



Grant Thornton

Financial Statements

Alzheimer Society of Ontario

March 31, 2012

**ALZHEIMER SOCIETY OF ONTARIO**  
**2012 Financial Statements**

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## **Independent Auditor's Report**

### **To the Members of the Alzheimer Society of Ontario**

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We have audited the accompanying financial statements of the Alzheimer Society of Ontario, which comprise the statement of financial position as at March 31, 2012, 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 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, 2012, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

*Grant Thornton LLP*

Chartered Accountants, Licensed Public Accountants  
Toronto, Canada  
June 15, 2012

**ALZHEIMER SOCIETY OF ONTARIO**  
**Statement of Financial Position**  
**As at March 31**

	2012	2011
<b>ASSETS</b>		
Current assets		
Cash and cash equivalents	\$ 2,316,361	\$ 2,610,865
Accounts receivable (note 3)	948,794	258,196
Prepaid expenses	30,819	52,387
	<hr/> 3,295,974	<hr/> 2,921,448
Investments (note 4)	1,929,614	1,905,729
Property and equipment (note 5)	134,468	189,519
	<hr/> <hr/> \$ 5,360,056	<hr/> <hr/> \$ 5,016,696
<b>LIABILITIES AND FUND BALANCES</b>		
Current liabilities		
Accounts payable and accrued liabilities (note 6)	\$ 918,495	\$ 850,407
Deferred revenue (note 7)	1,097,029	1,272,356
	<hr/> 2,015,524	<hr/> 2,122,763
Commitments (note 8)		
Fund balances (note 9)		
Internally Restricted Funds (note 10)	2,314,632	1,864,355
Endowment Fund	196,298	196,298
Invested in Property and Equipment Fund	134,468	189,519
Unrestricted Fund	699,134	643,761
	<hr/> 3,344,532	<hr/> 2,893,933
	<hr/> <hr/> \$ 5,360,056	<hr/> <hr/> \$ 5,016,696

See accompanying notes

On behalf of the Board:

Director 

Director 

**ALZHEIMER SOCIETY OF ONTARIO**  
**Statement of Revenue and Expenses**  
**Year ended March 31**

	<b>2012</b>	<b>2011</b>
Revenue		
Net fund development revenue (note 11)	\$ 6,777,944	\$ 5,566,379
Grants	342,951	467,959
Investment income	65,088	142,277
Other	187,409	57,840
	<hr/>	<hr/>
	7,373,392	6,234,455
Expenses (note 12)		
Alzheimer Society of Canada operating cost assessment (note 8(b))	1,701,027	1,544,082
Public policy and program initiatives	977,596	830,449
Marketing and communications	277,917	289,336
Finance and operations	284,293	258,064
Governance	328,866	327,231
	<hr/>	<hr/>
	3,569,699	3,249,162
Alzheimer Knowledge Exchange program (note 7)	333,121	227,281
Ontario Caregiver Coalition	9,831	6,984
First Link program	-	16,433
Behavioural Support Systems (note 7)	-	217,261
	<hr/>	<hr/>
	3,912,651	3,717,121
Operating surplus	3,460,741	2,517,334
Member chapter contributions for research	292,643	186,880
Research contributions (note 8(c))	(2,218,340)	(1,495,511)
Net surplus	1,535,044	1,208,703
Revenue sharing - member chapters (note 8(b))	(1,084,445)	(1,037,343)
Excess of revenue over expenses before other item	450,599	171,360
Other item		
Research contributions funded by the Campaign Fund	-	(417,192)
Excess (deficiency) of revenue over expenses	<hr/> <hr/>	<hr/> <hr/>
	\$ 450,599	\$ (245,832)
Excess (deficiency) of revenue over expenses:		
Research contribution allocated to the internally restricted fund	\$ 400,000	\$ -
Remaining excess (deficiency) of revenue over expenses	50,599	(245,832)
Excess (deficiency) of revenue over expenses	<hr/> <hr/>	<hr/> <hr/>
	\$ 450,599	\$ (245,832)

