

**AMYOTROPHIC LATERAL SCLEROSIS (ALS)
SOCIETY OF CANADA**

Financial Statements

Years ended December 31, 2013 and 2012

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Index to Financial Statements

Years ended December 2013 and 2012

	PAGE
INDEPENDENT AUDITOR'S REPORT.....	1 - 2
STATEMENT OF FINANCIAL POSITION.....	3
STATEMENT OF CHANGES IN NET ASSETS.....	4
STATEMENT OF OPERATIONS.....	5
STATEMENT OF CASH FLOWS.....	6
NOTES TO FINANCIAL STATEMENTS.....	7 - 19



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of Amyotrophic Lateral Sclerosis (ALS) Society of Canada, which comprise the statement of financial position as at December 31, 2013 and 2012, and the statements of changes in net assets, operations and cash flows for the years 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 our 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, we consider internal control relevant to the Society'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 Society'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 qualified audit opinion.

Basis for Qualified Opinion

As is common with many charitable organizations, the Society derives revenue, other than grants, as donations and fund-raising revenue from the general public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of receipts from those sources was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to contributions, excess (deficiency) of revenue over expenditures, current assets, net assets and fund balances.

INDEPENDENT AUDITOR'S REPORT - cont'd

Qualified Opinion

Except as noted in the above paragraph, in our opinion, these financial statements present fairly, in all material respects, the financial position of Amyotrophic Lateral Sclerosis (ALS) Society of Canada as at December 31, 2013 and 2012 and the results of its operations and its cash flows for the years then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Adams & Miles LLP

Chartered Accountants
Licensed Public Accountants

Toronto, Canada
April 17, 2014

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA
Statement of Financial Position
December 31, 2013 and 2012

	General Fund	Research Fund	Tim E. Noël Endowment Fund	2013	2012 (Notes 11 and 19)
Assets					
Current					
Cash	\$ 1,300,962	\$ -	\$ -	\$ 1,300,962	\$ 302,026
Short-term investments (Note 3)	1,104,047	-	-	1,104,047	3,039,993
Accounts receivable (Note 4)	534,125	-	-	534,125	649,944
Prepaid expenditures	127,132	-	-	127,132	72,589
	3,066,266	-	-	3,066,266	4,064,552
Long-term investments (Note 5)	2,741,739	674,983	1,375,681	4,792,403	3,643,569
Inter-fund transfers (Note 6)	(4,790,854)	4,866,535	(75,681)	-	-
Capital assets (Note 7)	182,359	-	-	182,359	122,491
	1,199,510	5,541,518	1,300,000	8,041,028	7,830,612
Liabilities					
Current					
Accounts payable and accrued liabilities	372,776	-	-	372,776	314,105
Deferred revenue (Note 8)	125,071	-	-	125,071	74,571
Current portion of research grants payable (Note 9)	-	1,135,831	-	1,135,831	1,235,131
Current portion of deferred lease inducement (Note 10)	25,722	-	-	25,722	-
	523,569	1,135,831	-	1,659,400	1,623,807
Long-term research grants payable (Note 9)	-	589,998	-	589,998	613,329
Deferred lease inducement (Note 10)	61,486	-	-	61,486	-
	585,055	1,725,829	-	2,310,884	2,237,136
Net assets	\$ 614,455	\$ 3,815,689	\$ 1,300,000	\$ 5,730,144	\$ 5,593,476
Net assets represented by:					
Surplus	\$ 614,455	\$ 3,815,689	\$ 1,300,000	\$ 5,730,144	\$ 5,593,476

Approved on behalf of the Board:


 _____ Director


 _____ Director

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Statement of Changes in Net Assets

Years ended December 31, 2013 and 2012

	General Fund	Research Fund	Tim E. Noël Endowment Fund	2013 Total
Balance, beginning of year, as previously stated	\$ 250,000	\$ 4,093,476	\$ 1,300,000	\$ 5,643,476
Prior period adjustment (Note 11)	-	(50,000)	-	(50,000)
Balance, beginning of year, as restated	250,000	4,043,476	1,300,000	5,593,476
Transfer of net assets from ALS Ontario (Note 12)	409,234	-	-	409,234
Excess (deficiency) of revenue over expenditures	(44,779)	(252,018)	24,231	(272,566)
Inter-fund transfers (Note 6)	-	24,231	(24,231)	-
Balance, end of year	\$ 614,455	\$ 3,815,689	\$ 1,300,000	\$ 5,730,144

