

**AMYOTROPHIC LATERAL SCLEROSIS (ALS)  
SOCIETY OF ALBERTA**

**Financial Statements**

**For the Year Ended December 31, 2013**

**Amyotrophic Lateral Sclerosis (ALS) Society of Alberta**  
**Index to the Financial Statements**  
**For the Year Ended December 31, 2013**

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## INDEPENDENT AUDITOR'S REPORT

To the Members of Amyotrophic Lateral Sclerosis (ALS) Society of Alberta:

### Report on the financial statements

We have audited the accompanying financial statements of Amyotrophic Lateral Sclerosis (ALS) Society of Alberta, which comprise the statement of financial position as at December 31, 2013, and the statements of operations, changes in net assets and cash flows for the year then ended December 31, 2013, and a summary of significant accounting policies and other explanatory information.

### Management's responsibility for 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 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.

### Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations and fundraising, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenue was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to contributions, excess of revenue over expenses, current assets and net assets.

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

*(Continues...)*

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PROFESSIONAL ACCOUNTANTS

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## INDEPENDENT AUDITOR'S REPORT

### 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 Amyotrophic Lateral Sclerosis (ALS) Society of Alberta as at December 31, 2013, and the results of its operations and its cash flows for the year then ended December 31, 2013 and in accordance with Canadian accounting standards for not-for-profit organizations.

### Restatement of Financial Statements

Without modifying our opinion, we draw attention to Note 10 to the financial statements for the years ended December 31, 2013 and 2012 which indicates that these financial statements have been restated from those on which we originally reported on May 13, 2013 and discusses more extensively the reason for the restatement.

*Calvista LLP*  
Professional Accountants

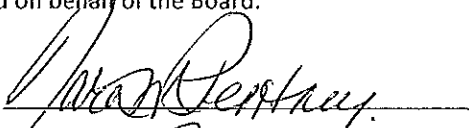
May 12, 2014  
Calgary, Alberta, Canada

**Amyotrophic Lateral Sclerosis (ALS) Society of Alberta**  
**Statement of Financial Position**  
**For the Year Ended December 31, 2013**

	2013	2012 Restated (Note 10)
<b>ASSETS</b>		
<b>Current</b>		
Cash and cash equivalents	\$ 2,422,360	\$ 838,924
Short term investments (Note 3)	566,125	534,084
Goods and services tax recoverable	11,481	11,010
Prepaid expenses	38,016	22,467
	<u>3,037,982</u>	<u>1,406,485</u>
Property and equipment (Note 4)	<u>668,528</u>	<u>667,833</u>
	<u>\$ 3,706,510</u>	<u>\$ 2,074,318</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	<u>\$ 261,128</u>	<u>\$ 114,075</u>
<b>Deferred contributions</b>		
related to operations (Note 5)	1,246,879	37,955
related to property and equipment (Note 5)	<u>235,671</u>	<u>231,839</u>
	<u>1,482,550</u>	<u>269,794</u>
	<u>1,743,678</u>	<u>383,869</u>
<b>Net assets</b>		
Invested in property and equipment	432,858	435,994
Unrestricted	<u>1,529,974</u>	<u>1,254,455</u>
	<u>1,962,832</u>	<u>1,690,449</u>
	<u>\$ 3,706,510</u>	<u>\$ 2,074,318</u>

Approved on behalf of the Board:

Director:



Director:



**Amyotrophic Lateral Sclerosis (ALS) Society of Alberta**  
**Statement of Operations**  
**For the Year Ended December 31, 2013**

	2013	2012 Restated (Note 10)
<b>Revenue</b>		
Walk for ALS (Note 8)	\$ 680,806	\$ 685,979
Betty's run for ALS (Note 8)	620,323	574,855
Donations	499,933	544,651
Third party fundraisers (Note 8)	382,349	340,113
Other	186,027	120,047
Fundraising	179,920	157,608
Amortization of deferred contributions related to property and equipment (note 5)	107,543	103,753
	<u>2,656,901</u>	<u>2,527,006</u>
<b>Expenses</b>		
Research	421,236	366,448
Equipment purchase and repairs	406,138	340,308
Client services	374,895	334,728
Administration	344,061	345,511
Amortization	322,375	334,801
Fundraising (Note 8)	229,426	300,244
Betty's run (Note 8)	115,490	107,326
Volunteer expense	78,896	81,266
Awareness	40,980	53,014
Resource development	34,540	33,150
Partnership support	18,429	35,174
Advocacy	4,385	1,257
Education	1,988	6,651
	<u>2,392,839</u>	<u>2,339,878</u>
<b>Excess of revenue over expenses before other income (expenses)</b>	<u>264,062</u>	<u>187,128</u>
<b>Other income (expenses)</b>		
Interest income	16,170	16,700
Loss on sale of investments	(2,987)	-
Unrealized loss on investment	(4,862)	-
	<u>8,321</u>	<u>16,700</u>
<b>Excess of revenue over expenses</b>	<u>\$ 272,383</u>	<u>\$ 203,828</u>