**See accompanying notes**

**ALZHEIMER SOCIETY OF ONTARIO**  
**Statement of Changes in Fund Balances**  
**Year ended March 31**

	2012				2011	
	Internally Restricted (note 10)	Endowment Fund	Invested in Property and Equipment Fund	Unrestricted Fund	Total	Total
Fund balances, beginning of year	\$ 1,864,355	\$ 196,298	\$ 189,519	\$ 643,761	\$ 2,893,933	\$ 3,139,765
Excess (deficiency) of revenue over expenses	400,000	-	(60,263)	110,862	450,599	(245,832)
Invested in property and equipment	-	-	5,212	(5,212)	-	-
Transfer to internally restricted fund (note 8(b))	50,277	-	-	(50,277)	-	-
<b>Fund balances, end of year</b>	<b>\$ 2,314,632</b>	<b>\$ 196,298</b>	<b>\$ 134,468</b>	<b>\$ 699,134</b>	<b>\$ 3,344,532</b>	<b>\$ 2,893,933</b>

**See accompanying notes**

**ALZHEIMER SOCIETY OF ONTARIO**  
**Statement of Cash Flows**  
**Year ended March 31**

	2012	2011
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 450,599	\$ (245,832)
Items not involving cash		
Unrealized investment gains	(1,518)	(98,819)
Amortization of property and equipment	60,263	63,270
	<u>509,344</u>	<u>(281,381)</u>
Net change in non-cash during the year		
Accounts receivable	(690,598)	369,003
Prepaid expenses	21,568	(3,510)
Accounts payable and accrued liabilities	68,088	459,111
Support payable to member chapters	-	(3,643)
Deferred revenue	(175,327)	1,036,994
	<u>(776,269)</u>	<u>1,857,955</u>
Cash flows from operating activities	<u>(266,925)</u>	<u>1,576,574</u>
Investing activities		
Additions to investments	(22,367)	(36,837)
Additions to property and equipment	(5,212)	(2,263)
Cash flows from investing activities	<u>(27,579)</u>	<u>(39,100)</u>
Increase (decrease) in cash and cash equivalents during the year	(294,504)	1,537,474
Cash and cash equivalents, beginning of year	2,610,865	1,073,391
Cash and cash equivalents, end of year	<u>\$ 2,316,361</u>	<u>\$ 2,610,865</u>

Cash and cash equivalents consist of the following:

Cash on hand and in banks for operations, bearing interest at 0.00% to 0.80%	\$ 944,854	\$ 620,803
Cash held for First Link and other programs (note 7)	35,797	167,774
Deposits bearing interest at 1.00% to 2.15%	1,335,710	1,822,288
	<u>\$ 2,316,361</u>	<u>\$ 2,610,865</u>

See accompanying notes



# ALZHEIMER SOCIETY OF ONTARIO

## Notes to Financial Statements

Year ended March 31, 2012

### 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 generally accepted accounting principles, using the deferral method of reporting restricted contributions.

#### 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.

#### 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.

#### Financial instruments

The Canadian Institute of Charter Accountants (CICA) provides a choice for financial instruments presentation and disclosure and the Society has chosen to continue to apply Financial Instruments - Disclosure and Presentation, Section 3861 in place of Financial Instruments - Disclosure, Section 3862 and Financial Instruments - Presentation, Section 3863. Had the Society adopted the new standards, there would have been increased emphasis on risk disclosures including both qualitative and quantitative information about the exposures to the Society.

The Society's financial instruments comprise cash and cash equivalents, accounts receivable, investments and accounts payable.

# ALZHEIMER SOCIETY OF ONTARIO

## Notes to Financial Statements

Year ended March 31, 2012

### 2. Summary of significant accounting policies - continued

#### Financial instruments - continued

The Society designates its cash and cash equivalents and investments as held-for-trading, which are measured at fair value, accounts receivable as loans and receivables, which are measured at amortized cost, and accounts payable as other financial liabilities, which are measured at amortized cost.

The carrying values of the cash and cash equivalents, accounts receivable and accounts payable approximate their fair value or amortized cost due to their short-term maturities. The fair value of the investments as at March 31, 2012 is disclosed in note 4.

#### 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 and web site development. Leasehold improvements are amortized on a straight-line basis over the remaining term of the lease.