	General Fund	Research Fund	Partnership Fund	Tim E. Noël Endowment Fund	2012 Total (Notes 11 and 19)
Balance, beginning of year	\$ 250,000	\$ 3,629,727	\$ 561,242	\$ 1,300,000	\$ 5,740,969
Excess (deficiency) of revenue over expenditures	210,605	138,484	(550,000)	53,418	(147,493)
Inter-fund transfers (Note 6)	(210,605)	275,265	(11,242)	(53,418)	-
Balance, end of year	\$ 250,000	\$ 4,043,476	\$ -	\$ 1,300,000	\$ 5,593,476

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA
Statement of Operations
Years ended December 31, 2013 and 2012

	General Fund	Research Fund	Tim E. Noël Endowment Fund	2013 Total	2012 Total (Notes 11 and 19)
Revenue					
Fundraising and donations (Note 13)	\$ 3,248,462	\$ 2,093,962	\$ -	\$ 5,342,424	\$ 3,486,887
Direct mail campaign	1,180,356	7,600	-	1,187,956	1,060,188
Interest and investment income (Note 14)	-	136,082	57,377	193,459	223,797
Project grants	70,952	-	-	70,952	2,609
Unrealized gain (loss) on investments	(70,122)	449	(33,146)	(102,819)	(37,301)
	4,429,648	2,238,093	24,231	6,691,972	4,736,180
Expenditures (Note 15)					
Research grants	-	1,462,667	-	1,462,667	1,797,307
Other research support	-	538,063	-	538,063	362,730
National federation services	245,373	-	-	245,373	626,638
Ontario client support services	1,431,777	-	-	1,431,777	-
Public awareness	402,904	-	-	402,904	218,981
Volunteer and organizational development	264,795	-	-	264,795	131,848
Project grants costs	70,952	-	-	70,952	2,609
	2,415,801	2,000,730	-	4,416,531	3,140,113
Other					
Fundraising (Note 13)	1,260,345	489,381	-	1,749,726	963,454
Administrative	621,348	-	-	621,348	235,822
Governance	176,933	-	-	176,933	544,284
	2,058,626	489,381	-	2,548,007	1,743,560
	4,474,427	2,490,111	-	6,964,538	4,883,673
Excess (deficiency) of revenue over expenditures	\$ (44,779)	\$ (252,018)	\$ 24,231	\$ (272,566)	\$ (147,493)

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA
Statement of Cash Flows
Years ended December 31, 2013 and 2012

	2013	2012 (Notes 11 and 19)
Cash provided by (used in)		
Operating activities		
Deficiency of revenue over expenditures	\$ (272,566)	\$ (147,493)
Amortization	147,308	34,997
Amortization of bond discount	17,931	28,609
Loss (gain) on sale of investments	(12,828)	3,742
Amortization of deferred lease inducements	(15,680)	-
Deferred revenue contribution from merger	(8,500)	-
Unrealized loss (gain) on investments	102,819	37,301
Change in non-cash working capital items	(41,496)	(42,844)
Accounts receivable	80,426	(238,860)
Prepaid expenditures	(46,795)	39,587
Accounts payable and accrued liabilities	(125,831)	199,925
Deferred revenue	50,500	(99,166)
	(83,196)	(141,358)
Investing activities		
Purchase of capital assets	(13,520)	-
Purchase of long-term investments, net of transfers to short-term investments	(1,810,669)	1,739,362
Proceeds on disposition of long-term investments	575,850	334,000
	(1,248,339)	2,073,362
Financing activities		
Research grant commitments	1,462,665	1,797,308
Research grant payments	(1,585,296)	(1,655,867)
Cash received on merger of ALS Ontario	517,156	-
	394,525	141,441
Change in cash and cash equivalents position	(937,010)	2,073,445
Cash and cash equivalents, beginning of year	3,342,019	1,268,574
Cash and cash equivalents, end of year	\$ 2,405,009	\$ 3,342,019
Cash and cash equivalents consist of:		
Cash	\$ 1,300,962	\$ 302,026
Short-term investments	1,104,047	3,039,993
Cash and cash equivalents, end of year	\$ 2,405,009	\$ 3,342,019

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

1. Nature of operations

Amyotrophic Lateral Sclerosis (ALS) Society of Canada ("the Society") was founded in 1977 and was incorporated without share capital under the Incorporations Act of Canada and is a registered charitable organization exempt from taxes under the Income Tax Act. The Society supports direct client services for individuals living with ALS in Ontario, research to find a cure for ALS, and provincial ALS societies in education and awareness.

