

**AMYOTROPHIC LATERAL SCLEROSIS  
SOCIETY OF ALBERTA**

**Financial Statements**

**As at December 31, 2011**

**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Index to the Financial Statements**  
**Year Ended December 31, 2011**

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## INDEPENDENT AUDITOR'S REPORT

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**To the Members of Amyotrophic Lateral Sclerosis Society of Alberta:**

### **Report on the financial statements**

We have audited the accompanying financial statements of Amyotrophic Lateral Sclerosis Society of Alberta, which is comprised of the statement of financial position as at December 31, 2011, 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 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.

### **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 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 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.

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**INDEPENDENT AUDITOR'S REPORT (continued)**

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**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 Society of Alberta as at December 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.

*Thompson Penner & Co LLP*  
Certified General Accountants

May 8, 2012  
Calgary, Alberta, Canada

**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Statement of Financial Position**  
**As at December 31, 2011**

	2011	2010
<b>ASSETS</b>		
<b>Current</b>		
Cash	\$ 559,348	\$ 567,967
Short term investments (note 3)	518,688	502,558
Goods and Services Tax receivable	9,163	10,074
Prepaid expenses	27,906	24,272
	<u>1,115,105</u>	<u>1,104,871</u>
Property and equipment (note 4)	<u>703,301</u>	<u>653,945</u>
	<u>\$ 1,818,406</u>	<u>\$ 1,758,816</u>
<b>LIABILITIES AND NET ASSETS</b>		
<b>Current liabilities</b>		
Accounts payable and accrued liabilities	\$ 55,539	\$ 115,385
Deferred contributions related to operations (note 6)	52,991	35,656
Deferred contributions related to property and equipment (note 6)	154,244	208,255
Restricted for future period property and equipment (note 6)	2,050	-
	<u>264,824</u>	<u>359,296</u>
<b>Net assets</b>		
Invested in property and equipment	549,057	445,686
Internally restricted (note 9)	20,000	-
Unrestricted	984,525	953,834
	<u>1,553,582</u>	<u>1,399,520</u>
	<u>\$ 1,818,406</u>	<u>\$ 1,758,816</u>

Approved on behalf of the Board:

Director: Shelley Engstrom

Director: Frank Kentney

**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Statement of Operations**  
**For the Year Ended December 31, 2011**

	2011	2010
<b>Revenue</b>		
Walk for ALS (note 7)	\$ 628,545	\$ 534,711
Betty's Run for ALS (note 7)	543,472	468,039
Donations	284,934	252,193
Third party fundraisers	189,765	311,028
Fundraising	161,594	221,720
Other	190,121	132,316
Gift in kind donations	7,598	5,610
Amortization of deferred contributions related to property and equipment	180,654	155,325
	<u>2,186,683</u>	<u>2,080,942</u>
<b>Expenses</b>		
Research	334,730	310,419
Administration	329,403	349,484
Equipment purchase and repairs	311,633	303,301
Fundraising	215,519	196,124
Client services	210,833	243,617
Betty's run	107,137	98,003
Volunteer	86,501	75,857
Resource development	50,277	66,502
Awareness	34,915	7,051
Education	10,145	17,785
Advocacy	1,629	267
Amortization	339,899	264,847
	<u>2,032,621</u>	<u>1,933,257</u>
<b>Excess of revenue over expenses</b>	<u>\$ 154,062</u>	<u>\$ 147,685</u>

**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Statement of Changes in Net Assets**  
**For the Year Ended December 31, 2011**

	Invested in property and equipment	Internally restricted	Unrestricted	2011	2010
Balance, beginning of year	\$ 445,686	\$ -	\$ 953,834	\$ 1,399,520	\$ 1,251,835
Excess of revenue over expenses	(159,246)	-	313,308	154,062	147,685
Interfund transfers	262,617	20,000	(282,617)	-	-
Balance, end of year	\$ 549,057	\$ 20,000	\$ 984,525	\$ 1,553,582	\$ 1,399,520

**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Statement of Cash Flows**  
**For the Year Ended December 31, 2011**

	2011	2010
<b>Operating activities</b>		
Excess of revenue over expenses	\$ 154,062	\$ 147,685
<b>Non-cash transactions</b>		
Amortization of property and equipment	339,899	264,847
Amortization of deferred contributions - property and equipment	<u>(180,654)</u>	<u>(155,325)</u>
	313,307	257,207
<b>Change in non-cash working capital</b>		
Accounts payable and accrued liabilities	(59,846)	19,299
Goods and Services Tax receivable	911	(116)
Prepaid expenses	(3,634)	(17,566)
Deferred contributions related to operations	<u>17,335</u>	<u>(15,980)</u>
	268,073	242,844
<b>Investing activities</b>		
Purchase of property and equipment	(389,256)	(359,629)
<b>Financing activities</b>		
Capital contributions received	128,694	136,410
Short term investments	<u>(16,130)</u>	<u>(14,876)</u>
<b>Increase in cash</b>	(8,619)	4,748
Cash and cash equivalents, beginning of the year	<u>567,967</u>	<u>563,219</u>
<b>Cash, end of year</b>	<u>\$ 559,348</u>	<u>\$ 567,967</u>



**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Notes to the Audited Financial Statements**  
**For the Year Ended December 31, 2011**

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**1. PURPOSE OF THE ORGANIZATION**

The Amyotrophic Lateral Sclerosis 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) 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 Society of Alberta 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 generally accepted accounting principles 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 includes cash and cash equivalents, which include term deposits with a maturity of three months or less, money market funds, and other investments in mutual funds that can be liquidated immediately. All are carried at fair value in accordance with the Society's accounting policy for financial instruments.

