

Financial statements of

Canadian Diabetes Association

August 31, 2011

Canadian Diabetes Association

August 31, 2011

Table of contents

Independent Auditor’s Report 1-2

Balance sheet 3

Statement of revenue and expenses 4

Statement of changes in fund balances 5

Statement of cash flows 6

Notes to the financial statements 7-17

Independent Auditor's Report

To the Members of
The Canadian Diabetes Association

We have audited the accompanying financial statements of the Canadian Diabetes Association, which comprise the balance sheet as at August 31, 2011, and the statements of revenue and expenses, changes in fund balances and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Qualified Opinion

In common with many charitable organizations, the Canadian Diabetes Association derives revenue from the general public in the form of donations, bequests and other fundraising activities, 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 Canadian Diabetes Association and we were not able to determine whether any adjustments might be necessary to donations revenue referred to above, excess of expenses over revenue, assets, liabilities and fund balances.

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 Canadian Diabetes Association as at August 31, 2011, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants
Licensed Public Accountants
October 17, 2011

Canadian Diabetes Association

Balance sheet

as at August 31, 2011

(in thousands of dollars)

	2011	2010
	\$	\$
Assets		
Current		
Cash	3,336	2,945
Short-term investments (Note 4)	2,702	4,297
Restricted cash and short-term investments (Note 4)	4,278	4,121
Accounts receivable	4,687	3,976
Prepaid expenses	781	767
Inventories	319	338
	16,103	16,444
Long-term		
Long-term investments (Note 4)	10,937	8,816
Restricted long-term investments (Note 4)	805	806
Other receivables (Note 5)	427	427
Capital assets (Note 6)	2,238	1,819
	30,510	28,312
Liabilities and fund balances		
Current		
Accounts payable and accrued liabilities	4,658	4,090
Deferred revenue (Note 7)	9,346	7,799
Research grants and personnel awards payable (Note 9)	4,729	4,797
	18,733	16,686
Long-term		
Deferred revenue (Note 8)	1,824	1,619
Research grants payable (Note 9)	374	141
Employee future benefits (Note 10)	2,220	1,942
	23,151	20,388
Total fund balances (Page 5)	7,359	7,924
	30,510	28,312

Approved by the Board of Directors



Chair

Canadian Diabetes Association

Statement of revenue and expenses

year ended August 31, 2011

(in thousands of dollars)

	2011	2010
	\$	\$
Revenue		
Clothesline operations	33,683	33,285
Fundraising	27,423	25,457
Government health programs (Note 11)	8,178	8,165
Services	5,058	4,177
Other income	1,393	1,908
	75,735	72,992
Expenses		
Clothesline operations	23,515	22,387
Services	20,108	19,070
Fundraising	12,365	11,180
Government health programs (Note 11)	8,208	8,171
Research	6,926	6,796
General and administrative	4,208	4,834
	75,330	72,438
Excess of revenue over expenses before restructuring costs	405	554
Restructuring costs (Note 22)	(904)	-
(Excess of expenses over revenue) revenue over expenses for the year	(499)	554

Canadian Diabetes Association

Statement of changes in fund balances year ended August 31, 2011

(in thousands of dollars)

					2011	2010
	Operating Fund	Charles H. Best Fund (Note 3)	Endowments (Note 14)	Invested in capital assets	Total	Total
	\$	\$	\$	\$	\$	\$
Balances, beginning of year	5,222	-	1,563	1,139	7,924	7,294
Excess (expenses over revenue) of revenue over expenses	3,703	(3,802)	-	(400)	(499)	554
Transfers between funds	(3,802)	3,802	-	-	-	-
Contributions and investment income, less capital recognized as revenue of the Operating Fund	-	-	(66)	-	(66)	76
Deferred revenue for capital assets	571	-	-	(571)	-	-
Additions to capital assets	(972)	-	-	972	-	-
Balances, end of year	4,722	-	1,497	1,140	7,359	7,924

