

ALS SOCIETY OF ALBERTA

Financial Statements

December 31, 2023

ALS SOCIETY OF ALBERTA
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For the Year Ended December 31, 2023

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INDEPENDENT AUDITOR'S REPORT

To the Members of ALS Society of Alberta:

Qualified Opinion

We have audited the financial statements of ALS Society of Alberta (the "Society"), which comprise the statement of financial position, as at December 31, 2023, and the statement of operations, statement of change in net assets and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2023, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO").

Basis for Qualified Opinion

In common with many not-for-profit organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit evidence. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to donations and fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2023, and current assets and net assets as at December 31, 2023. Our audit opinion on the financial statements for the year ended December 31, 2023 was modified accordingly because of the possible effects of the limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Society in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our ethical responsibilities in accordance with those requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with 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.

In preparing the financial statements, management is responsible for assessing the Society's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or cease operations, or has no realistic alternative but to do so.

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Independent Auditor's Report to the Members of ALS Society of Alberta *(continued)*

Those charged with governance are responsible for overseeing the Society's financial reporting process.

Auditor's Responsibilities for the Audit of Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Society's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Chartered Professional Accountants

Calgary, Alberta
June 10, 2024

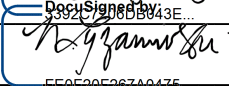
ALS SOCIETY OF ALBERTA
Statement of Financial Position
As at December 31

	2023	2022
Assets		
Current		
Cash and cash equivalents	\$ 988,011	\$ 787,737
Restricted cash (Note 3)	211,423	175,096
Accounts receivable	14,909	41,409
Goods and services tax recoverable	18,425	5,636
Short-term investments (Note 4)	2,725,584	2,480,505
Prepaid expenses	39,619	34,017
	3,997,971	3,524,400
Property and equipment (Note 5)	319,555	354,852
	\$ 4,317,526	\$ 3,879,252
Liabilities and Net Assets		
Current		
Accounts payable and accrued liabilities	\$ 75,725	\$ 75,811
Deferred contributions related to operations (Note 6)	322,718	167,248
Current portion of lease inducement (Note 7)	2,507	2,507
	400,950	245,566
Deferred contributions related to property and equipment (Note 8)	230,809	273,218
Long term portion of lease inducement (Note 7)	2,507	5,014
	634,266	523,798
Net Assets		
Invested in property and equipment	88,747	81,635
Internally restricted (Note 9)	1,948,245	1,620,821
Unrestricted	1,646,268	1,652,998
	3,683,260	3,355,454
	\$ 4,317,526	\$ 3,879,252

Lease commitments (Note 11)

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ON BEHALF OF THE BOARD


 Director


 Director

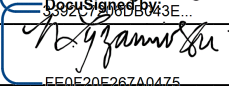
The accompanying notes are an integral part of these financial statements.

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

	2023	2022
Revenue		
Donations	\$ 503,614	\$ 521,415
Walk for ALS	464,496	439,508
Betty's Run for ALS	436,366	534,727
Third party fundraisers	320,646	234,679
Other	131,082	206,311
Amortization of deferred contributions related to property and equipment (Note 8)	106,494	106,938
Casino (Note 6)	103,974	39,863
	<u>2,066,672</u>	<u>2,083,441</u>
Expenses		
Equipment purchase and repairs	643,172	553,907
Administration	518,341	415,919
Client services	389,922	381,499
Amortization	116,387	178,410
Betty's Run	100,145	116,206
Awareness	78,494	56,039
Resource development	75,165	59,172
Fundraising	72,603	104,873
Volunteers	28,027	16,666
Partnership support	4,359	36
Advocacy	339	-
Research expense	-	820
	<u>2,026,954</u>	<u>1,883,547</u>
Excess of revenue over expenses from operations	<u>39,718</u>	<u>199,894</u>
Other income		
Capital gain (loss) distributions	159,178	160,439
Unrealized gain (loss) on investments	129,347	(520,787)
Interest income	6,549	32,380
(Loss) gain on sale of investments	(6,986)	884
	<u>288,088</u>	<u>(327,084)</u>
Excess (deficiency) of revenue over expenses	<u>\$ 327,806</u>	<u>\$ (127,190)</u>

