

**Amyotrophic Lateral Sclerosis
(ALS) Society of Canada
Financial Statements**
For the year ended December 31, 2018

Amyotrophic Lateral Sclerosis (ALS) Society of Canada
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For the year ended December 31, 2018

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Independent Auditor's Report

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

Qualified Opinion

We have audited the financial statements of Amyotrophic Lateral Sclerosis (ALS) Society of Canada (the "Society"), which comprise the statement of financial position as at December 31, 2018, and the statements of operations, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, 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.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives significant revenues from public donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of receipts from those sources was limited to the amounts included in the records of the Society and we were unable to determine whether any adjustments might be necessary to fundraising and donations revenues or excess (deficiency) of revenue over expenses for the years ended December 31, 2018 or December 31, 2017, or net assets or total assets as at December 31, 2018 or December 31, 2017.

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 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 other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

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

Management is responsible for the preparation and fair presentation of the 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.

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 to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the 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.

Mississauga, Ontario

March 28, 2019

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

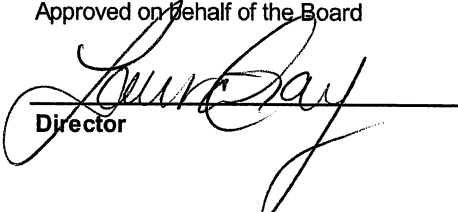
Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Statement of Financial Position

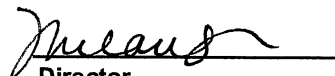
As at December 31, 2018

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	2018	2017
Assets					
Current assets					
Cash	1,043,305	1,590,221	1,300,000	3,933,526	9,069,316
Short-term investments (Note 3)	310,754	8,989,079	-	9,299,833	4,593,740
Accounts receivable (Note 4)	436,128	214,844	-	650,972	644,977
Prepaid expenses and other assets	124,146	-	-	124,146	49,197
	1,914,333	10,794,144	1,300,000	14,008,477	14,357,230
Long-term investments (Note 6)	-	1,215,173	-	1,215,173	2,428,292
Capital assets (Note 7)	70,739	-	-	70,739	86,053
Intangible assets (Note 7)	82,107	-	-	82,107	131,383
	2,067,179	12,009,317	1,300,000	15,376,496	17,002,958
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities (Note 4)	467,358	55,098	-	522,456	465,581
Current portion of deferred revenue (Note 8)	684,847	512,500	-	1,197,347	1,355,353
Current portion of research grants payable (Note 9)	-	2,198,877	-	2,198,877	2,432,902
	1,152,205	2,766,475	-	3,918,680	4,253,836
Long-term deferred revenue (Note 8)	354,448	253,765	-	608,213	1,079,111
Long-term research grants payable (Note 9)	-	4,228,504	-	4,228,504	5,006,717
	1,506,653	7,248,744	-	8,755,397	10,339,664
Commitments (Note 16)					
Net assets	560,526	4,760,573	1,300,000	6,621,099	6,663,294
	2,067,179	12,009,317	1,300,000	15,376,496	17,002,958

Approved on behalf of the Board



Director



Director

The accompanying notes form part of the financial statements

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Statement of Operations

For the year ended December 31, 2018

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	2018	2017
Revenue					
Fundraising and donations (Note 12)	4,500,089	2,175,055	-	6,675,144	6,844,918
Direct mail campaign	1,035,353	56,914	-	1,092,267	1,049,222
Interest and investment income (Note 11)	130,962	61,527	469	192,958	227,471
	5,666,404	2,293,496	469	7,960,369	8,121,611
Expenses (Note 13)					
Research grants (Note 14)	-	1,525,268	-	1,525,268	2,062,540
Other research support	-	671,519	-	671,519	725,775
National programs	116,515	-	-	116,515	101,155
Ontario client support services (Note 15)	2,302,906	-	-	2,302,906	2,404,806
Public awareness	438,594	-	-	438,594	87,820
Advocacy	326,196	-	-	326,196	234,216
Volunteer development	89,838	-	-	89,838	98,484
	3,274,049	2,196,787	-	5,470,836	5,714,796
Other					
Fundraising	2,098,771	-	-	2,098,771	1,808,418
Administrative	288,416	-	-	288,416	403,129
Governance	94,770	94,771	-	189,541	200,264
Bad debt recovery (Note 4)	-	(45,000)	-	(45,000)	(30,000)
	2,481,957	49,771	-	2,531,728	2,381,811
	5,756,006	2,246,558	-	8,002,564	8,096,607
Excess (deficiency) of revenue over expenses	(89,602)	46,938	469	(42,195)	25,004