Canadian Diabetes Association

Statement of cash flows

year ended August 31, 2011

(in thousands of dollars)

	2011	2010
	\$	\$
Net inflow (outflow) of cash related to the following activities:		
Operating activities		
Excess of (expenses over revenue) revenue over expenses	(499)	554
Add non-cash items		
Amortization of capital assets	553	583
Amortization of deferred revenue related to capital assets	(153)	(103)
Adjustment for employee future benefits	278	228
Amortization of deferred rent	(194)	(195)
	(15)	1,067
Changes in non-cash operating items		
Accounts receivable	(711)	(321)
Prepaid expenses	(14)	101
Inventories	19	(7)
Accounts payable and accrued liabilities	568	(37)
Deferred revenue – current	1,528	3
Research grants and personnel awards payable	165	(647)
	1,540	159
Investing activities		
Purchase of capital assets	(972)	(334)
Additions to deferred revenue – capital assets	571	36
Long-term investments	(2,120)	(482)
	(2,521)	(780)
Financing activity		
Endowment contributions (Note 14)	(66)	76
Decrease in cash and short-term investments during the year	(1,047)	(545)
Cash and short-term investments, beginning of year	11,363	11,908
Cash and short-term investments, end of year	10,316	11,363
Cash and short-term investments consist of:		
Cash	3,336	2,945
Short-term investments	2,702	4,297
Restricted cash and short-term investments	4,278	4,121
	10,316	11,363

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

1. Description of the organization

Canadian Diabetes Association (the "Association") is a national, independent, self-financing organization. It is established as a non-profit corporation under the *Canada Corporations Act* and is a registered charity with Canada Revenue Agency. The Association's mission is to lead the fight against diabetes by helping people with diabetes live healthy lives while it works to find a cure. The Association is national and membership based.

Under the *Income Tax Act*, the Association is classified as a registered charity and is not subject to income taxes.

The Association became the sole member of Diabetes Association (Foothills) on April 15, 2011. The financial statements of this controlled entity have not been included in these financial statements, as permitted under Canadian generally accepted accounting principles. Further details of this controlled entity are provided in Note 16.

2. Future accounting changes

In December 2010, the Canadian Institute of Chartered Accountants (CICA) issued a new accounting framework applicable to Not-for-Profit Organizations. Effective for fiscal years beginning on or after January 1, 2012, Not-for-Profit Organizations will have to choose between International Financial Reporting Standards ("IFRS"s) and Canadian accounting standards for Not-for-Profit Organizations. Early adoption of these standards is permitted. The Association currently plans to adopt the new accounting standards for Not-for-Profit Organizations for its fiscal year beginning on September 1, 2012. The impact of transitioning to these new standards has not been determined at this time.

3. Significant accounting policies

Basis of presentation

The financial statements have been prepared in accordance with accounting standards for not-for-profit organizations published by the Canadian Institute of Chartered Accountants, using the deferral method of reporting restricted contributions.

Charles H. Best Fund

The Charles H. Best Fund ("Best Fund") represents amounts to finance research. Although the Best Fund has its own sources of revenue, these are not sufficient to provide for the research commitments approved to date. Funds are transferred from the Operating Fund to the Best Fund in order to cover the approved research commitments. During the year ended August 31, 2011, a transfer of \$3,802 (2010 - \$3,138) from the Operating Fund to the Best Fund was undertaken.

Operating Fund

The Operating Fund represents amounts to fund the Association's activities that are not specifically restricted to research.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

3. Significant accounting policies (continued)

Endowments

Endowment funds represent funds received which are externally endowed, together with any designated unspent interest.

Revenue recognition

Donations, which have been restricted through specific direction from a contributor, are deferred and recorded as revenue when the related expense occurs. Sponsorships and monies for the Monitors for Health Program received in advance of the related expense are recorded as deferred revenue.

