

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

**Financial Statements**

**December 31, 2016**

**AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA**  
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**For the Year Ended December 31, 2016**

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## INDEPENDENT AUDITOR'S REPORT

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

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, 2016 and the statements of operations, changes in net assets 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 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.

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

### Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Amyotrophic Lateral Sclerosis (ALS) Society of Alberta as at December 31, 2016 and the results of its operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Calgary, Alberta  
May 29, 2017

*Calvista LLP*  
Chartered Professional Accountants

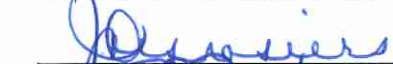

**AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA**

**Statement of Financial Position**

**As at December 31, 2016**

	2016	2015
<b>Assets</b>		
Current		
Cash and cash equivalents	\$ 871,999	\$ 1,263,399
Short term investments (Note 3)	2,751,986	2,839,871
Accounts receivable	4,225	28,878
Goods and services tax recoverable	31,273	14,550
Prepaid expenses	38,505	37,999
	<u>3,697,988</u>	<u>4,184,697</u>
Property and equipment (Note 4)	<u>947,880</u>	<u>815,388</u>
	<u>\$ 4,645,868</u>	<u>\$ 5,000,085</u>
<b>Liabilities</b>		
Current		
Accounts payable and accrued liabilities	\$ 117,075	\$ 91,368
Current portion of lease inducement (Note 9)	3,824	-
	<u>120,899</u>	<u>91,368</u>
Deferred contributions related to operations (Note 5)	1,322,552	1,814,278
Deferred contributions related to property and equipment (Note 6)	320,008	255,518
Long term portion of lease inducement (Note 9)	3,824	-
	<u>1,767,283</u>	<u>2,161,164</u>
<b>Net Assets</b>		
Invested in property and equipment	627,872	559,870
Internally restricted (Note 12)	354,172	354,172
Unrestricted	1,896,541	1,924,879
	<u>2,878,585</u>	<u>2,838,921</u>
	<u>\$ 4,645,868</u>	<u>\$ 5,000,085</u>

ON BEHALF OF THE BOARD

 \_\_\_\_\_ Director  
 \_\_\_\_\_ Director

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

**AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA****Statement of Operations****For the Year Ended December 31, 2016**

	2016	2015
<b>Revenue</b>		
Donations	\$ 1,090,220	\$ 1,176,544
Walk for ALS	644,151	612,182
Betty's run for ALS	470,094	550,465
Third party fundraisers	410,164	466,242
Amortization of deferred contributions related to property and equipment	145,914	125,461
Other	83,607	43,349
Fundraising	83,401	200,849
	<u>2,927,551</u>	<u>3,175,092</u>
<b>Expenses</b>		
Equipment purchase and repairs	802,456	684,125
Client services	521,161	418,771
Administration	464,801	418,300
Amortization	417,807	381,458
Research expense- ALS Canada	317,584	340,132
Fundraising	200,717	210,139
Volunteers	89,766	79,029
Betty's run	88,834	130,678
Resource development	45,896	87,295
Awareness	44,875	53,677
Partnership support	9,634	16,528
Education	2,191	5,025
Advocacy	908	1,492
	<u>3,006,630</u>	<u>2,826,649</u>
<b>Excess (deficiency) of revenue over expenses from operations</b>	<u>(79,079)</u>	<u>348,443</u>
<b>Other income</b>		
Interest income	60,755	10,830
Unrealized gain (loss) on investments	42,129	(26,684)
Capital gain distributions	81,661	198,360
Loss on sale of investment	(65,802)	(437)
	<u>118,743</u>	<u>182,069</u>
<b>Excess of revenue over expenses</b>	<u>\$ 39,664</u>	<u>\$ 530,512</u>

**AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA**  
**Statement of Changes in Net Assets**  
**For the Year Ended December 31, 2016**

	Invested in property and equipment	Internally restricted (Note 12)	Unrestricted	2016	2015
<b>Net assets - beginning of year</b>	\$ 559,870	\$ 354,172	\$ 1,924,879	\$ 2,838,921	\$ 2,308,409
Excess (deficiency) of revenue over expenses	(271,894)	-	311,558	39,664	530,512
Net purchase of property and equipment	339,896	-	(339,896)	-	-
<b>Net assets - end of year</b>	<b>\$ 627,872</b>	<b>\$ 354,172</b>	<b>\$ 1,896,541</b>	<b>\$ 2,878,585</b>	<b>\$ 2,838,921</b>