**Amyotrophic Lateral Sclerosis (ALS) Society of Alberta**  
**Statement of Changes in Net Assets**  
**For the Year Ended December 31, 2013**

	Invested in property and equipment	Unrestricted	2013	2012 Restated (Note 10)
Balance, beginning of year	\$ 435,994	\$ 1,254,455	\$ 1,690,449	\$ 1,486,621
Excess of revenue over expenses	(214,832)	487,215	272,383	203,828
Interfund transfers	211,696	(211,696)	-	-
Balance, end of year	\$ 432,858	\$ 1,529,974	\$ 1,962,832	\$ 1,690,449

**Amyotrophic Lateral Sclerosis (ALS) Society of Alberta**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2013**

	2013	2012 Restated (Note 10)
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	\$ 272,383	\$ 203,828
Non-cash transactions		
Unrealized loss on investment	4,862	-
Loss on sale of investments	2,987	-
Donation of shares	(150,167)	-
Amortization of property and equipment	322,375	334,801
Amortization of deferred contributions - property and equipment	(107,543)	(103,753)
	<u>344,897</u>	<u>434,876</u>
Change in non-cash working capital		
Goods and services tax recoverable	(471)	(1,847)
Prepaid expenses	(15,549)	5,439
Accounts payable and accrued liabilities	147,053	58,536
Deferred contributions related to operations	91,959	(15,036)
	<u>570,876</u>	<u>481,968</u>
<b>INVESTING ACTIVITY</b>		
Purchase of short term investments	(381,138)	(15,396)
Proceeds on sale of short term investments	1,605,394	-
Purchase of property and equipment	(211,696)	(186,996)
	<u>1,012,560</u>	<u>(202,392)</u>
Increase in cash and cash equivalents	1,583,436	279,576
Cash and cash equivalents, beginning of the year	838,924	559,348
Cash and cash equivalents, end of the year	<u>\$ 2,422,360</u>	<u>\$ 838,924</u>



**Amyotrophic Lateral Sclerosis (ALS) Society of Alberta**  
**Notes to the Financial Statements**  
**For the Year Ended December 31, 2013**

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**1. PURPOSE OF THE ORGANIZATION**

The Amyotrophic Lateral Sclerosis (ALS) Society of Alberta (the "Society") is incorporated under the Societies Act of the Province of Alberta and is a registered charity. Under Section 149(1)(f) of the Income Tax Act it is therefore exempt from the payment of income tax. The mission of the Society is to make each day the best possible day for people living with and affected by amyotrophic lateral sclerosis by providing support, facilitating the provision of care, promoting awareness, helping find a cure and advocating for change.

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**2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations in Part III of the CPA Handbook, and in management's opinion, have been properly prepared within reasonable limits of materiality and within the framework of the significant accounting policies summarized below:

**a) Revenue recognition**

The Society follows the deferral method of accounting for externally restricted contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions and donations are recognized as revenue when received or receivable, if the amount to be received can be reasonably estimated and collection is reasonably assured.

**b) Cash and cash equivalents**

Cash consists of cash on hand balances with Canadian financial institutions. Cash equivalents consist of short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of change of value.

**c) Property and equipment**

Property and equipment are recorded at cost when purchased. Contributed property and equipment are recorded at fair market value when received. Property and equipment are amortized over their estimated useful lives at the following rates and methods:

Office furniture and equipment	6.7 years	straight-line
Client equipment	5 years	straight-line
Automotive equipment	5 years	straight-line
Computer software	3.3 years	straight-line

Equipment purchases with a cost below \$500 are expensed in the year.

**d) Goods and services tax**

Goods and services tax is recoverable at 50% as a rebate. The unrecoverable 50% is recorded as part of the expense with the rebate treated as a receivable.

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## Amyotrophic Lateral Sclerosis (ALS) Society of Alberta

Notes to the Financial Statements

For the Year Ended December 31, 2013

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (...Continued)

#### e) Contributed materials and services

The Society, in common with many non-profit organizations, makes extensive use of volunteers and donated materials in conducting its activities. Donated materials are recorded at their fair market value with a corresponding amount recorded for donation revenue. No attempt has been made to quantify the value of volunteer services in these financial statements.

#### f) Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value. It subsequently measures all of its financial assets and financial liabilities at amortized cost.