2. Summary of significant accounting policies

The preparation of financial statements in accordance with Canadian generally accepted accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and expenditures during the year. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in the results of operations in the year in which they become known.

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.

The Society initially and subsequently measures its investments at fair value. Changes in fair value are recognized in the statement of operations (see Notes 3 and 5).

Transaction costs associated with the acquisition of investments are either capitalized and included in the acquisition costs or applied to reduce proceeds on disposal, as appropriate. Investment fees are expensed when incurred.

Accounting for 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 Note 8).

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

2. Summary of significant accounting policies - cont'd

Capital assets

Capital assets are recorded at cost and are being amortized over their estimated useful lives. The annual amortization rates and methods are as follows:

Furniture and fixtures	10 yrs straight-line
Leasehold improvements - 3000 Steeles	Lease term straight-line
Leasehold improvements - 3100 Steeles	Lease term straight-line
Website	5 yrs straight-line
Client service equipment - purchased	4 yrs straight-line
Client service equipment - donated	2 yrs straight-line

Impairment of long-lived assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected undiscounted future net cash flows that the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent carrying value exceeds its fair value.

Revenue recognition

The Society follows the deferral method of accounting for contributions.

Externally restricted contributions are recognized as revenue in the year in which the related expenditures 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.

Investment income includes realized gains or losses and interest. The interest is recognized as it is earned over the life of the investment.

Contributed materials and services are recognized if the fair value of the material or service can be reasonably estimated, and it would have otherwise been purchased.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

2. Summary of significant accounting policies - cont'd

Fund accounting

The Society allocates its revenue and expenditures to various funds, according to their nature as follows:

General Fund: This fund recognizes all non-designated revenue and expenditures and reflects all operations of the Society not allocated to other funds. At the discretion of the Board of Directors, any excess of revenue over expenditures in this fund may be transferred to the Research Fund.

Research Fund: This fund is restricted to expenditures related to research grants and direct associated costs. Donations designated for research purposes are allocated to this fund together with other revenue designated by the Board of Directors.

Neuromuscular Research Partnership Fund: This fund was internally restricted for joint research through an agreement with Muscular Dystrophy Canada. Its purpose was to sponsor joint research projects and both organizations commit funds from time to time for this purpose. The 2012 fiscal year was the final year of this Partnership and agreement.

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.

Volunteer services

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.

Financial instruments

The Society initially measures its financial assets and financial liabilities at fair value.

The Society subsequently measures its financial assets and financial liabilities at amortized cost, except for investments consisting of bonds, guaranteed investment certificates and equities quoted in an active market, which are subsequently measured 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.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

3. Short-term investments

Description	Maturity	Coupon Interest Rate	2013 Market Value	2012 Market Value (Note 19)
General Fund				
RBC investment savings			\$ 467,487	\$ 479,645
Bank of Montreal	Mar 2013	4.65%	-	510,214
Toronto Dominion Bank	Jun 2013	4.00%	-	648,121
Royal Bank of Canada	Sep 2013	1.25%	-	77,376
Royal Bank of Canada	Nov 2013	1.25%	-	500,871
RBC guaranteed investment certificate	Jun 2014	0.800%	35,000	-
Bank of Nova Scotia	Jul 2014	3.43%	401,560	-
Insurance policy			200,000	200,000
Total General Fund			1,104,047	2,416,227
Research Fund				
RBC investment savings			-	56,661
Toronto Dominion Bank	Jun 2013	4.00%	-	567,105
Total Research Fund			-	623,766
Total short-term investments			\$ 1,104,047	\$ 3,039,993

The amortized cost of these investments as at year-end was \$1,100,505 (2012 - \$3,086,758).