Revenues received prior to August 31 relating to fundraising projects not significantly complete by that date are recorded as deferred revenue until the project has been completed. Donations and grants received specifically for the purchase of capital assets are deferred and amortized to revenue on the same basis as the amortization of the related capital assets. All other donations, bequests and grants are recorded when received.

Donations received by way of Charitable Remainder Trusts/Gifts of Residual Interest vest irrevocably with the Association. These donations are tax receipted by the Association and are recorded as contributions receivable and offsetting deferred revenue at the present value of the contribution. At the time of transfer, the face value of the trust's assets will be recognized as revenue, provided no further restriction on their use exists.

Endowment contributions are recognized as direct increases in the fund balance. Certain endowment contributions require the capital to be retained for a specified period of time. On expiry of the retention period, the capital is recognized as revenue of the Operating Fund. Other restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted investment income is recognized as revenue in the year in which the related expenses are incurred.

Pledges which can be reasonably estimated and where collection is reasonably assured are recorded as accounts receivable.

Financial instruments

The Association has classified each of its financial instruments into the following accounting categories:

- Cash, short-term and long term investments, restricted cash, and restricted short-term and long-term investments as "held-for-trading". Held-for-trading items are carried at fair value, with changes in their fair value recognized in the statement of revenue and expenses in the current period.
- Accounts receivable as "loans and receivables". Loans and receivables are carried at amortized cost, using the effective interest method, net of any impairment.
- Accounts payable and accrued liabilities as "other liabilities". Other liabilities are carried at amortized cost, using the effective interest method.

The fair value of the Association's financial instruments, except as noted otherwise, approximate their carrying value due to their short-term nature.

Investments

Restricted and unrestricted short-term and long-term investments are comprised of fixed income certificates and are recorded at fair value. Transactions are recorded on a settlement date basis. Investment income, which consists of interest and realized and unrealized gains and losses, is recorded in the statement of revenue and expenses.

Inventories

Inventories are stated at the lower of average cost and net realizable value.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

3. Significant accounting policies (continued)

Capital assets

Capital assets are recorded at cost, except for certain land, buildings and equipment, which are carried at a nominal value (see Note 6). Buildings, furniture and equipment, and computer hardware and software are amortized on a straight-line basis over their average estimated useful lives, as follows:

Buildings	20 years
Furniture and equipment	5 years
Computer hardware and software	3 years

Leasehold improvements are amortized over the term of the leases.

Additions to collections

Additions to collections are expensed as incurred.

Research

Monies awarded to various individuals and organizations to complete research projects are recorded as liabilities at the time the grants are approved. Should any condition of the award not be met, the monies which have been recorded as payable are credited to research grants expense.

Deferred rent

Deferred rent consisting of lease inducements and free rent is amortized on a straight-line basis over the term of the lease.

Employee future benefits

The Association accrues for its obligations under employee benefit plans and the related costs. The estimated cost of future retirement benefits earned by employees is actuarially determined using the projected benefit method prorated on service, and management's best estimate of expected extended health care and life insurance costs. Experience gains or losses are amortized over the estimated average remaining service period of active employees.

Use of estimates

The presentation of the Association's financial statements, in conformity with Canadian generally accepted accounting principles, requires management to make estimates and assumptions that affect the amounts in the financial statements and the disclosure in the notes thereto. Actual results could differ from those estimates used in preparing the financial statements. Balances which require some degree of estimation are capital assets (amortization), amounts payable and accrued liabilities, employee future benefits and allocated expenses.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

4. Restricted cash and investments

Investments are comprised of fixed income certificates. These fixed income instruments have effective interest rates ranging from 1.0% to 4.85%, with maturity dates ranging from 10 months to 5 years.