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

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

**Statement of Cash Flows**

**For the Year Ended December 31, 2016**

	2016	2015
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 39,664	\$ 530,512
Items not affecting cash:		
Amortization	417,807	381,458
Loss on sale of investments	65,802	437
Lease inducement	7,648	-
Unrealized loss (gain) on investments	(42,129)	26,684
Interest reinvestment	(60,755)	(10,830)
Capital gain distributions reinvestment	(81,661)	(196,448)
Amortization of deferred contributions related to property and equipment	(145,914)	(125,461)
	<u>200,462</u>	<u>606,352</u>
Changes in non-cash working capital:		
Accounts receivable	24,653	86,666
Goods and services tax recoverable	(16,723)	(1,657)
Accounts payable and accrued liabilities	25,708	(20,772)
Deferred contributions related to operations	(491,725)	162,709
Prepaid expenses	(506)	24,977
	<u>(458,593)</u>	<u>251,923</u>
Cash flows from (used by) operating activities	<u>(258,131)</u>	<u>858,275</u>
<b>Investing activities</b>		
Purchases of property and equipment	(389,007)	(368,533)
Purchases of short term investments	-	(894,335)
Redemption of short term investments	206,629	-
Cash flow used by investing activities	<u>(182,378)</u>	<u>(1,262,868)</u>
<b>Financing activity</b>		
Restricted capital funds received	49,109	26,660
<b>Decrease in cash flows</b>	<u>(391,400)</u>	<u>(377,933)</u>
Cash and cash equivalents - beginning of year	<u>1,263,399</u>	<u>1,641,332</u>
<b>Cash and cash equivalents - end of year</b>	<u>\$ 871,999</u>	<u>\$ 1,263,399</u>

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

**Notes to Financial Statements**

**For the Year Ended December 31, 2016**

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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 Canada 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:

Revenue recognition

The Society follows the deferral method of accounting for externally restricted contributions. 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.

Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Restricted contributions related to property and equipment are recognized in revenue using the same rates and methods to amortize the assets to which the contribution relate.

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.

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:

Client equipment	5 years	straight-line
Motor vehicles	3.3 years	Straight-line
Computer software	3.3 years	straight-line
Furniture and fixtures	6.7 years	straight-line

The Society regularly reviews its property and equipment to eliminate obsolete items. Property and equipment purchases with a cost below \$2,000 are expensed in the year.

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 Financial Statements

For the Year Ended December 31, 2016

### 2. Summary of significant accounting policies (continued)

#### 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 as expenses 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.

#### 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 and accounts receivable. 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

	<u>2016</u>	<u>2015</u>
Mutual funds	\$ 2,747,936	\$ 2,659,880
Other	4,050	4,050
Fixed income	-	175,941
	<u>\$ 2,751,986</u>	<u>\$ 2,839,871</u>

### 4. Property and equipment

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2016 Net book value</u>	<u>2015 Net book value</u>
Client equipment	\$ 4,892,532	\$ 3,991,484	\$ 901,048	\$ 782,347
Motor vehicles	66,196	27,857	38,339	18,663
Computer software	21,639	20,771	868	3,470
Furniture and fixtures	82,150	74,525	7,625	10,908
	<u>\$ 5,062,517</u>	<u>\$ 4,114,637</u>	<u>\$ 947,880</u>	<u>\$ 815,388</u>

# AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA

## Notes to Financial Statements

For the Year Ended December 31, 2016

### 5. Deferred contributions related to operations

Deferred contributions related to operations is funding received for future period operations.

	2015	Additions	Utilizations	2016
Dutton Estate Bequest	\$ 1,421,791	\$ 439,092	\$ 720,000	\$ 1,140,883
Ice Bucket Challenge	328,559	-	210,046	118,513
Casino	63,928	69,821	83,190	50,559
Support for Champions	-	19,149	15,064	4,085
Restricted grants	-	1,500	-	1,500
Betty's Run	-	6,512	-	6,512
ALS Walk	-	500	-	500
	<u>\$ 1,814,278</u>	<u>\$ 536,574</u>	<u>\$ 1,028,300</u>	<u>\$ 1,322,552</u>

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. The final distribution of \$439,092 was received in 2016. The total amount of distribution received was \$2,564,742.