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

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.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

4. Accounts receivable and transactions with provincial societies

Included in the accounts receivable are balances owing from ALS provincial societies in the amount of \$86,329 (December 31, 2012 - \$340,768). An allowance of \$22,000 (2012 - \$13,000) has been recorded against the accounts receivable balance.

During the year, the Society received \$682,342 (2012 - \$1,094,609) from ALS provincial societies for ALS walk revenue. In addition, the Society received donations from ALS provincial societies in the amount of \$466,445 (2012 - \$315,217). The Society transferred \$41,642 (2012 - \$91,818) to the ALS provincial societies.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

5. Long-term investments

Description	Maturity	Coupon Interest Rate	2013 Market Value	2012 Market Value (Note 19)
General Fund				
Bank of Nova Scotia	Jul 2014	3.43%	\$ -	\$ 407,753
RBC Capital Trust	Dec 2015	4.87%	-	588,490
Metropolitan Toronto	Sep 2016	8.00%	323,588	336,609
Ontario Savings Bond	Jun 2018	1.75%	503,305	-
Royal Bank of Canada	Sep 2018	2.75%	504,445	-
Enbridge Income Fund	Nov 2020	4.86%	107,032	-
Pembina Pipeline Corp.	Oct 2022	3.77%	196,419	-
Canadian Utilities Limited	Nov 2022	3.12%	237,757	-
Sunlife Financial Inc.	Jan 2023	5.59%	358,523	360,133
Bell Canada	Mar 2023	3.35%	233,770	-
Telus Corporation	Apr 2024	3.35%	276,900	-
Total General Fund			2,741,739	1,692,985
Research Fund				
Royal Bank of Canada	Jan 2017	4.53%	424,845	429,146
Bell Canada	Jun 2019	3.30%	250,138	-
Enbridge Income Fund	Nov 2020	4.86%	-	109,620
Total Research Fund			674,983	538,766
Tim E. Noël Endowment Fund				
Province of Ontario	Mar 2015	4.50%	1,053,505	1,081,125
National Bank of Canada	Dec 2019	4.93%	322,176	330,693
Total Tim E. Noël Endowment Fund			1,375,681	1,411,818
Total long-term investments			\$ 4,792,403	\$ 3,643,569

The amortized cost of these investments as at year-end was \$4,714,276 (2012 - \$3,473,054). These investments are comprised of both annual and semi-annual yield percentages.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

6. Inter-fund transfers

The Board of Directors authorized \$409,234 of net assets transferred from ALS Ontario to be included in the General Fund (Note 12). The Board of Directors also authorized \$Nil (2012 - \$210,605) to be transferred from the General Fund to the Research Fund.

In the prior year, the Board of Directors authorized \$11,242 to be transferred from the Neuromuscular Research Partnership Fund to the Research Fund. The remaining grant liability of \$964,460 as of December 31, 2012 in the Neuromuscular Research Partnership Fund was transferred to the Research Fund.

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 amount transferred was \$24,231 (2012 - \$53,418).

The inter-fund balances bear no interest and are payable on demand.

7. Capital assets

	2013		2012 (Note 19)	
	Cost	Accumulated Amortization	Net Book Value	Net Book Value
Phone system equipment	\$ -	\$ -	\$ -	\$ 8,274
Furniture and fixtures	5,821	582	5,239	-
Leasehold improvements	264,321	150,508	113,813	89,250
Website	35,667	17,834	17,833	24,967
Client service equipment - donated	197,326	193,632	3,694	-
Client service equipment - purchased	144,762	102,982	41,780	-
	<u>\$ 647,897</u>	<u>\$ 465,538</u>	<u>\$ 182,359</u>	<u>\$ 122,491</u>

The above amounts represent the Society's net assets invested in capital assets.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

8. Deferred revenue

Deferred revenue represents amounts received in advance for projects or expenditures that are provided in future years and an amount received in advance for future months' rent from a sub-lessor.

	2013	2012 (Note 19)
Balance, beginning of year	\$ 74,571	\$ 173,736
Receipts	376,507	420,915
Disbursements	(315,491)	(509,564)
Amortization of life insurance policy (Note 2)	(10,516)	(10,516)
Balance, end of year	\$ 125,071	\$ 74,571

9. Long-term research grants payable

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

2014	\$ 1,135,831
2015	514,998
2016	75,000
	1,725,829
Less due in next year	1,135,831
Total due in future years	\$ 589,998

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

10. Deferred lease inducement

	2013
Tenant inducement	\$ 87,208
Less current portion	25,722
	<hr/> \$ 61,486 <hr/>

The Society assumed a lease on January 1, 2013 as part of the merger with ALS Ontario (see Note 12) that commenced in December 2009. The Society also assumed a lease inducement of \$102,866 on January 1, 2013 as part of this lease. Included in the statement of operations is amortization in the amount of \$15,660.