	2011	2010
	\$	\$
Restricted cash and short-term investments		
Cash	4,076	3,920
Short-term investments	202	201
Total restricted cash and short-term investments	4,278	4,121
Restricted long-term investments	805	806
Total restricted cash and investments	5,083	4,927

The amounts are restricted for the following:

	2011	2010
	\$	\$
Government health programs	3,565	3,229
Charles H. Best Fund	21	135
Endowments	1,497	1,563
	5,083	4,927

	2011	2010
	\$	\$
Unrestricted investments		
Short-term investments	2,702	4,297
Long-term investments	10,937	8,816

5. Other receivables

Contribution receivable

The Association is the beneficiary under irrevocable Charitable Remainder Trusts representing investments bearing a capital value of \$483 (2010 - \$483). The income of the trusts will be paid to the donors during their lifetime. Title to these assets will pass to the Association upon the donors' death. The contributions were recorded at their present value of \$177 (2010 - \$177), which was based on independent actuarial valuations (Note 8).

Claims deposit

The Association has made advance payments in the amount of \$250 (2010 - \$250) under a long-term contract with the benefits supplier for the Alberta Monitors for Health program. This contract is automatically renewed annually unless either party gives 60 days written notice.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

6. Capital assets

			2011	2010
	Cost	Accumulated amortization	Net book value	Net book value
	\$	\$	\$	\$
Land	25		25	25
Buildings	1,470	698	772	731
Computer hardware and software	4,314	4,010	304	217
Furniture and equipment	3,100	2,427	673	362
Leasehold improvements	1,209	745	464	484
	10,118	7,880	2,238	1,819

In 1981, the Association was granted a parcel of land in Foxtrap, Newfoundland by the Province of Newfoundland and Labrador and in 1993 acquired ownership of the land, buildings and equipment comprising Camp Huronda in Huntsville, Ontario. These assets are being carried at a nominal value of one dollar. During the year ended August 31, 2002, the Association was the recipient of a parking lot, adjacent to Banting House, which was recorded in the Association's financial records for two dollars.

7. Deferred revenue – current

	2011	2010
	\$	\$
Fundraising and other	4,177	3,446
Government health programs	3,696	3,201
Restricted donations	531	797
Government grants	729	161
	9,133	7,605
Deferred rent	213	194
	9,346	7,799

8. Deferred revenue - long-term

Long-term deferred revenue is comprised of deferred revenue related to each of capital assets, donations and rent. Deferred revenue relating to capital assets represents restricted donations made for the renovation of buildings and various other capital assets purchases.

The changes in the deferred revenue balance are as follows:

	2011	2010
	\$	\$
Capital assets, balance, beginning of year	680	747
Additions	571	36
Amortization to revenue	(153)	(103)
Capital assets, balance, end of year	1,098	680
Deferred donations	177	177
Deferred rent	549	762
	1,824	1,619

Deferred donations relate to gifts received by way of Charitable Remainder Trusts (Note 5).

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

9. Research grants and personnel awards payable

Under the authority of the Board of Directors, through the budget process, the Association awarded research grants and personnel awards in the amount of \$6,500 (2010 - \$6,358) during the year ended August 31, 2011 which are payable from the Best Fund. Since these grants and awards are for varying lengths of time and are paid out in quarterly instalments, a payable, which reflects the difference between the amounts authorized and the amounts paid to date, is recorded. Research grant amounts of \$374 (2010 - \$141) which are payable beyond one year are recorded as a long-term liability.

10. Employee future benefits

The Association provides extended health care and life insurance benefits to future and current retirees of the Association. This plan is accounted for as a defined benefit plan. For all active employees, the accrued benefit obligation was calculated using the projected benefit method pro-rated on service.

The significant actuarial assumption adopted in measuring the Association's accrued benefit obligation for the non-pension post-retirement benefit plans is as follows:

Discount rate	5.75%
General inflation	2.5%
Extended health care trend rates	9.0%

For measurement purposes, a 8.5 percent annual rate of increase of covered health care benefits was assumed for 2011 (2010 - 9.0%). The rate is assumed to decrease by 0.5 percent per annum to an ultimate 5.0 percent per annum.