#### Interfund transfers and allocations

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

#### 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).

#### 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.

#### Use of estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles 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 balance sheet date and the reported amounts of revenue and expenses for the year then ended. Actual results may differ from such estimates.

#### Future accounting changes

The Canadian Accounting Standards Board has issued new accounting standards for not-for-profit organizations effective fiscal years beginning on or after January 1, 2012, with earlier adoption permitted. The Society is reviewing the impact of the new standards on the financial statements, but does not expect that they will be significant.

# ALZHEIMER SOCIETY OF ONTARIO

## Notes to Financial Statements

Year ended March 31, 2012

### 3. Accounts receivable

	2012	2011
Alzheimer Society of Canada	\$ 747,745	\$ 139,313
Member chapters	67,644	62,956
Other	133,405	55,927
	<u>\$ 948,794</u>	<u>\$ 258,196</u>

### 4. Investments

The fair value of investments was as follows:

	2012	2011
Common stocks and equities	\$ 1,160,099	\$ 1,116,285
Fixed income	673,429	629,355
Cash and cash equivalents	96,086	160,089
	<u>\$ 1,929,614</u>	<u>\$ 1,905,729</u>

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

The fixed income investments mature from June 2012 to June 2026 and earn interest at rates of 1.39% to 9.95%.

The cash and cash equivalents is comprised of cash on hand and Canada treasury bills maturing May 2012.

### 5. Property and equipment

	2012			2011
	Cost	Accumulated Amortization	Net	Net
Furniture and equipment	\$ 127,935	\$ 85,283	\$ 42,652	\$ 68,236
Computer equipment	310,762	305,159	5,603	22,134
Leasehold improvements	129,331	43,118	86,213	99,149
	<u>\$ 568,028</u>	<u>\$ 433,560</u>	<u>\$ 134,468</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.

**ALZHEIMER SOCIETY OF ONTARIO**  
**Notes to Financial Statements**  
**Year ended March 31, 2012**

**6. Accounts payable and accrued liabilities**

	<b>2012</b>	<b>2011</b>
Alzheimer Society of Canada	\$ 57,508	\$ 236,764
Tanz Centre for Research in Neurodegenerative Disease	538,000	350,000
Other	322,987	263,643
	<u>\$ 918,495</u>	<u>\$ 850,407</u>

**7. Deferred revenue**

	<b>April 1, 2011 Opening Balance</b>	<b>Increase</b>	<b>Decrease</b>	<b>March 31, 2012 Closing Balance</b>
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 (b)	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
Wandering Prevention program (c)	-	150,000	-	150,000
U-First program	-	46,953	-	46,953
Other	82,453	-	38,023	44,430
	<u>\$ 1,272,356</u>	<u>\$ 577,403</u>	<u>\$ 752,730</u>	<u>\$ 1,097,029</u>

- (a) The Alzheimer Knowledge Exchange (AKE) is supported by a grant from the Ministry of Health and Long Term Care program 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 research contribution of \$500,000 was to be distributed equally in fiscals 2012 and 2013. 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 2012, the Society received \$150,000 from the Ontario Seniors' Secretariat to initiate the Wandering Prevention program in various targeted cultural communities. The purpose of the program is to reduce the missing incidents of 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, 2012

### 8. 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:

2013	\$ 107,553
2014	111,771
2015	120,207
2016	120,207
2017	120,207
Subsequent years	200,344
	<hr/>
	\$ 780,289

#### (b) Federation agreements

In April 2009, the Society entered into a new 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 11). 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 10).

**ALZHEIMER SOCIETY OF ONTARIO**  
**Notes to Financial Statements**  
**Year ended March 31, 2012**

**8. Commitments - continued**

(c) Research contributions

In September 2007, the Society and its member chapters pledged to provide a minimum of \$1,500,000 during the period November 1, 2008 to December 1, 2011 to the Tanz Centre for Research in Neurodegenerative Diseases (CRND). During the 2010 fiscal year, the Society revised the terms of the pledge commitment so that \$150,000 would be paid annually for the first three years, after which future payments would be determined. The total pledge of \$1,500,000 has not been adjusted. The Society and Ontario member chapters have made payments totalling \$1,500,000 (2011 - \$708,092) through March 31, 2012, fulfilling this pledge. During the year, the Society made \$788,000 in contributions from operations. The balance of approximately \$4,000 was contributed by an Ontario member chapter.

