

**Amyotrophic Lateral Sclerosis
(ALS) Society of Canada**
Financial Statements
For the year ended December 31, 2020

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

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For the year ended December 31, 2020

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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, 2020, 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, 2020, 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, 2020 or December 31, 2019, or net assets or total assets as at December 31, 2020 or December 31, 2019.

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 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

April 27, 2021

MNP LLP

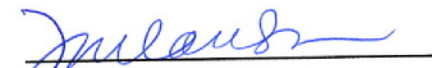
Chartered Professional Accountants

Licensed Public Accountants

Amyotrophic Lateral Sclerosis (ALS) Society of Canada
Statement of Financial Position
As at December 31, 2020

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	2020	2019
Assets					
Current assets					
Cash	4,139,508	-	-	4,139,508	5,910,962
Short-term investments (Note 3)	2,011,368	8,276,404	1,300,000	11,587,772	9,410,096
Accounts receivable (Note 4)	310,819	-	-	310,819	379,471
Prepaid expenses and other assets	86,129	-	-	86,129	144,771
	6,547,824	8,276,404	1,300,000	16,124,228	15,845,300
Long-term investments	-	-	-	-	1,140,753
Capital assets (Note 6)	41,423	-	-	41,423	56,081
Intangible assets (Note 6)	8,239	-	-	8,239	35,960
	6,597,486	8,276,404	1,300,000	16,173,890	17,078,094
Liabilities					
Current liabilities					
Accounts payable and accrued liabilities (Note 7)	435,212	39,231	-	474,443	545,985
Current portion of deferred revenue (Note 8)	687,633	512,600	-	1,200,233	903,374
Current portion of research grants payable (Note 9)	-	3,948,787	-	3,948,787	3,989,242
	1,122,845	4,500,618	-	5,623,463	5,438,601
Long-term deferred revenue (Note 8)	354,449	253,764	-	608,213	959,320
Long-term research grants payable (Note 9)	-	657,884	-	657,884	1,635,145
	1,477,294	5,412,266	-	6,889,560	8,033,066
Commitments (Note 15)					
Net assets	5,120,192	2,864,138	1,300,000	9,284,330	9,045,028
	6,597,486	8,276,404	1,300,000	16,173,890	17,078,094

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, 2020

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	2020	2019
Revenue					
Fundraising and donations (Notes 10, 11 and 14)	4,251,293	1,256,622	-	5,507,915	9,450,068
Direct mail campaign	1,147,215	59,655	-	1,206,870	1,131,696
Interest and investment income	582,337	-	31,067	613,404	370,072
	5,980,845	1,316,277	31,067	7,328,189	10,951,836
Expenses (Note 12)					
Research grants (Note 13)	-	2,184,345	-	2,184,345	1,575,250
Other research support	-	532,077	-	532,077	672,241
National programs	121,854	-	-	121,854	125,348
Ontario client support services (Note 14)	2,423,022	-	-	2,423,022	2,847,129
Public awareness	351,481	-	-	351,481	593,257
Advocacy	422,844	-	-	422,844	386,373
Volunteer development	57,973	-	-	57,973	63,717
	3,377,174	2,716,422	-	6,093,596	6,263,315
Other expenses					
Fundraising	1,947,145	-	-	1,947,145	2,217,788
Administrative	141,112	52,192	-	193,304	252,699
Governance	80,885	80,884	-	161,769	180,502
	2,169,142	133,076	-	2,302,218	2,650,989
	5,546,316	2,849,498	-	8,395,814	8,914,304
Excess (deficiency) of revenue over expenses before other items					
	434,529	(1,533,221)	31,067	(1,067,625)	2,037,532
Other items					
Government subsidies (Note 17)	843,047	-	-	843,047	-
Unrealized gain (loss) on investments	483,504	-	(19,624)	463,880	386,397
	1,326,551	-	(19,624)	1,306,927	386,397
Excess (deficiency) of revenue over expenses					
	1,761,080	(1,533,221)	11,443	239,302	2,423,929

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, 2020

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	<i>Total</i>
Balance, December 31, 2018	560,526	4,760,573	1,300,000	6,621,099
Excess (deficiency) of revenue over expenses	2,798,586	(413,657)	39,000	2,423,929
Interfund transfers (<i>Note 5</i>)	-	39,000	(39,000)	-
Balance, December 31, 2019	3,359,112	4,385,916	1,300,000	9,045,028
Excess (deficiency) of revenue over expenses	1,761,080	(1,533,221)	11,443	239,302
Interfund transfers (<i>Note 5</i>)	-	11,443	(11,443)	-
Balance, December 31, 2020	5,120,192	2,864,138	1,300,000	9,284,330