The accompanying notes form part of the financial statements

Amyotrophic Lateral Sclerosis (ALS) Society of Canada Statement of Changes in Net Assets

For the year ended December 31, 2018

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	<i>Total</i>
Balance, December 31, 2016	705,006	4,633,284	1,300,000	6,638,290
Excess (deficiency) of revenue over expenses	33,216	(30,989)	22,777	25,004
Interfund transfers	(88,094)	110,871	(22,777)	-
Balance, December 31, 2017	650,128	4,713,166	1,300,000	6,663,294
Excess (deficiency) of revenue over expenses	(89,602)	46,938	469	(42,195)
Interfund transfers (<i>Note 5</i>)	-	469	(469)	-
Balance, December 31, 2018	560,526	4,760,573	1,300,000	6,621,099

The accompanying notes form part of the financial statements

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Statement of Cash Flows

For the year ended December 31, 2018

In \$	2018	2017
Cash provided by (used for) the following activities		
Operating activities		
Excess (deficiency) of revenue over expenses	(42,195)	25,004
Adjustments for non-cash items:		
Unrealized loss on investments	36,869	43,040
Amortization of capital and intangible assets	64,590	64,268
	59,264	132,312
Changes in non-cash working capital items		
Accounts receivable	(5,995)	(25,235)
Prepaid expenses and other assets	(74,949)	38,024
Accounts payable and accrued liabilities	56,875	(270,732)
Deferred revenue	(628,904)	(1,107,065)
Research grant commitments	1,668,763	2,062,540
Research grant payments	(2,681,001)	(2,975,869)
	(1,665,211)	(2,146,025)
Investing activities		
Purchase of investments	(4,742,961)	(2,484,342)
Proceeds on disposal of investments	1,213,118	1,888,009
Purchase of capital assets	-	(32,663)
	(3,529,843)	(628,996)
Decrease in cash during the year	(5,135,790)	(2,775,021)
Cash, beginning of year	9,069,316	11,844,337
Cash, end of year	3,933,526	9,069,316

The accompanying notes form part of the financial statements

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

1. Nature of operations

Amyotrophic Lateral Sclerosis (ALS) Society of Canada (“the Society”) was founded in 1977 and is incorporated without share capital. The Society continued under the Canada Not-for-Profit Corporations Act in 2013. It is a registered charitable organization and, as such, is exempt from taxes under the Income Tax Act. Within Ontario, the Society has a role similar to that of the provincial ALS societies – providing services, support and advocacy to meet the needs of people living with ALS and through the national ALS Canada Research Program, investment in research for a future without ALS.

2. Significant accounting policies

The financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations (“ASNPO”) set out in Part III of the CPA Canada Handbook - Accounting, as issued by the Accounting Standards Board in Canada, which are part of Canadian generally accepted accounting principles, and include the following significant accounting policies:

Fund accounting

The Society follows the deferral method of accounting for contributions, and reports using fund accounting.

General Fund: This Fund recognizes all non-designated revenue and expenses and reflects all operations of the Society not allocated to other Funds. This Fund also includes net assets invested in capital assets and intangible assets. At the discretion of the Board of Directors, any excess of revenue over expenses in this Fund may be transferred to the Research Fund.

Research Fund: This Fund is restricted to expenses related to research grants and direct associated costs. Donations designated for research purposes are allocated to this Fund.