The financial assets measured at amortized cost include cash and cash equivalents. The financial assets measured at fair value include short term investments that are quoted in an active market. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

### 3. SHORT TERM INVESTMENTS

	2013	2012
Fixed income	\$ 429,847	\$ 364,172
Mutual funds	111,851	165,912
Common shares	20,427	-
Other	4,000	4,000
	<u>566,125</u>	<u>534,084</u>

### 4. PROPERTY AND EQUIPMENT

	Cost		Accumulated Amortization		Net Book Value	
	2013	2012	2013	2012	2013	2012 (Restated)
Client equipment	\$ 3,552,905	\$ 3,230,681	\$ (2,891,420)	\$ (2,574,163)	\$ 661,485	\$ 656,518
Office furniture and equipment	70,605	69,759	(63,562)	(58,444)	7,043	11,315
Computer software	12,964	12,964	(12,964)	(12,964)	-	-
	<u>\$ 3,636,474</u>	<u>\$ 3,313,404</u>	<u>\$ (2,967,946)</u>	<u>\$ (2,645,571)</u>	<u>\$ 668,528</u>	<u>\$ 667,833</u>

## Amyotrophic Lateral Sclerosis (ALS) Society of Alberta

Notes to the Financial Statements

For the Year Ended December 31, 2013

### 5. DEFERRED CONTRIBUTIONS

	Beginning Balance	Additions	Utilizations	Ending Balance
Dutton Estate Bequest (Note 12)	\$ -	\$ 1,116,965	\$ -	\$ 1,116,965
Casino	2,805	146,772	(72,663)	76,914
Anonymous donor	-	85,000	(50,000)	35,000
Designated donations	27,650	18,000	(27,650)	18,000
Betty's Run	2,500	-	(2,500)	-
Vehicles & Violins	5,000	-	(5,000)	-
Related to operations	37,955	1,366,737	(157,813)	1,246,879
Related to property and equipment	231,839	111,375	(107,543)	235,671
	\$ 269,794	\$ 1,478,112	\$ (265,356)	\$ 1,482,550

### 6. ADDITIONAL INFORMATION TO COMPLY WITH THE DISCLOSURE REQUIREMENTS OF THE ALBERTA CHARITABLE FUND-RAISING ACT AND REGULATIONS

Gross contributions received of \$1,758,575 (2012: \$1,388,308) were used for program activities throughout the year.

All expenses incurred for the purposes of soliciting contributions were \$379,586 (2012: \$440,718).

A total amount of \$349,091 (2012: \$407,901) was paid for fund-raising activities. Salaries and related cost was \$33,114 (2012: \$32,817).

### 7. LEASE COMMITMENTS

The Society has lease commitments for the office and storage in Calgary and Edmonton. The lease on Calgary storage commenced February 1, 2012 and will expire on June 29, 2016. The leases on the Calgary and Edmonton offices will expire on May 31, 2016 and February 28, 2015 respectively.

Future minimum lease payments:

	Calgary		Edmonton		Total
	Office	Storage	Office		
2014	\$ 26,680	\$ 28,560	\$ 15,568	\$	70,808
2015	26,680	28,560	2,595		57,835
2016	11,117	14,280	-		25,397

In addition, the Society has entered into a lease agreement for a photocopier and a mail machine. The Society's future minimum lease payments for the photocopier and mail machine are as follows:

2014	\$ 5,088
2015	1,434

**Amyotrophic Lateral Sclerosis (ALS) Society of Alberta**  
Notes to the Financial Statements  
For the Year Ended December 31, 2013

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**8. FUNDRAISING EVENTS**

The revenue and expenses for the Walk for ALS, Betty's Run, and third party fundraising includes gifts in kind.

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**9. FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash and cash equivalents, short term investments, and accounts payable and accrued liabilities.

The Society can be exposed to various risks through its financial instruments. It is managements opinion that the Society is not exposed to significant market, interest, or credit risk.

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**10. PRIOR PERIOD RESTATEMENT**

During the current year, it was determined that prior years amortization of deferred contributions related to property and equipment revenue and, amortization expense were incorrectly reported. The following table shows the previously reported, adjusted and restated amounts, and the effects on the statements of financial position, operations and changes in net assets for the year ended December 31, 2012:

	2012		
	Previously Reported	Adjustment amounts	Restated amounts
Property and equipment	\$ 604,208	\$ 63,625	\$ 667,833
Deferred contributions related to property and equipment	65,100	166,739	231,839
Invested in property and equipment	539,108	(103,114)	435,994
Amortization of deferred contributions related to property and equipment	203,531	(99,778)	103,753
Amortization	398,426	(63,625)	334,801

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**11. COMPARATIVE FIGURES**

Certain comparative figures have been reclassified to conform with the current year's presentation.

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**12. CONTINGENT ASSET**

On July 3, 2013, the Society was named as a residuary beneficiary of the Dutton Estate (the "Estate"). As a result, the Society is entitled to receive a portion of the Estate once the assets are sold. The funds are used for the purchase of equipment and ancillary activities directly related to the equipment supply program. As of December 31, 2013, the amount of \$1,116,965 was received. The remaining amount to be received cannot be determined therefore has not been reflected in the financial statements.

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