Board. The \$800,000 will be disbursed in fiscal 2014. The \$400,000 designated in fiscal 2012 was disbursed in fiscal 2013. This resulted in a net increase of the fund balance of \$400,000.

12. Net fund development revenue

	March 31, 2013	March 31, 2012
Bequests	\$ 1,825,628	\$ 1,294,033
Direct response (note 9(b))	4,540,855	5,004,217
Donations	959,012	1,019,803
	7,325,495	7,318,053
Less: Fund development expenses	551,858	540,109
	\$ 6,773,637	\$ 6,777,944

ALZHEIMER SOCIETY OF ONTARIO

Notes to Financial Statements

Year ended March 31, 2013

13. 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.

Summary of expenses	March 31, 2013	March 31, 2012
Facilities and office	\$ 326,201	\$ 326,242
Professional fees and consulting	88,197	53,331
Amortization	38,520	60,263
	<hr/>	<hr/>
	\$ 452,918	\$ 439,836

Summary of allocations:	March 31, 2013	March 31, 2012
Fund development	\$ 90,584	\$ 87,967
Public policy and program initiatives	194,754	206,723
Marketing and communications	90,584	65,975
Finance and operations	76,996	79,171
	<hr/>	<hr/>
	\$ 452,918	\$ 439,836

14. Financial instruments

Transactions in financial instruments may result in the Society assuming or transferring to another party one or more of the financial risks described below. The required disclosures provide information that assists users of the financial statements in assessing the extent of risk related to financial instruments.

Credit risk

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.

Interest rate risk

Interest rate risk is the risk that the fair value (price risk) or future cash flows of a financial instrument will fluctuate because of changes in market interest rates (cash flow risk). The Society is exposed to price risk with respect to investments with fixed interest rates, and cash flow risk with respect to investments with variable interest rates.

Liquidity risk

The Society's liquidity risk represents the risk that the Society could encounter difficulty in meeting obligations associated with its financial liabilities. The Society is exposed to liquidity risk mainly in respect of its accounts payable. Liquidity risk is not considered to be significant.

Currency risk

Currency risk is the risk to the Society that arises from fluctuations in foreign exchange rates. The Society is not exposed to significant currency risk as transactions in foreign currencies are limited.