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, 2020

In \$	2020	2019
Cash provided by (used for) the following activities		
Operating activities		
Excess of revenue over expenses	239,302	2,423,929
Adjustments for non-cash items:		
Unrealized gain on investments	(463,880)	(386,397)
Reinvested dividends received on investments	(462,764)	(243,446)
Amortization of capital and intangible assets	42,379	60,805
	(644,963)	1,854,891
Changes in non-cash working capital items		
Accounts receivable	68,652	271,501
Prepaid expenses and other assets	58,642	(20,625)
Accounts payable and accrued liabilities	(71,542)	23,529
Deferred revenue	(54,248)	57,134
Research grant commitments	2,136,475	1,469,278
Research grant payments	(3,154,191)	(2,272,272)
	(1,661,175)	1,383,436
Investing activities		
Purchase of investments	(1,214,845)	-
Proceeds on disposal of investments	1,104,566	594,000
	(110,279)	594,000
(Decrease) increase in cash	(1,771,454)	1,977,436
Cash, beginning of year	5,910,962	3,933,526
Cash, end of year	4,139,508	5,910,962

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, 2020

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. Through the national ALS Canada Research Program, peer-reviewed research grants are funded, collaboration is fostered, capacity is built within Canada's ALS research community, and new areas of research are participated in where the Society is well-positioned to have an impact. Within Ontario, the Society has a role similar to that of the provincial ALS Societies, providing services and support to help meet the needs of people living with ALS. Through advocacy federally and provincially within Ontario, the Society gives voice to the collective experience of people living with ALS to help drive program and system changes for the ALS community.

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 honor 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 general fund, except for endowment funds, which are reinvested.

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.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2020

2. Significant accounting policies (continued)

Contributed materials and services (gifts in kind) (continued)

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.

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, equities and pooled funds, all of which are chosen within the guidelines of an approved investment policy. Bonds and guaranteed investment certificates with maturity dates longer than one year are 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 above. The Society writes down long-lived assets held for use when conditions indicate that the asset no longer contributes to the Society's ability to provide goods and services. The asset is also written-down when the value of future economic benefits or service potential associated with the asset is less than its net carrying amount. When the Society determines that a long-lived asset is impaired, its carrying amount is written down to the asset's fair value or replacement cost. Write-downs are not reversed.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2020

2. Significant accounting policies (continued)

Government subsidies

The Society accounts for government assistance with other contributions and, accordingly, recognizes proceeds in the General Fund when there is reasonable assurance that qualification requirements have been met and funds will be received.

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, 2020

3. Short-term investments

In \$	Maturity	Coupon interest rate	2020	2019
General Fund				
Enbridge Income Fund Inc.	Nov-20	4.85%	-	102,791
Insurance Policy			200,000	200,000
Canso Corporate Bond Fund Series C			1,811,368	-
			2,011,368	302,791
Tim Noël Fund				
PH&N Bond Fund SR A			1,300,000	-
Research Fund				
Canso Corporate Bond Fund Series C			6,456,913	7,348,655
RP Fixed Income Plus Fund - Series A			1,808,048	1,758,650
PH&N Bond Fund SR A			11,443	-
			8,276,404	9,107,305
			11,587,772	9,410,096

Investment funds with Canso Fund Management Ltd, RP Investment Advisors LP and Phillips, Hager & North Investment Management ("PH&N") are in pooled funds as shown above and include all unrealized gains and losses since the funds were invested in. All distributions earned on the pooled investments are reinvested. Fund balances are reviewed quarterly by the Finance and Audit Committee and the Board of Directors to ensure they maintain the 80 / 20 required ratio within a 5% acceptable threshold as outlined in the Society's approved investment policy, with the exception of The Tim Noël Endowment Fund managed by PH&N.

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

Included in accounts receivable are balances owing from ALS provincial societies, before any allowances for doubtful accounts, of \$Nil (2019 - \$124,450).

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.

The amount transferred from the Tim E. Noël Endowment Fund to the Research Fund was \$11,443 (2019 - \$39,000).

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2020

6. Capital assets and intangible assets

In \$	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2020 Net book value</i>	<i>2019 Net book value</i>
Capital assets				
Furniture and fixtures	14,253	12,856	1,397	3,074
Leasehold improvements	93,997	53,971	40,026	53,007
	108,250	66,827	41,423	56,081
Intangible assets				
Website	143,797	135,558	8,239	35,033
Finance systems	69,322	69,322	-	927
	213,119	204,880	8,239	35,960

7. Accounts payable and accrued liabilities

The Society maintains corporate credit cards for use by certain employees. At year end, the amount owing on corporate credit cards totals \$30,583 (2019 - \$6,885). The Society is in process of transitioning from one credit card company to another. The maximum credit limit for the ongoing cards is \$86,000 (2019 - \$61,000).

