

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA
Financial Statements
December 31, 2014

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA
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For the Year Ended December 31, 2014

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INDEPENDENT AUDITOR'S REPORT

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, 2014 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.

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.

(continues)

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Independent Auditor's Report to the Members of Amyotrophic Lateral Sclerosis (ALS) Society of Alberta
(continued)

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

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, 2014, and the results of its operations and its cash flows for the year then ended and in accordance with Canadian accounting standards for not-for-profit organizations.

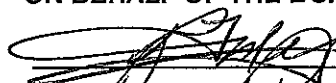
Calgary, Alberta
May 12, 2015

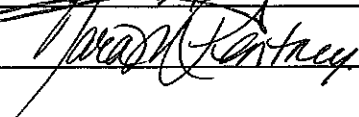
Calvista LLP
Professional Accountants

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA
Statement of Financial Position
As at December 31, 2014

	2014	2013
Assets		
Current		
Cash and cash equivalents	\$ 1,641,332	\$ 2,422,361
Short term investments (Note 3)	1,765,380	566,124
Accounts receivable (Note 5)(b))	115,544	-
Goods and services tax recoverable	12,893	11,481
Prepaid expenses	62,976	38,016
	<u>3,598,125</u>	<u>3,037,982</u>
Property and equipment (Note 4)	<u>685,900</u>	<u>668,528</u>
	<u>\$ 4,284,025</u>	<u>\$ 3,706,510</u>
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 112,140	\$ 261,120
Deferred contributions related to operations (Note 5)	1,651,569	1,246,880
Deferred contributions related to property and equipment (Note 6)	211,907	235,671
	<u>1,975,616</u>	<u>1,743,671</u>
Net assets		
Invested in property and equipment	473,993	432,858
Internally restricted (Note 11)	354,172	-
Unrestricted	1,480,244	1,529,981
	<u>2,308,409</u>	<u>1,962,839</u>
	<u>\$ 4,284,025</u>	<u>\$ 3,706,510</u>

ON BEHALF OF THE BOARD


 _____ Director


 _____ Director

See notes to financial statements

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA**Statement of Operations****For the Year Ended December 31, 2014**

	2014	2013
Revenue		
Third Party fundraisers (Note 9)	\$ 762,097	\$ 382,349
Walk for ALS (Note 9)	752,217	680,806
Betty's run for ALS (Note 9)	589,296	620,323
Donations	533,142	499,933
Fundraising	178,616	179,920
Amortization of deferred contributions related to property and equipment (Note 6)	116,263	107,543
Other	107,031	186,027
	<u>3,038,662</u>	<u>2,656,901</u>
Expenses		
Equipment purchase and repairs	619,074	406,138
Client services	399,356	374,895
Administration	371,412	344,060
Research	348,093	421,236
Amortization	347,427	322,375
Fundraising (Note 9)	334,576	229,426
Betty's run (Note 9)	117,014	115,490
Volunteer expense	75,351	78,896
Awareness	35,610	40,980
Research development	30,084	34,540
Partnership support	14,383	18,429
Education	6,449	1,988
Advocacy	2,201	4,385
	<u>2,701,030</u>	<u>2,392,838</u>
Excess of revenue over expenses before other income (expenses)	<u>337,632</u>	<u>264,063</u>
Other income (expenses)		
Loss on sale of investment	(623)	(2,987)
Interest income	48,266	16,170
Unrealized loss on investments	(105,364)	(4,862)
Capital gain distributions	65,659	-
	<u>7,938</u>	<u>8,321</u>
Excess of revenue over expenses	<u>\$ 345,570</u>	<u>\$ 272,384</u>

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA
Statement of Changes in Net Assets
For the Year Ended December 31, 2014

	Invested in property and equipment	Internally restricted (Note 11)	Unrestricted	2014	2013
Net assets - beginning of year	\$ 432,858	\$ -	\$ 1,529,981	\$ 1,962,839	\$ 1,690,455
Excess (deficiency) of revenue over expenses	(231,164)	-	576,734	345,570	272,384
Interfund transfers	272,299	354,172	(626,471)	-	-
Net assets - end of year	\$ 473,993	\$ 354,172	\$ 1,480,244	\$ 2,308,409	\$ 1,962,839

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA**Statement of Cash Flows****For the Year Ended December 31, 2014**