11. Prior period adjustment

The Society's prior year's financial statements have been adjusted for a previously unrecorded research grant in the amount of \$50,000. As a result, the long-term research grants payable and the research grants expenditures increased by \$50,000 in fiscal 2012 and the Research Fund balance decreased by \$50,000 as at December 31, 2012.

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

12. Transfer of net assets from Amyotrophic Lateral Sclerosis Society of Ontario (ALS Ontario)

Pursuant to an agreement between the Society and ALS Ontario, the Society and ALS Ontario agreed to merge their operations. Under the terms of the agreement, the net assets of ALS Ontario were transferred to the Society and the combined operations were continued under the management and direction of the Society.

On January 1, 2013, the following net assets were transferred from ALS Ontario at their carrying value.

Assets	
Cash	\$ 482,156
Short-term investments	35,000
Accounts receivable	44,708
Donations receivable	69,746
Prepaid expenditures	29,230
Capital assets	193,656
	<hr/>
	854,496
Liabilities	
Accounts payable and accrued liabilities	333,896
Deferred contributions	8,500
Deferred lease inducement	102,866
	<hr/>
	445,262
	<hr/>
Net assets transferred	\$ 409,234

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

13. Gaming

As a result of the merger with ALS Ontario, the Society started selling Nevada break-open ticket lotteries through agents. Cash amounting to \$38,036 related to gaming licenses is included in cash at year end and must be used in accordance with the related license agreements for charitable purposes.

a) Provincial Break-Open Ticket Program

The Alcohol and Gaming Commission of Ontario has imposed various terms and conditions and has predetermined and set allowable expenditure 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.

	2013
Revenue	\$ 102,834
Expenditures	62,312
Excess of revenue over expenditures	\$ 40,522

(b) Bingo

	2013
Revenue	\$ 11,635
Expenditures	1,297
Excess of revenue over expenditures	\$ 10,338

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA**Notes to Financial Statements****Years ended December 31, 2013 and 2012****14. Interest and investment income**

	2013	2012 (Note 19)
Interest realized on investments	\$ 162,700	\$ 200,025
Amortization of bond premiums	17,931	27,514
Realized gain (loss) on sale of investments	12,828	(3,742)
	\$ 193,459	\$ 223,797

15. Expenditure allocation

Costs are allocated based on management's estimate of time and resources spent on each functional area. Costs have been allocated as follows:

	Salaries and benefits	General and administrative costs	ALS Walk fundraising costs
Other research support	\$ 160,673	\$ 2,245	\$ 105,722
National federation services	69,427	17,746	-
Ontario client support services	620,874	16,374	-
Public awareness	144,804	65,951	-
Volunteer and organizational development	156,706	28,232	-
Fundraising	428,462	134,691	-
Administrative	411,383	91,725	-
Governance	53,558	75,311	-
Total	\$ 2,045,887	\$ 432,275	\$ 105,722

AMYOTROPHIC LATERAL SCLEROSIS (ALS) SOCIETY OF CANADA

Notes to Financial Statements

Years ended December 31, 2013 and 2012

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 annual lease payments over the next 3 years are as follows:

2014	\$ 132,000
2015	124,000
2016	154,000

The Society has also committed to hold an Annual General Meeting, Federation Council Meeting, and Research Conference in 2014. As at December 31, 2013, the minimum commitment approximates \$61,000.

17. Subsequent events

Subsequent to year-end, the Society has committed to hold 4 events in 2014 of which the minimum commitment approximates \$36,000.

18. Financial instruments

The Society is exposed to the following risks in respect of certain of the financial instruments held:

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 quality credit institutions and government-issued bonds. The cumulative total of these financial instruments are in excess of the CDIC insurance limit.

Interest rate 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.

19. Comparative amounts

Certain comparative amounts have been reclassified to conform with the current year's financial statement presentation.