Tim E. Noël Endowment Fund: This Fund was established in honour of the late Tim E. Noël, who passed away from ALS and has been restricted as to its use. The \$1,300,000 capital gifts contributed to this Fund are held in perpetuity. Income from the Endowment Fund is designated for the Tim E. Noël post-doctoral fellowship in ALS research.

Revenue recognition

Under the deferral method for recognizing contributions revenue, externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue in the statement of operations in the year received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets.

Investment income includes realized gains or losses and interest. The interest is recognized as it is earned over the life of the investment. All interest and investment income earned on investments for the year is recognized in the fund to which it relates.

Contributed materials and services (gifts in kind)

Contributions of materials and services are recognized both as contributions and expenses in the statement of operations when a fair value can be reasonably estimated and when the materials and services are used in the normal course of the Society’s operations and would otherwise have been purchased.

The Society benefits from services in the form of volunteer time to fulfill its mission. Since these invaluable services are not purchased by the Society and a reasonable estimate of their value cannot be made, they are not recorded in the financial statements.

The Society receives donations of equipment from the public, which are recorded as both a contribution and as a client support service expense at the appraised amount as of the date of the contribution.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

2. Significant accounting policies (continued)

Allocation of expenses

Administration, communication and awareness costs and Senior Management expenses are incurred to operate the Society and its programs in a cost-effective manner to ensure the success of the Society's mission. These expenses include, but are not limited to, human resources, information technology, facilities, finance, Senior Management, corporate governance, compliance and strategic planning. Administrative expenses necessary for research, programs and mission success have been allocated accordingly based on the percentage of the employees' time spent supporting each activity, with the exception of facilities costs which are allocated on square footage. All allocations are reviewed and approved annually along with the Society's strategic plan and budget. No fundraising costs have been allocated.

Investments

Investments consist of bonds, guaranteed investment certificates and equities. Bonds and guaranteed investment certificates with maturity dates longer than one year have been classified as long-term.

Life insurance policy

The Society has been named as a beneficiary of a life insurance policy which has been recognized in short-term investments at the amount to be received by the Society. A corresponding amount has been recognized in deferred revenue (see Notes 3 and 8).

Capital assets

Capital assets are recorded at cost. Amortization is calculated using the methods set out below applied to the cost of the assets, at annual rates based on their estimated useful lives as follows:

	Rate	Method
Furniture and fixtures	5 years	straight-line
Leasehold improvements	Lease term	straight-line

Intangible assets

Intangible assets recognized separately from goodwill and subject to amortization are recorded at cost. Contributed intangible assets are recorded at fair value at the date of contribution if fair value can be reasonably determined. Amortization is provided using the following methods and rates intended to amortize the cost of the intangible assets over their estimated useful lives as follows:

	Rate	Method
Website	5 years	straight-line
Financial system	3 years	straight-line

Long-lived assets

Long-lived assets consist of capital assets and intangible assets with finite useful lives. Long-lived assets held for use are measured and amortized as described in the applicable accounting policies.

When the Society determines that a long-lived asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of operations. Write-downs are not reversed.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

2. Significant accounting policies (continued)

Financial instruments

The Society recognizes its financial instruments when the Society becomes party to the contractual provisions of the financial instrument. All financial instruments are initially recorded at their fair value.

The Society subsequently measures its financial assets and financial liabilities at amortized cost, except for investments in equities quoted in an active market which are measured at fair value, and investments in bonds and guaranteed investment certificates, which the Society has irrevocably elected to subsequently measure at fair value. Changes in fair value are recognized in the statement of operations.

Financial assets measured at amortized cost include cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and accrued liabilities and research grants payable.

Transaction costs and financing fees directly attributable to the origination, acquisition, issuance or assumption of financial instruments subsequently measured at fair value are immediately recognized in excess (deficiency) of revenue over expenses for the current period. Conversely, transaction costs and financing fees are added to the carrying amount for those financial instruments subsequently measured at cost or amortized cost.

Measurement uncertainty (use of estimates)

The preparation of financial statements in conformity with ASNPO requires Management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period.

Accounts receivable are stated after evaluation as to their collectability and an appropriate allowance for doubtful accounts is provided where considered necessary. Amortization is based on the estimated useful lives of capital assets and intangible assets.