In addition, the Society and Ontario member chapters made contributions totalling \$1,430,340 (2011 - \$1,295,511) to the Alzheimer Society of Canada Unified Research Program.

**9. 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 is to manage the liquidity risk of the Society. The balance in this fund is reviewed periodically to reflect changing liquidity requirements.

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.

Endowment Fund

In accordance with the terms of certain donations, principal amounts of monies received by the Society shall be maintained in perpetuity. As per Board policy, realized investment income from such investments must be used to support medical research of Alzheimer's disease unless otherwise directed by the donor.

During the year, realized investment income on endowments was \$2,358 (2011 - \$5,169) and was disbursed in accordance with the terms of the endowment.

Invested in Property and Equipment Fund

This fund comprises the net unamortized balance of property and equipment owned by the Society.

# ALZHEIMER SOCIETY OF ONTARIO

## Notes to Financial Statements

Year ended March 31, 2012

### 9. Fund balances - continued

#### 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.

### 10. Internally restricted funds

Fund	Opening Balance	Excess of Revenue Over Expenditures	Transfers (note 8(b))	Closing Balance
Fiscal Strength	\$ 1,300,000	\$ -	\$ -	\$ 1,300,000
Working Capital	500,000	-	-	500,000
Research Contributions	-	400,000	-	400,000
Strategic Investment	64,355	-	50,277	114,632
<b>Total</b>	<b>\$ 1,864,355</b>	<b>\$ 400,000</b>	<b>\$ 50,277</b>	<b>\$ 2,314,632</b>

During the last quarter of fiscal 2012, 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 \$400,000 of these funds to additional contributions for research in fiscal 2013. 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 \$400,000 will be disbursed in fiscal 2013.

### 11. Net fund development revenue

	2012	2011
Bequests	\$ 1,294,033	\$ 1,256,469
Direct response (note 8(b))	5,004,217	4,141,384
Donations	1,019,803	654,106
Other	-	65,000
	7,318,053	6,116,959
Less: Fund development expenses	540,109	550,580
	<b>\$ 6,777,944</b>	<b>\$ 5,566,379</b>

## ALZHEIMER SOCIETY OF ONTARIO

### Notes to Financial Statements

Year ended March 31, 2012

#### 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.

Summary of expenses:

	2012	2011
Facilities and office	\$ 326,242	\$ 340,280
Professional fees and consulting	53,331	66,951
Amortization	60,263	63,270
	<hr/>	<hr/>
	\$ 439,836	\$ 470,501

Summary of allocations:

	2012	2011
Fund development	\$ 87,967	\$ 117,626
Public policy and program initiatives	206,723	169,380
Marketing and communications	65,975	84,690
Finance and operations	79,171	98,805
	<hr/>	<hr/>
	\$ 439,836	\$ 470,501

#### 13. Financial instruments

It is management's opinion that the Society is not exposed to significant interest, currency or credit risk arising from its financial instruments.

#### 14. Objectives, policies and processes for managing capital

The Society defines its capital as the amounts included in its fund balances. The Society's objective when managing its capital is to safeguard the Society's ability to continue to operate as a going concern so that it can continue to provide programs and services in line with its mission and vision.

Management develops annual budgets that are submitted to the Finance Committee for review. The budgets are developed to ensure the Society has the proper cash flow to fund operations and capital expenditures. A recommendation is made from the Committee to the Board for approval of the budgets. Management compares actual results to these budgets and reports these results to the Finance Committee and Board for quarterly review.

A portion of the Society's capital is restricted in that the organization is required to meet certain requirements in order to utilize its externally restricted fund balance, as described in note 9. The Society has internal control processes to ensure that the restrictions are met prior to the utilization of these resources and has been in compliance with these restrictions throughout the year.

#### 15. Comparative figures

Certain comparative figures have been reclassified from those previously presented to conform to the presentation of the 2012 financial statements.