### 6. Deferred contributions related to property and equipment

Contributions received for property and equipment are deferred and amortized over the useful life of the asset.

	2015	Additions	Utilizations	2016
	\$ 255,518	\$ 210,404	\$ 145,914	\$ 320,008

### 7. Additional information to comply with the disclosure requirements of the Alberta Charitable Fundraising Act and Regulations

Gross contributions received were \$1,524,410 (2015: \$1,736,608). All expenses incurred for the purposes of soliciting contributions were \$332,523 (2015: \$422,839). A total amount \$289,551 (2015: \$338,379) was paid for fund-raising activities. Salaries and related cost was \$42,972 (2015: \$84,460).

# AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA

## Notes to Financial Statements

For the Year Ended December 31, 2016

### 8. Lease commitments

The Society has lease commitments for the office and storage in Calgary and Edmonton.

The lease agreement for Calgary office's previous location expired on May 31, 2016. The Society signed a new lease agreement for Calgary office's current location on January 9, 2016. The new lease commenced on February 15, 2016 and will expire on December 30, 2018 with a two month free rent period. On February 3, 2016, the Society signed another lease agreement for Calgary office's current location to extend the lease term for another seven years, which will commence on January 1, 2019 and will expire on December 31, 2025 with a three month free rent period.

The lease agreement for Calgary storage commenced on February 1, 2012 and expired on June 29, 2016.

The lease agreement for Edmonton office commenced on January 1, 2014 and will expire on December 31, 2018.

Future minimum lease payments:

	Calgary Office	Edmonton Office	Total
2017	\$ 74,331	\$ 30,800	\$ 105,131
2018	74,331	30,800	105,131
2019	52,651	-	52,651
2020	71,578	-	71,578
2121	71,578	-	71,578
	<u>\$ 344,469</u>	<u>\$ 61,600</u>	<u>\$ 406,069</u>

In addition, the Society has entered into the lease agreements for a photocopier and a mail machine with lease term 48 months commenced in June 2015. The Society's future minimum lease payments for the photocopier and mail machine are as follows:

2017	\$ 4,992
2018	4,992
2019	1,248

### 9. Lease inducement

The Society received 2 months of free rent beginning on February 15, 2016 for Calgary office lease. These lease inducements will be reported as a reduction to rent expenses in the financial statements for the current year and the upcoming two years.

	2016	2015
Lease inducement, beginning	\$ 10,994	\$ -
Amortization	(3,346)	-
Balance, end of the year	7,648	-
Less: current portion	(3,824)	-
Long term portion of lease inducement	<u>\$ 3,824</u>	<u>\$ -</u>

**AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA**  
**Notes to Financial Statements**  
**For the Year Ended December 31, 2016**

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**10. Donations and fundraising events**

In the current year \$720,000 (2015: \$703,859) was recorded as donations related to the utilization of Dutton Estate Bequest (note 5).

The following gifts in kind were received during the year:

	<u>2016</u>	<u>2015</u>
Betty's Run	\$ 89,645	\$ 79,000
Small equipments donations	48,646	22,757
Walk for ALS	12,000	61,167
Fundraising	19,213	6,082
	<u>\$ 169,504</u>	<u>\$ 169,006</u>

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**11. Financial instruments**

The Society's financial instruments consist of cash and cash equivalents, accounts receivable and accounts payable and accrued liabilities, all of which are reported at amortized cost. The Society's financial instruments also consist of short term investments, reported at fair value.

The Society can be exposed to various risks through its financial instruments. It is management's opinion that the Society is not exposed to significant interest risk and credit risk. Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate because of changes in the market prices. The Society exposed to price risk in its short term investments.

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**12. Internally restricted**

During 2014, the Society raised \$354,172 Ice Bucket Challenge funds through the third parties other than ALS Canada. The funds have been restricted for client services by the board and cannot be used without board's approval.

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**13. Comparative figures**

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

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