**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	15%	straight-line
Client equipment	20%	straight-line
Automotive equipment	20%	straight-line
Computer software	30%	straight-line

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

**d) 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.

*Continued on page 8*

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**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Notes to the Audited Financial Statements**  
**For the Year Ended December 31, 2011**

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

**e) Financial instruments**

Except as noted below, the Society classifies all financial instruments as trading and they are therefore carried at their fair value. Unrealized gains and losses on trading assets, if any, are recognized as part of the excess of revenue over expenses. The value of financial instruments reported at fair value is based on current interest rates, market values, and pricing of financial instruments with comparative terms. Because the fair value of financial instruments held by the Society approximates their carrying value, the application of this accounting standard does not have a significant effect on the Society's financial statements.

Financial instruments not classified as trading are accounts receivable which are classified as "loans and receivables", and financial liabilities. These instruments are accordingly carried at cost.

**3. SHORT TERM INVESTMENTS**

Short term investments are held in a money market fund invested in a Canadian chartered bank. The amounts reported in the financial statements are at cost plus interest, which is substantially equal to fair value.

**4. PROPERTY AND EQUIPMENT**

	Cost		Accumulated Amortization		Net Book Value	
	2011	2010	2011	2010	2011	2010
Client equipment	\$ 2,932,220	\$ 2,547,078	\$ (2,245,744)	\$ (1,913,391)	\$ 686,476	\$ 633,687
Office furniture and equipment	68,887	59,141	(52,062)	(40,178)	16,825	18,963
Computer software	12,964	12,964	(12,964)	(11,669)	-	1,295
	<u>\$ 3,014,071</u>	<u>\$ 2,619,183</u>	<u>\$ (2,310,770)</u>	<u>\$ (1,965,238)</u>	<u>\$ 703,301</u>	<u>\$ 653,945</u>

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

Gross contributions received of \$1,237,515 (2010: \$1,161,073) were used for program activities throughout the year.

All expenses incurred for the purposes of soliciting contributions were \$370,712 (2010: \$410,460).

A total amount of \$336,393 (2010: \$352,819) was paid for fund-raising activities. Salaries and related cost was \$34,318 (2010: \$57,641).

**Amyotrophic Lateral Sclerosis Society of Alberta**  
**Notes to the Audited Financial Statements**  
**For the Year Ended December 31, 2011**

**6. DEFERRED CONTRIBUTIONS**

	Beginning Balance	Additions	Utilizations	Ending Balance
Betty's Run	\$ -	\$ 200	\$ -	\$ 200
Edmonton Walk	2,500	-	(2,500)	-
Designated donations	-	105,114	(98,464)	6,650
Charity golf tournament	10,000	-	(10,000)	-
Seed grant	3,000	-	(3,000)	-
client transport	-	1,000	-	1,000
Support for champions	10,076	2,422	(8,456)	4,042
Casino	10,080	68,647	(37,628)	41,099
<b>Related to operations</b>	<b>35,656</b>	<b>177,383</b>	<b>(160,048)</b>	<b>52,991</b>
<b>Related to property and equipment</b>	<b>208,255</b>	<b>126,643</b>	<b>(180,654)</b>	<b>154,244</b>
<b>Deferred contributions restricted for future period equipment purchase</b>	<b>-</b>	<b>2,050</b>	<b>-</b>	<b>2,050</b>
	<b>\$ 243,911</b>	<b>\$ 306,076</b>	<b>\$ (340,702)</b>	<b>\$ 209,285</b>

**7. FUNDRAISING EVENTS**

The revenue and expenses for the Walk for ALS and Betty's Run include gifts in kind.

**8. LEASE COMMITMENTS**

The Society has minimum lease commitments under an office lease for the Calgary and Edmonton offices. The Calgary office has signed a 5 year lease agreement on March 1, 2011, the minimum lease commitment expires on May 31, 2016. The lease on the Edmonton property will expire on February 28, 2015.

The minimum office lease commitments are as follows:

	Calgary	Edmonton	Total
2012	26,680	15,568	42,248
2013	26,680	15,568	42,248
2014	26,680	15,568	42,248
2015	26,680	2,595	29,275
2016	11,117	-	11,117

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

2012	8,330
2013	6,548
2014	4,765
2015	1,191

**Amyotrophic Lateral Sclerosis Society of Alberta**  
Notes to the Audited Financial Statements  
For the Year Ended December 31, 2011

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**9. INTERNALLY RESTRICTED FUNDS**

The \$20,000 funds were raised from the current year fundraising events. These funds have been designated by the board of directors as restricted funds for the clinic's operational purposes in subsequent periods. Internally restricted funds cannot be spent without board approval.

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**10. FINANCIAL INSTRUMENTS**

The Society's financial instruments consist of cash, money market funds, short term interest bearing securities, accounts receivable, accounts payable and accrued liabilities, all of which are reported at fair value. Due to their short term nature, the carrying value of these financial instruments approximate their fair value.

Management has determined that the Society is not exposed to significant credit, market or interest rate risk.

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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. ACCOUNTING STANDARDS CHANGES**

In 2010, the Accounting Standards Board issued new accounting standards for Not for Profit organizations which must be adopted for years beginning on or after January 1, 2012. Management is currently reviewing the standards to determine the potential effect of their adoption on the financial statements of the Society, but it currently appears that the changes will not be significant.

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