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ON BEHALF OF THE BOARD


 Director


 Director

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

	Invested in property and equipment	Internally restricted (Note 9)	Unrestricted	2023	2022
Net assets - beginning of year	\$ 81,635	\$ 1,620,821	\$ 1,652,998	\$ 3,355,454	\$ 3,482,644
Excess (deficiency) of revenue over expenses	(9,893)	-	337,699	327,806	(127,190)
Net purchase of property and equipment	17,005	-	(17,005)	-	-
Transfer to internally restricted funds for research purposes	-	372,424	(372,424)	-	-
Interfund transfer	-	(45,000)	45,000	-	-
Net assets - end of year	\$ 88,747	\$ 1,948,245	\$ 1,646,268	\$ 3,683,260	\$ 3,355,454

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

	2023	2022
Operating activities		
Excess (deficiency) of revenue over expenses	\$ 327,806	\$ (127,190)
Items not affecting cash:		
Amortization of property and equipment	116,387	178,410
(Gain) loss on sale of investment	(6,986)	884
Lease inducement	(2,507)	(2,507)
Unrealized (gain) loss on investments	(129,347)	520,787
Interest reinvestment	(6,549)	(32,380)
Capital gain distributions reinvestment	(159,178)	(160,439)
Amortization of deferred contributions related to property and equipment (Note 8)	(106,494)	(106,938)
	<u>33,132</u>	<u>270,627</u>
Changes in non-cash working capital:		
Accounts receivable	26,500	36,631
Restricted cash	(36,327)	(152,603)
Goods and services tax recoverable	(12,789)	1,423
Accounts payable and accrued liabilities	(86)	(66,347)
Deferred contributions related to operations	155,470	17,098
Prepaid expenses	(5,602)	4,851
	<u>127,166</u>	<u>(158,947)</u>
Cash flows from operating activities	<u>160,298</u>	<u>111,680</u>
Investing activities		
Purchase of property and equipment	(81,090)	(166,787)
Redemption of short-term investments	56,981	33,835
Cash flows used by investing activities	<u>(24,109)</u>	<u>(132,952)</u>
Financing activity		
Contributions received for purchase of property and equipment	64,085	141,814
Increase in cash flows	200,274	120,542
Cash - beginning of year	<u>787,737</u>	<u>667,195</u>
Cash - end of year	\$ 988,011	\$ 787,737

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

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. In 2017, the Society, which was originally incorporated as the Amyotrophic Lateral Sclerosis Society of Alberta, changed its name to the 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 relates.

Walk for ALS and Betty's Run for ALS revenue are recognized as revenue in the year in which the event is held.

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

Interest and capital gain distributions are recognized as revenue on an accrual basis when it is earned.

Gains and losses on sale of investments are recognized as revenue when the transactions occur.

Unrealized gains or losses are measured between carrying value and fair market value as at the reporting date.

Cash and cash equivalents

Cash consists of cash on hand and balances held 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. The Society currently holds no cash equivalents.

Restricted cash

The Society receives cash that is to be used for specific purposes and keeps this cash in a separate bank account if there is a requirement from funders.

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ALS SOCIETY OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

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

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	20%	straight-line
Motor vehicles	30%	straight-line
Furniture and fixtures	15%	straight-line
Computer software	30%	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.

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. No attempt has been made to quantify the value of volunteer services in these financial statements. Donated materials are recorded as expenses at their fair market value at the date of contribution when fair values can be reasonably determined and would otherwise be purchased with a corresponding amount recorded as donation revenue.

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 instruments are tested for impairment at each reporting date.