These estimates and assumptions are reviewed periodically and, as adjustments become necessary they are reported in excess (deficiency) of revenue over expenses in the periods in which they become known.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

3. Short-term investments

In \$	Maturity	Coupon interest rate	2018	2017
General Fund				
RBC Investment Savings			-	114,302
Ontario Saving Bond	Jun-19	2.50%	110,754	-
Insurance Policy			200,000	200,000
			310,754	314,302
Research Fund				
Bank of Nova Scotia GIC	Jan-18	1.60%	-	1,014,729
Royal Bank of Canada	Feb-18	0.85%	-	778,657
Ontario Saving Bond	Jun-18	2.00%	-	506,887
RBC GIC	Sep-18	2.75%	-	504,370
RBC Mutual Funds			-	1,197,351
Canso Corporate Bond Fund Series C			6,815,429	-
RP Fixed Income Plus Fund - Series A			1,679,951	-
Ontario Saving Bond	Jun-19	2.50%	395,856	-
Home Trust Company	Jul-19	2.70%	97,843	-
			8,989,079	4,001,994
Tim E. Noël Endowment Fund				
RBC Investment Savings			-	277,444
			9,299,833	4,593,740

During the year, cash proceeds from RBC Dominion Securities Inc. were transferred to two new investment management companies, Canso Fund Management Ltd and RP Investment Advisors LP. These investment managers were selected by a selection committee following a rigorous request for proposal process. All funds have been moved in an 80 / 20 split as was recommended by this selection committee and approved by the Board. To date, \$6,800,000 has been directed to Canso Fund Management Ltd. and \$1,700,000 to RP Investment Advisors LP. All transferred money is currently invested in mutual funds which are held in active markets and the investments are being carried at fair value.

An individual has named the Society as the owner and beneficiary of their life insurance policy. The Society pays the life insurance premiums on the life insurance policy directly to the insurance company. The individual donates to the Society an amount equal to the premium which the Society recognizes as a donation in its statement of operations.

4. Accounts receivable, accounts payable and accrued liabilities

Included in the accounts receivable are balances owing from ALS provincial societies, before any allowances for doubtful accounts, of \$214,844 (2017 - \$178,008).

In 2016, an allowance for doubtful accounts of \$75,000 was recorded to reduce the ALS Society of New Brunswick and Nova Scotia receivable from the 2016 WALK for ALS. During 2017, \$30,000 of this bad debt was recovered and the remaining \$45,000 was recovered in 2018.

Included in accounts payable and accrued liabilities are balances owing to ALS provincial societies in the amount of \$NIL (2017 - \$11,359). Included in accounts payable and accrued liabilities is \$37,365 (2017 - \$10,695) owing on corporate credit cards that have a combined credit limit of \$61,000 (2017 - \$59,000).

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

5. Interfund transfers

The Society entered into an agreement in 2005 with the sponsor of the Tim E. Noël Endowment Fund to limit the capital of this Endowment Fund at \$1,300,000 and to transfer each year any excess to the Research Fund, where it will be used to fund post-graduate research fellowships. This year, the assets in the Tim Noel fund are included in the cash remaining in the RBC investment account awaiting transfer and reinvestment.

The amount transferred from the Tim E. Noël Endowment Fund to the Research Fund was \$469 (2017 - \$22,777).

During fiscal 2017, \$88,094 transferred from the General Fund to the Research Fund. This represents some of the net proceeds for the Direct Mail fundraising campaigns for the 2017 year for funds received from outside of Ontario in Canada.