The measurement date for the accrued benefit obligation, as calculated in the Association's last actuarial valuation for post-retirement benefits was performed as of September 1, 2009 and was extrapolated forward to August 31, 2011. The discount rate assumption is 5.25.

	2011	2010
	\$	\$
Accrued benefit liability		
Balance, beginning of year	1,942	1,714
Service cost for year	188	161
Interest on accrued obligation	106	92
Adjustment for experience losses	(151)	(91)
Actuarial losses during year	135	66
Balance, end of year	2,220	1,942
	2011	2010
	\$	\$
Reconciliation of accrued benefit obligation to accrued benefit liability		
Accrued benefit obligation as at August 31	2,078	1,649
Add: Unamortized experience losses	142	293
Accrued benefit liability as at August 31	2,220	1,942

The related expense for the year is approximately \$305 (2010 - \$246). Employer contributions for non-pension post-retirement benefits totalled \$26 (2010 - \$18) for the year ended August 31, 2011.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

11. Government health programs

The Association has contracted with the Ontario and Alberta governments to undertake the processing of claims for reimbursement of some diabetes related expenses. All related expenses are funded by cash advances from the respective provincial governments.

12. Pension plan

Substantially all full time, permanent employees participate in a defined contribution pension plan. The Association's contribution for the year amounted to \$733 (2010 - \$688).

13. Commitments

Operating leases

The Association rents premises and operating equipment and leases trucks under various lease agreements. The minimum annual lease payments are as follows:

	\$
2012	4,904
2013	4,128
2014	3,869
2015	2,862
2016	792
Thereafter	571
	<hr/> 17,126

The Association is also committed to its share of realty taxes and operational costs for its rented premises.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

14. Endowments

				2011	2010
	Endowment Jamie Malcolm	Endowment Camp	Endowment Research	Total	Total
	\$	\$	\$	\$	\$
Balance, beginning of the year	1,163	167	233	1,563	1,487
Contributions received	1	-	10	11	35
Capital recognized	-	(117)	-	(117)	-
Investment income	40	-	-	40	41
Balance, end of year	1,204	50	243	1,497	1,563

The Jamie Malcolm Endowment Fund was established to assist people who meet certain criteria in the management of their diabetes. The capital is to be invested. Investment income is first to be used to maintain the capital in accordance with a predetermined formula. Any excess investment income is available to be expended in accordance with the purpose of the Fund.

The Camp Endowment Fund consisted of two endowment gifts. For the first gift, the capital will be retained for a period of not less than ten years. The investment income was recognized as revenue of the Operating Fund and was used to support camps. During the year, the capital of \$117 was recognized as revenue in the Operating Fund as the retention period had been met. The amount was used to support camps.

The second gift was established to support camp subsidies in Manitoba. The investment income was recognized as revenue of the Operating Fund and was used to support camp subsidies in Manitoba.

The Research Endowment Fund was established to support diabetes research and research projects for Type 1 diabetes. The capital will be retained. The investment income was recognized as revenue of the Operating Fund and used to support research projects.

15. Diabetes Canada

The Association entered into a declaration of trust with the Juvenile Diabetes Research Foundation to form Diabetes Canada. The trust was to raise funds to be used to promote medical research and a greater understanding of diabetes. Effective September 30, 1991, Diabetes Canada ceased active fund-raising operations with the exception of the Ontario Federated Health Campaign.