	2014	2013
Operating activities		
Excess of revenue over expenses	\$ 345,570	\$ 272,384
Items not affecting cash:		
Amortization	347,427	322,375
Unrealized loss on investments	105,364	4,862
Loss on sale of investment	623	2,987
Amortization of deferred contributions related to property and equipment	(116,263)	(107,543)
Donation of shares	-	(150,167)
Interest reinvestment	(40,330)	-
Capital gain distributions reinvestment	(65,659)	-
	<u>576,732</u>	<u>344,898</u>
Changes in non-cash working capital:		
Accounts receivable	(115,544)	-
Goods and services tax recoverable	(1,412)	(471)
Accounts payable and accrued liabilities	(148,980)	147,053
Deferred contributions related to operations	404,689	91,959
Prepaid expenses	(24,960)	(15,549)
	<u>113,793</u>	<u>222,992</u>
Cash flow from operating activities	<u>690,525</u>	<u>567,890</u>
Investing activities		
Purchase of property and equipment	(272,299)	(211,696)
Proceeds on sale of short term investments	-	1,609,558
Purchase of short term investments	(1,199,255)	(381,137)
Cash flow from (used by) investing activities	<u>(1,471,554)</u>	<u>1,016,725</u>
Increase (decrease) in cash flow	(781,029)	1,584,615
Cash and cash equivalents - beginning of year	<u>2,422,361</u>	<u>837,746</u>
Cash and cash equivalents - end of year	\$ 1,641,332	\$ 2,422,361

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA

Notes to Financial Statements

For the Year Ended December 31, 2014

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.

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:

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:

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

The company 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.

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AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA
Notes to Financial Statements
For the Year Ended December 31, 2014

2. Summary of significant accounting policies (continued)

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.

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>2014</u>	<u>2013</u>
Fixed income	\$ 153,611	\$ 429,847
Mutual funds	1,607,769	111,850
Common shares	-	20,427
Other	4,000	4,000
	<u>\$ 1,765,380</u>	<u>\$ 566,124</u>

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA

Notes to Financial Statements

For the Year Ended December 31, 2014

4. Property and equipment

	Cost	Accumulated amortization	2014 Net book value
Equipment	\$ 3,899,533	\$ 3,232,483	\$ 667,050
Computer software	21,639	15,566	6,073
Furniture and fixtures	80,100	67,323	12,777
	\$ 4,001,272	\$ 3,315,372	\$ 685,900

	Cost	Accumulated amortization	2013 Net book value
Equipment	\$ 3,552,905	\$ 2,891,420	\$ 661,485
Computer software	12,964	12,964	-
Furniture and fixtures	70,605	63,562	7,043
	\$ 3,636,474	\$ 2,967,946	\$ 668,528

5. Deferred contributions related to operations

	2013	Additions	Utilizations	2014
Dutton Estate Bequest (a)	\$ 1,116,965	\$ 8,685	\$ -	\$ 1,125,650
Ice Bucket Challenge (b)	-	441,680	-	441,680
Casino	76,915	76,375	69,151	84,139
Anonymous donor	35,000	-	35,000	-
Designated donations	18,000	-	18,000	-
Betty's Run	-	100	-	100
	\$ 1,246,880	\$ 526,840	\$ 122,151	\$ 1,651,569

(a) 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, 2014, the total amount of distribution received and interest earned was \$1,125,650 (2013-\$1,116,965). The remaining amount to be received cannot be determined therefore has not been reflected in the financial statements.

(b) During 2014, the funds were raised from the Ice Bucket Challenge and processed through ALS Canada. 70% of raised funds are designated for research purposes, and 30% are designated for client services purposes. The amount related to the client services purposes was \$441,680. \$326,137 was received in December 2014 and \$115,544 was received in March 2015. No funds have been used as of December 31, 2014.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA

Notes to Financial Statements

For the Year Ended December 31, 2014

6. Deferred contributions related to property and equipment

	2013	Additions	Utilizations	2014
	\$ 235,671	\$ 92,499	\$ 116,263	\$ 211,907

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

Gross contributions received were \$2,199,913 (2013: \$1,758,575). All expenses incurred for the purposes of soliciting contributions were \$488,119 (2013: \$379,586). A total amount \$451,589 (2013: \$349,091) was paid for fund-raising activities. Salaries and related cost was \$36,529 (2013: \$33,114).

8. 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 Office	Calgary Storage	Edmonton Office	Total
2015	\$ 26,680	\$ 28,560	\$ 30,595	\$ 85,835
2016	11,117	14,280	28,000	53,397
2017	-	-	30,800	30,800
2018	-	-	30,800	30,800
	\$ 37,797	\$ 42,840	\$ 120,195	\$ 200,832

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

2015	\$ 9,152
2016	\$ 4,992
2017	\$ 4,992
2018	\$ 4,992
2019	\$ 1,248

9. Fundraising events

The revenue and expenses for the Walk for ALS, Betty's Run, and third party fundraisers include \$256,124 gifts in kind.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF ALBERTA

Notes to Financial Statements

For the Year Ended December 31, 2014

10. 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.

11. Internal restricted net assets

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. No funds have been used as of December 31, 2014.

12. Comparative figures

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