

ALS SOCIETY OF ALBERTA
Financial Statements
December 31, 2017

ALS SOCIETY OF ALBERTA
Index to Financial Statements
For the Year Ended December 31, 2017

	Page
INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statement of Financial Position	2
Statement of Operations	3
Statement of Changes in Net Assets	4
Statement of Cash Flows	5
Notes to Financial Statements	6 - 10

INDEPENDENT AUDITOR'S REPORT

To the Members of ALS Society of Alberta:

We have audited the accompanying financial statements of ALS Society of Alberta (formerly the Amyotrophic Lateral Sclerosis Society of Alberta), which comprise the statement of financial position as at December 31, 2017 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.

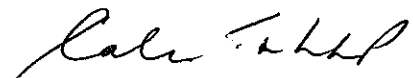
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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 ALS Society of Alberta as at December 31, 2017 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 23, 2018



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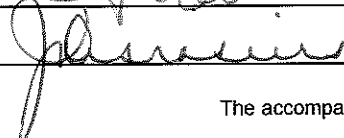
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ALS SOCIETY OF ALBERTA
Statement of Financial Position
As at December 31, 2017

	2017	2016
Assets		
Current		
Cash and cash equivalents	\$ 506,575	\$ 871,999
Short term investments (Note 3)	2,628,719	2,751,986
Accounts receivable	88,053	4,225
Goods and services tax recoverable	6,010	31,273
Prepaid expenses	38,779	38,505
	<u>3,268,136</u>	<u>3,697,988</u>
Property and equipment (Note 4)	883,831	947,880
	<u>\$ 4,151,967</u>	<u>\$ 4,645,868</u>
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 82,406	\$ 117,075
Current portion of lease inducement (Note 9)	3,824	3,824
	<u>86,230</u>	<u>120,899</u>
Deferred contributions related to operations (Note 5)	506,922	1,322,552
Deferred contributions related to property and equipment (Note 6)	303,882	320,008
Long term portion of lease inducement (Note 9)	-	3,824
	<u>897,034</u>	<u>1,767,283</u>
Net Assets		
Invested in property and equipment	579,949	627,872
Internally restricted (note 12)	354,172	354,172
Unrestricted	2,320,812	1,896,541
	<u>3,254,933</u>	<u>2,878,585</u>
	<u>\$ 4,151,967</u>	<u>\$ 4,645,868</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

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

ALS SOCIETY OF ALBERTA
Statement of Operations
For the Year Ended December 31, 2017

	2017	2016
Revenue		
Donations	\$ 1,220,831	\$ 1,090,220
Walk for ALS	654,791	644,151
Betty's Run for ALS	487,386	470,094
Third party fundraisers	326,566	410,164
Amortization of deferred contributions related to property and equipment (Note 6)	149,764	145,914
Other	115,615	83,607
Fundraising	86,313	83,401
	<u>3,041,266</u>	<u>2,927,551</u>
Expenses		
Equipment purchase and repairs	762,664	799,248
Client services	484,187	519,570
Administration	437,020	472,222
Amortization	428,617	417,807
Research expense - ALS Canada	326,983	317,584
Fundraising	165,177	200,717
Betty's Run	148,836	88,834
Volunteers	90,984	85,564
Awareness	62,778	44,875
Resource development	59,322	47,477
Partnership support	5,368	9,634
Education	1,108	2,191
Advocacy	928	907
	<u>2,973,972</u>	<u>3,006,630</u>
Excess (deficiency) of revenue over expenses from operations	<u>67,294</u>	<u>(79,079)</u>
Other income		
Unrealized gain on investments	115,585	42,129
Capital gain distributions	101,539	81,661
Interest income	68,495	60,755
Gain (loss) on sale of investments	23,435	(65,802)
	<u>309,054</u>	<u>118,743</u>
Excess of revenue over expenses	<u>\$ 376,348</u>	<u>\$ 39,664</u>

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

ALS SOCIETY OF ALBERTA
Statement of Changes in Net Assets
For the Year Ended December 31, 2017

	Invested in property and equipment	Internally restricted (Note 12)	Unrestricted	2017	2016
Net assets - beginning of year	\$ 627,872	\$ 354,172	\$ 1,896,541	\$ 2,878,585	\$ 2,838,921
Excess (deficiency) of revenue over expenses	(278,849)	-	655,197	376,348	39,664
Net purchase of property and equipment	230,926	-	(230,926)	-	-
Net assets - end of year	\$ 579,949	\$ 354,172	\$ 2,320,812	\$ 3,254,933	\$ 2,878,585

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

ALS SOCIETY OF ALBERTA
Statement of Cash Flows
For the Year Ended December 31, 2017

	2017	2016
Operating activities		
Excess of revenue over expenses	\$ 376,348	\$ 39,664
Items not affecting cash:		
Amortization of property and equipment	428,617	417,807
Loss (gain) on sale of investment	(23,435)	65,802
Lease inducement	(3,824)	7,648
Unrealized gain on investments	(115,585)	(42,129)
Interest reinvestment	(68,495)	(60,755)
Capital gain distributions reinvestment	(101,539)	(81,661)
Amortization of deferred contributions related to property and equipment (Note 6)	(149,764)	(145,914)
	<u>342,323</u>	<u>200,462</u>
Changes in non-cash working capital:		
Accounts receivable	(83,828)	24,653
Goods and services tax recoverable	25,263	(16,723)
Accounts payable and accrued liabilities	(34,668)	25,708
Deferred contributions related to operations	(815,630)	(491,725)
Prepaid expenses	(274)	(506)
	<u>(909,137)</u>	<u>(458,593)</u>
Cash flows used by operating activities	<u>(566,814)</u>	<u>(258,131)</u>
Investing activities		
Purchase of property and equipment	(230,926)	(389,007)
Redemption of short term investments	432,316	206,629
Cash flows from (used by) investing activities	<u>201,390</u>	<u>(182,378)</u>
Financing activity		
Contributions received for equipment	-	49,109
Decrease in cash flows	<u>(365,424)</u>	<u>(391,400)</u>
Cash and cash equivalents - beginning of year	<u>871,999</u>	<u>1,263,399</u>
Cash and cash equivalents - end of year	<u>\$ 506,575</u>	<u>\$ 871,999</u>