Under the terms of the trust agreement, the Association receives a portion of the net proceeds from fund raising according to a formula determined by the Board from time to time. Included in other revenue is \$75 (2010 - \$75) representing the Association's share of net proceeds from fundraising by Diabetes Canada for the year ended August 31, 2011.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

16. Diabetes Association (Foothills)

Diabetes Association (Foothills) is controlled by the Association, since the Association determines its projects and direction. Diabetes Association (Foothills) was incorporated as a not-for-profit organization under the Alberta Charitable Fundraising Act and is a charitable organization within the meaning of the Income Tax Act. The financial statements of Diabetes Association (Foothills) are as follows:

Statement of financial position as at August 31, 2011

	\$
Current assets	
Cash	100
Accounts receivable	2
Prepaid expenses	7
	109
Current liabilities	
Accounts payable and accrued liabilities	4
Unrestricted net assets	105
	109

Statement of revenue and expenses from April 15, 2011 to August 31, 2011

	\$
Revenue	
Fund development	273
Government grants	25
	298
Expenses	
Fund development	42
Administration	22
Research	200
	264
Excess of revenue over expenses for the period	34

Diabetes Association (Foothills) is committed to providing an amount of \$1,050 to the University of Calgary in support of the Julia MacFarlane Chair in Diabetes Research over the next four years.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

17. Allocation of expenses

The Association allocates common expenses consisting of salaries, occupancy costs and other administrative expenses based on the estimated time spent on each activity. Such allocations are reviewed regularly by management.

All costs of fundraising are included in fundraising expenses; none are allocated to services.

The Association has allocated its common expenses as follows:

				2011	2010
	Salaries	Occupancy	Other	Total	Total
	\$	\$	\$	\$	\$
Services	592	370	724	1,686	1,750
Fundraising	306	285	470	1,061	933
Clothesline operations	1,042	146	277	1,465	905
	1,940	801	1,471	4,212	3,588

18. Line of credit

The Association has an unused line of credit of \$2,000 at the bank's prime rate plus 0.25%. The line of credit is secured by the assets of the Association.

19. Contingencies

Various claims arising out of the normal course of operations have been filed against the Association. In the opinion of management and legal counsel, the outcome of the claims is not determinable. Any loss resulting from the resolution of these claims will be charged to operations in the year of resolution.

20. Guarantees

In the normal course of business, the Association enters into agreements that meet the definition of a guarantee. The Association's primary guarantees are as follows:

- The Association has provided indemnities under lease agreements for the use of various operating facilities. Under the terms of these agreements, the Association agrees to indemnify the counterparties for various items including, but not limited to, all liabilities, losses, suits, and damages arising during, on or after, the term of the agreement.
- Indemnity has been provided to all directors and officers of the Association for various items including, but not limited to, all costs to settle suits or actions due to involvement with the Association, subject to certain restrictions. The Association has purchased directors' and officers' liability insurance to mitigate the cost of any potential future suits or actions. The term of the indemnification is not explicitly defined, but is limited to the period over which the indemnified party served as director or officer of the Association.

Canadian Diabetes Association

Notes to the financial statements

August 31, 2011

(in thousands of dollars)

20. Guarantees (continued)

- (c) In the normal course of business, the Association has entered into agreements that include indemnities in favour of third parties, such as purchase and sale agreements, confidentiality agreements, engagement letters with advisors and consultants, outsourcing agreements, leasing contracts, information technology agreements and service agreements. These indemnification agreements may require the Association to compensate counterparties for losses incurred by the counterparties as a result of breaches in representation and regulations or as a result of litigation claims or statutory sanctions that may be suffered by the counterparties as a consequence of the transaction.

The nature of these indemnification agreements prevents the Association from making a reasonable estimate of the maximum exposure due to the difficulties in assessing the amount of liability, which stems from the unpredictability of future events and the unlimited coverage offered to counterparties. Historically, the Association has not made any significant payments under such, or similar, indemnification agreements and therefore no amount has been accrued in the financial statements, with respect to these agreements.

21. Capital disclosures

The Association considers its Endowments and deferred revenue to be its capital and has complied with the restrictions related thereto.

22. Restructuring costs

The Association incurred restructuring costs in relation to a reorganization of the Association to support a revised strategic plan. The costs incurred were payroll and benefits related.