6. Long-term investments

In \$	Maturity	Coupon interest rate	2018
Research Fund			
Enbridge Income Fund Inc.	Nov-20	4.85%	104,232
Pembina Pipeline Corp	Oct-22	3.77%	203,688
Canadian Utilities Ltd.	Nov-22	3.12%	253,757
Bell Canada	Mar-23	3.35%	252,372
Telus Corporation	Apr-24	3.35%	300,724
Westcoast Energy Inc.	Oct-21	Preferred Shares	100,400
			1,215,173
<hr/>			
In \$	Maturity	Coupon interest rate	2017
Research Fund			
Ontario Saving Bond	Jun-19	Various	507,137
Pembina Pipeline Corp	Oct-22	4.03%	208,073
Canadian Utilities Limited	Nov-22	3.53%	258,540
Sun Life Financial	Jan-23	4.38%	327,386
Westcoast Energy	Oct-21	Preferred Shares	104,600
			1,405,736
<hr/>			
Tim E. Noël Endowment Fund			
Bell Canada	Jun-19	3.30%	254,510
Home Trust Company	Jul-19	2.70%	95,266
Enbridge Income Fund	Nov-20	4.86%	106,565
Bell Canada	Mar-23	3.96%	258,011
TELUS Corporation	Apr-24	4.24%	308,204
			1,022,556
			2,428,292

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

6. Long-term investments (continued)

In 2018, the investments in the Tim Noel Endowment fund are held as cash for transfer of the assets to the new investment managers.

These investments are comprised of both annual and semi-annual yield percentages.

All long-term investments are currently held in the RBC Investment portfolio.

7. Capital assets and intangible assets

In \$	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2018 Net book value</i>	<i>2017 Net book value</i>
Capital assets				
Furniture and fixtures	14,253	9,502	4,751	7,084
Leasehold improvements	93,997	28,009	65,988	78,969
	108,250	37,511	70,739	86,053
Intangible assets				
Website	143,797	81,969	61,828	88,622
Finance systems	69,322	49,043	20,279	42,761
	213,119	131,012	82,107	131,383

8. Deferred revenue

Deferred revenue represents restricted contributions received in advance for projects or expenditures that are provided in future years and unamortized premiums of life insurance policy.

In \$	General Fund	Research Fund	<i>2018</i>	<i>2017</i>
Balance, beginning of year	1,369,505	1,064,959	2,434,464	3,541,529
Contributions	-	829,821	829,821	238,664
Revenue recognized	(319,694)	(1,128,515)	(1,448,209)	(1,335,213)
Amortization of life insurance policy	(10,516)	-	(10,516)	(10,516)
Balance, end of year	1,039,295	766,265	1,805,560	2,434,464
Less: current portion	684,847	512,500	1,197,347	1,355,353
Long-term portion	354,448	253,765	608,213	1,079,111

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

9. Research grants payable

The Society has entered into grant agreements under its Research Fund and as a result has the following future commitments:

2019	2,198,877
2020	3,040,363
2021	1,188,141
Total due	6,427,381
Less: current portion	(2,198,877)
	4,228,504

10. Gaming

The Society sells Nevada break-open ticket lotteries through agents. The revenues and expenses have been included in the fundraising and donations revenue and expenses.

Provincial Break-Open Ticket Program

The Alcohol and Gaming Commission of Ontario has imposed various terms and conditions and has predetermined and set allowable expenditures for prize money, retailer commissions, printing costs, management fees, and Provincial and license fees, leaving the charitable organization with a set amount of revenue from each box sold.

The following information with respect to the sale of Nevada break-open ticket lotteries under provincial license is required by the Provincial Authorities.

In \$	2018	2017
Revenue	75,248	85,326
Expenses	47,164	53,871
	28,084	31,455

11. Interest and investment income

In \$	2018	2017
Interest and gains realized on investments	229,827	270,511
Unrealized loss on investments	(36,869)	(43,040)
	192,958	227,471

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

12. Funds recorded from provincial societies

Provincial partner	WALK for ALS	Additional research funds	2018
ALS Society of Alberta	360,522	12,170	372,692
ALS Society of British Columbia	176,139	7,885	184,024
ALS Society of Manitoba	64,732	-	64,732
ALS Society of Newfoundland and Labrador	54,847	-	54,847
ALS Society of Prince Edward Island	6,748	1,646	8,394
ALS Society of Quebec	110,900	-	110,900
ALS Society of Saskatchewan	34,232	-	34,232
	808,120	21,701	829,821