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

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
For the Year Ended December 31, 2017

1. Purpose of the organization

The 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. During the year, the Society, which was originally incorporated as the Amyotrophic Lateral Sclerosis Society of Alberta, changed its name to ALS Society of Alberta.

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 acquired.

(continues)

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
For the Year Ended December 31, 2017

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 as 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 investments in equity securities traded in the open market at fair value, and all other 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 in mutual funds. The financial liabilities measured at amortized cost include accounts payable and accrued liabilities.

3. Short term investments

	<u>2017</u>	<u>2016</u>
Mutual funds, at fair value	\$ 2,624,670	\$ 2,747,936
Other	4,049	4,050
	<u>\$ 2,628,719</u>	<u>\$ 2,751,986</u>

4. Property and equipment

	<u>Cost</u>	<u>Accumulated amortization</u>	<u>2017 Net book value</u>	<u>2016 Net book value</u>
Client equipment	\$ 5,257,101	\$ 4,396,768	\$ 860,333	\$ 901,048
Motor vehicles	66,196	47,716	18,480	38,339
Furniture and fixtures	82,150	77,132	5,018	7,625
Computer software	21,639	21,639	-	868
	<u>\$ 5,427,086</u>	<u>\$ 4,543,255</u>	<u>\$ 883,831</u>	<u>\$ 947,880</u>

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
For the Year Ended December 31, 2017

5. Deferred contributions related to operations

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

	2016	Additions	Utilizations	2017
Dutton Estate Bequest	\$ 1,140,883	\$ -	\$ 810,526	\$ 330,357
Casino	50,559	146,510	86,168	110,901
Ice Bucket Challenge	118,513	-	59,052	59,461
Betty's Run	6,512	6,203	6,512	6,203
Support for Champions	4,085	-	4,085	-
Restricted grants	1,500	-	1,500	-
ALS Walk	500	-	500	-
	\$ 1,322,552	\$ 152,713	\$ 968,343	\$ 506,922

On July 3, 2013, the Society was named as a residuary beneficiary of the Dutton Estate (the "Estate"). As a result of this bequest, the Society was entitled to receive a portion of the Estate once the assets were sold. The funds were restricted for for the purchase of equipment and ancillary activities directly related to the equipment supply program. The final distribution of \$439,092, out of the total bequest of \$2,564,742, was received in 2016.

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.

	2016	Additions	Utilizations	2017
	\$ 320,008	\$ 133,638	\$ 149,764	\$ 303,882

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

Gross contributions received were \$1,615,252 (2016: \$1,524,410). All expenses incurred for the purposes of soliciting contributions were \$366,671 (2016: \$332,523). A total amount \$314,013 (2016: \$289,551) was paid for fund-raising activities. Salaries and related cost was \$52,658 (2016: \$42,972).

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
For the Year Ended December 31, 2017

8. Lease commitments

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

In 2016, the Society extended its lease in Calgary from its original expiry date of December 30, 2018 to December 31, 2025.

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

Future minimum lease payments are as follows:

	Calgary Office	Edmonton Office	Total
2018	\$ 74,331	\$ 30,800	\$ 105,131
2019	70,202	-	70,202
2020	71,578	-	71,578
2021	71,578	-	71,578
2022	72,955	-	72,955
	<u>\$ 360,644</u>	<u>\$ 30,800</u>	<u>\$ 391,444</u>

9. Lease inducement

As described in Note 8, as part of the Calgary lease extension, the Society received 2 months of free rent in 2016 under the lease in place at the time, which expired at December 31, 2018. This inducement is reported as a reduction of rent expense over the period of the lease in place at the time.

	2017	2016
Lease inducement, beginning	\$ 7,648	\$ 10,994
Amortization	<u>(3,824)</u>	<u>(3,346)</u>
Balance, end of the year	3,824	7,648
Less: current portion	<u>(3,824)</u>	<u>(3,824)</u>
Long term portion of lease inducement	<u>\$ -</u>	<u>\$ 3,824</u>

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
For the Year Ended December 31, 2017

10. Donations and fundraising events

In the current year \$810,526 (2016: \$720,000) of the Dutton Estate bequest described in Note 5 was utilized for its intended purposes and was recognized as donation revenue.

The following gifts in kind were received during the year:

	<u>2017</u>	<u>2016</u>
Donations of equipment (capital)	\$ 130,043	\$ 161,295
Betty's Run	85,384	12,000
Walk for ALS	71,400	89,645
Small equipment donations	33,455	48,646
Fundraising	15,604	19,213
	<u>\$ 335,886</u>	<u>\$ 330,799</u>

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, and short term investments in mutual funds, which are 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 market risk to which the Society is exposed is price risk in its short term investments. Management reduces this risk by application of an investment policy approved and monitored by the Board of Directors.

12. Internally restricted

During 2014, the Society received \$354,172 through the Ice Bucket Challenge. These contributions were accepted and distributed to the Society by third parties other than ALS Canada. The contributions have been restricted by the Board of Directors for client services and cannot be used without board's approval.

13. Comparative figures

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