Measurement uncertainty

The preparation of financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. Actual results could differ from these estimates. Estimates and assumptions made in the preparation of these financial statements include the useful life of property and equipment, and the amount of revenue recognized from deferred contributions related to property and equipment.

3. Restricted cash

The restricted cash balance consists of unused casino funds held in a separate bank.

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

4. Short term investments

	2023	2022
Mutual funds, at fair value	\$ 2,721,535	\$ 2,476,456
Other	4,049	4,049
	\$ 2,725,584	\$ 2,480,505

5. Property and equipment

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Client equipment	\$ 3,461,701	\$ 3,152,453	\$ 309,248	\$ 350,930
Motor vehicles	66,196	66,196	-	-
Furniture and fixtures	96,669	87,380	9,289	1,936
Computer software	26,605	25,587	1,018	1,986
	\$ 3,651,171	\$ 3,331,616	\$ 319,555	\$ 354,852

6. Deferred contributions related to operations

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

	2022	Additions	Utilizations	2023
Casino	\$ 167,248	\$ 159,444	\$ 103,974	\$ 222,718
Research	-	100,000	-	100,000
	\$ 167,248	\$ 259,444	\$ 103,974	\$ 322,718

7. Lease inducement

The Society received three months of free rent in 2019 under the lease in place, which expires December 31, 2025. This inducement is reported as a reduction of rent expense over the period of the lease.

	2023	2022
Lease inducement, beginning	\$ 5,014	\$ 10,028
Additions during the year	-	-
Amortization	-	(2,507)
Balance, end of the year	5,014	7,521
Less: current portion	(2,507)	(2,507)
Long term portion of lease inducement	\$ 2,507	\$ 5,014

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

8. Deferred contributions related to property and equipment

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

	2022	Additions	Utilizations	2023
Property and equipment	\$ 273,218	\$ 64,085	\$ 106,494	\$ 230,809

9. Internally restricted

The Internally Restricted fund represents funds available for emergency, program enhancement, research purposes or other purposes specified by the Board of Directors from time to time. Any use of these funds requires explicit approval by the Board of Directors.

	Opening	Additions	Drawings	Ending
Research Fund	\$ 755,821	\$ 372,424	\$ -	\$ 1,128,245
Operating Reserve	865,000	-	45,000	820,000
	\$ 1,620,821	\$ 372,424	\$ 45,000	\$ 1,948,245

10. Fundraising costs

Fundraising contributions received were \$1,221,508 (2022: \$1,208,914). All expenses incurred for the purposes of soliciting contributions were \$237,485 (2022: \$275,736). A total amount \$172,747 (2022: \$221,079) was for fundraising activities. Salaries and related costs were \$64,738 (2022: \$54,657).

11. Lease commitments

The Society has lease commitments for office 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.

In 2018, the Society extended its lease in Edmonton from its original expiry date of December 30, 2018 to December 31, 2024.

Future lease payments are as follows:

	Calgary Office	Edmonton Office	Total
2024	\$ 74,331	\$ 30,800	\$ 105,131
2025	75,708	-	75,708
	\$ 150,039	\$ 30,800	\$ 180,839

ALS SOCIETY OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

12. Donations and gift in-kind

The donated capital equipment in the current year is \$64,085 (2022: \$141,814). These donations are recorded as deferred capital contributions in line with the Society's capital asset policy in Note 2.

The following gifts-in-kind received during the year have been recorded in both revenue and expenses in statement of operations.

	2023	2022
Betty's Run	\$ 42,818	\$ 55,090
Third party gifts-in-kind	21,815	-
Small equipment donations	24,927	12,382
Walk for ALS	568	23,275
	\$ 90,128	\$ 90,747

13. 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.

14. Comparative figures

Certain comparative figures have been reclassified to conform with the current year's presentation. This reclassification has no effect on prior year deficiency of revenues over expenses.