Provincial partner	WALK for ALS	Additional research funds	2017
ALS Society of Alberta	295,246	30,578	325,824
ALS Society of British Columbia	133,644	23,100	156,744
ALS Society of Manitoba	82,133	-	82,133
ALS Society of Newfoundland and Labrador	39,530	4,000	43,530
ALS Society of Prince Edward Island	6,623	-	6,623
ALS Society of Quebec	113,043	45,049	158,092
ALS Society of Saskatchewan	55,845	-	55,845
	726,064	102,727	828,791

13. Allocation of expenses

The Society allocates support and other administrative expenses across its charitable purposes. Administration expenditures, including human resources, finance and Management support, information technology and facilities costs have been allocated based on time and effort spent for the programs in each area of charitable purpose. The method of allocation applied is consistent with the previous year. Administration expenditures have been allocated as follows:

In \$	2018	2017
Research	158,100	210,025
Advocacy	171,084	148,612
Ontario client support services	150,264	253,153
Volunteer development	44,304	41,532
Fundraising	363,396	412,110
Governance	226,668	165,064
	1,113,816	1,230,496

ALS Canada has increased their Marketing / Communications / Public Awareness budget to improve public perception of the ALS Society of Canada, to sharpen brand awareness, increase our digital footprint and to enhance the website content for research, fundraising and client services. These costs have been allocated to the charitable purposes that derived the most benefit.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

14. Research grants awarded

ALS Canada research grants are awarded based on the results of a rigorous, competitive peer reviewed process, with measures to ensure conflict of interest is mitigated. With a relatively small community of ALS researchers in Canada, it is not uncommon that there will be overlap between applicants to the competitions and individuals involved with the organization.

During the year, the grant recipients included a member of the Board of Directors and Scientific and Medical Advisory Council, who was awarded \$125,000 (2017 - \$1,727,424). This amount has been included in research grant expenditures in the current year.

In addition, \$306,475 (2017 - \$273,950) was paid to current or past Board Members for grants awarded in previous years.

In 2014, the Society entered an agreement with Brain Canada Foundation which has seen Brain Canada match specific research commitments dollar for dollar, to a maximum of \$10,000,000. The matched funding is available for disbursement until March 31, 2020. The Society uses the Ice Bucket Challenge (IBC) funds designated for research to fund its half of this potential \$20,000,000 opportunity.

15. Ontario client support services

In \$	2018	2017
Equipment program	1,299,899	1,264,944
Client services	1,003,007	1,139,862
	2,302,906	2,404,806

Included in this total are the costs associated with accepting and carrying generous donations of equipment from the public. These equipment donations need to be appraised, transported, cleaned and stored prior to being made available for use by clients. The total value of the donated equipment is \$292,152 (2017 - \$280,170), and is included in fundraising and donations revenue and in Ontario client support service expense at the appraised amount as of the date of the contribution.

16. Commitments

The Society is committed to various leases on its operating premises and office equipment. In addition, the Society is responsible for maintenance and property taxes. The minimum commitment on these lease payments for the next three years is as follows:

2019	156,458
2020	156,458
2021	156,458
	469,374

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2018

17. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. It is Management's opinion that the Society is not exposed to significant interest, currency, credit, liquidity or other price risks arising from these financial instruments except as otherwise disclosed.

Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. Changes in market interest rates may have an effect on the cash flows associated with some financial assets and liabilities, known as cash flow risk, and on the fair value of other financial assets and liabilities, known as price risk. The Society manages its exposure to interest rate risk by restricting the types of investments it holds and varying the terms to maturity and issuer of the investments. The varying terms to maturity reduces the sensitivity of the portfolio to the impact of interest rate fluctuation.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is subject to credit risk with respect to its cash, accounts receivable, and investments. The Society places its cash and investments with high credit quality institutions and government-issued bonds. The cumulative total of these financial instruments is in excess of the CDIC insurance limit. Accounts receivable is primarily from the ALS provincial societies, the collectability of which is assessed periodically and a valuation reserve is recorded as necessary.

18. Comparative figures

Certain comparative figures have been reclassified to conform to current year presentation.