8. Deferred revenue

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

In \$	General Fund	Research Fund	<i>2020</i>	<i>2019</i>
Balance, beginning of year	1,096,330	766,364	1,862,694	1,805,560
Contributions	-	366,454	366,454	524,142
Revenue recognized	(43,732)	(366,454)	(410,186)	(456,492)
Amortization of life insurance policy	(10,516)	-	(10,516)	(10,516)
Balance, end of year	1,042,082	766,364	1,808,446	1,862,694
Less: current portion	687,633	512,600	1,200,233	903,374
Long-term portion	354,449	253,764	608,213	959,320

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2020

9. Research grants payable

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

2021	3,948,787
2022	585,384
2023	72,500
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Total due	4,606,671
Less: current portion	(3,948,787)
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	657,884
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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 \$	2020	2019
Revenue	37,202	78,499
Expenses	17,393	43,098
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	19,809	35,401
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Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2020

11. Funds recorded from provincial societies

Provincial partner	WALK for ALS	Additional research funds	2020
ALS Society of Alberta	79,793	-	79,793
ALS Society of British Columbia	166,004	-	166,004
ALS Society of Manitoba	26,120	-	26,120
ALS Society of Newfoundland and Labrador	23,793	-	23,793
ALS Society of Prince Edward Island	3,247	-	3,247
ALS Society of Quebec	61,711	-	61,711
ALS Society of Saskatchewan	5,786	-	5,786
	366,454	-	366,454

Provincial partner	WALK for ALS	Additional research funds	2019
ALS Society of Alberta	251,966	-	251,966
ALS Society of British Columbia	223,009	-	223,009
ALS Society of Manitoba	70,141	-	70,141
ALS Society of Newfoundland and Labrador	47,839	-	47,839
ALS Society of Prince Edward Island	12,578	-	12,578
ALS Society of Quebec	108,738	15,712	124,450
ALS Society of Saskatchewan	16,534	-	16,534
	730,805	15,712	746,517

12. Allocation of expenses

The Society allocates marketing and communications support costs and 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 \$	2020	2019
Research	196,077	173,340
Advocacy	193,207	134,196
Ontario client support services	441,649	381,840
National programs	96,041	94,848
Volunteer development	23,772	45,168
Fundraising	574,627	553,836
Governance	145,448	121,392
	1,670,821	1,504,620

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2020

13. 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, for this reason, external, international ALS researchers adjudicate the competitions.

In fiscal 2020, the grant recipients included a current and a past member of the Board of Directors and Scientific and Medical Advisory Council, in the total amount of \$185,975 (2019 - \$Nil). This amount was included in research grants expenses.

In addition, \$223,000 (2019 - \$374,555) was paid to the institutions for current or past Board Members for grants awarded in previous years.

14. Ontario client support services

In \$	2020	2019
Equipment program	1,301,208	1,593,580
Client services	1,121,814	1,253,549
	2,423,022	2,847,129

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 \$180,252 (2019 - \$361,443) 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. Equipment donations were accepted this year; however, it was on a more limited and selective basis due to COVID-19 (Note 19) and restrictions. Additional purchases of client equipment were necessary to accommodate the needs of the Society's clients.

15. 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 until the end of the lease is as follows:

2021	157,166
2022	157,166
2023	157,166
2024	13,097
	484,595

16. Use of surplus

As committed in the previous year, the Society fulfilled its commitment of a \$1,000,000 contribution to the CAPTURE-ALS research project with Brain Canada and experienced the resulting draw on Research fund's net assets.

COVID-19 (Note 19) has impacted the Society's ability to generate fundraising revenue and the impact is expected to continue in 2021. The Board of Directors approved the use of prior years' surplus funds for 2021 operations to ensure that the Society's operations, service to the community and commitment to research is not materially altered.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2020

17. Government subsidies

In response to the impact of COVID-19 (Note 19), the Government of Canada announced the Canada Emergency Wage Subsidy (CEWS) program in April 2020. CEWS provides a wage subsidy on eligible remuneration, subject to limits per employee, to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19. In November 2020, the Government of Canada announced the Canada Emergency Rent Subsidy (CERS). CERS provides a rent subsidy on eligible rental expenses to eligible employers based on certain criteria, including demonstration of revenue declines as a result of COVID-19.

The Society has determined that it has qualified for CEWS from March 2020 to December 2020 and CERS from October 2020 to December 2020. Included in government subsidies is \$828,335 of subsidies received from CEWS and \$14,712 of subsidies received from CERS.

18. 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 influence 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.

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.

19. Environmental risk

During the year, there was a global outbreak of COVID-19 (coronavirus), which has had a significant impact on businesses and organizations through the restrictions put in place by the Canadian, provincial and municipal governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 may have on the Society as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus. While the extent of the impact is unknown, the Society's ability to generate revenue and deliver its objectives may be negatively impacted.