

**Amyotrophic Lateral Sclerosis
(ALS) Society of Canada
Financial Statements**
For the year ended December 31, 2021

Amyotrophic Lateral Sclerosis (ALS) Society of Canada Table of Contents

For the year ended December 31, 2021

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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, 2021, 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, 2021, 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, 2021 or December 31, 2020, or net assets or total assets as at December 31, 2021 or December 31, 2020.

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 28, 2022

MNP LLP

Chartered Professional Accountants

Licensed Public Accountants

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Statement of Financial Position

As at December 31, 2021

In \$	2021	2020
Assets		
Current assets		
Cash	2,388,561	4,139,508
Short-term investments (Note 3)	11,518,687	11,587,772
Accounts receivable	248,774	310,819
Prepaid expenses and other assets	148,417	86,129
	14,304,439	16,124,228
Capital assets (Note 5)	27,044	49,662
	14,331,483	16,173,890
Liabilities		
Current liabilities		
Accounts payable and accrued liabilities (Note 6)	536,082	474,443
Current portion of deferred revenue (Note 7)	1,437,363	1,200,233
Current portion of research grants payable (Note 8)	1,420,403	3,948,787
	3,393,848	5,623,463
Long-term deferred revenue (Note 7)	400,000	608,213
Long-term research grants payable (Note 8)	1,511,233	657,884
	5,305,081	6,889,560
Commitments (Note 14)		
Net assets		
General Fund	2,839,498	5,120,192
Research Fund	1,886,904	2,864,138
Tim E. Noël Endowment Fund	1,300,000	1,300,000
Reserve Fund	3,000,000	-
	9,026,402	9,284,330
	14,331,483	16,173,890

Approved on behalf of the Board
 e-Signed by Patrick Nelson
 2022-05-17 16:49:49 GMT
 Director

e-Signed by Laura Gay
 2022-05-17 16:38:07 GMT
 Director

The accompanying notes form part of these financial statements

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Statement of Operations

For the year ended December 31, 2021

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	2021	2020
Revenue					
Fundraising and donations (Notes 9, 10 and 13)	5,171,558	1,290,980	-	6,462,538	5,507,915
Direct mail	1,094,696	58,399	-	1,153,095	1,206,870
Interest and investment income	378,846	-	-	378,846	613,404
	6,645,100	1,349,379	-	7,994,479	7,328,189
Expenses (Note 11)					
Research grants (Note 12)	-	1,514,999	-	1,514,999	2,184,345
Other research support	-	623,700	-	623,700	532,077
National programs	109,968	-	-	109,968	121,854
Ontario community services (Note 13)	2,438,964	-	-	2,438,964	2,423,022
Public awareness	253,175	-	-	253,175	351,481
Advocacy	613,965	-	-	613,965	422,844
Volunteer development	41,137	-	-	41,137	57,973
	3,457,209	2,138,699	-	5,595,908	6,093,596
Other expenses					
Fundraising	2,284,629	-	-	2,284,629	1,947,145
Administrative	137,501	50,857	-	188,358	193,304
Governance	113,697	113,696	-	227,393	161,769
	2,535,827	164,553	-	2,700,380	2,302,218
	5,993,036	2,303,252	-	8,296,288	8,395,814
Excess (deficiency) of revenue over expenses before other items					
	652,064	(953,873)	-	(301,809)	(1,067,625)
Other items					
Government subsidies (Note 15)	471,144	-	-	471,144	843,047
Unrealized (loss) gain on investments	(403,902)	-	(23,361)	(427,263)	463,880
	67,242	-	(23,361)	43,881	1,306,927
Excess (deficiency) of revenue over expenses					
	719,306	(953,873)	(23,361)	(257,928)	239,302

The accompanying notes form part of these financial statements

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

For the year ended December 31, 2021

In \$	General Fund	Research Fund	Tim E. Noël Endowment Fund	Internally Restricted	<i>Total</i>
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 (Note 4)	-	11,443	(11,443)	-	-
Balance, December 31, 2020	5,120,192	2,864,138	1,300,000	-	9,284,330
Excess (deficiency) of revenue over expenses	719,306	(953,873)	(23,361)	-	(257,928)
Interfund transfers (Note 4)	(3,000,000)	(23,361)	23,361	3,000,000	-
Balance, December 31, 2021	2,839,498	1,886,904	1,300,000	3,000,000	9,026,402

The accompanying notes form part of these financial statements

Amyotrophic Lateral Sclerosis (ALS) Society of Canada Statement of Cash Flows

As at December 31, 2021

In \$	2021	2020
Cash (used for) provided by the following activities		
Operating activities	(257,928)	239,302
Excess of revenue over expenses		
Adjustments for non-cash items:		
Unrealized (loss) gain on investments	427,263	(463,880)
Reinvested dividends earned on investments	(358,178)	(462,764)
Amortization of capital assets	22,618	42,379
	(166,225)	(644,963)
Changes in non-cash working capital		
Accounts receivable	62,045	68,652
Prepaid expenses and other assets	(62,288)	58,642
Accounts payable and accrued liabilities	61,639	(71,542)
Deferred revenue	28,917	(54,248)
Research grant commitments	1,514,999	2,136,475
Research grant payments	(3,190,034)	(3,154,191)
	(1,750,947)	(1,661,175)
Investing activities		
Purchase of investments	-	(1,214,845)
Proceeds on disposal of investments	-	1,104,566
	-	(110,279)
Decrease increase in cash	(1,750,947)	(1,771,454)
Cash, beginning of year	4,139,508	5,910,962
Cash, end of year	2,388,561	4,139,508

The accompanying notes form part of these financial statements

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2021

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.

Reserve Fund: This fund was established by the Society based on the reserve policy of the organization. Under this policy, certain net assets are internally restricted, at the sole discretion of the Board of Directors, to establish a reserve that represents approximately six months of certain operational expenses of the organization.

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.

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.

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2021

2. Significant accounting policies (continued)

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 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 an Ontario community services 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 annually. 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 7).

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, represents software, are recognized at cost as part of capital assets and are subject to amortization. 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

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2021

2. Significant accounting policies (continued)

Long-lived assets

Long-lived assets consist of capital 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.

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 receivables 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.

3. Short-term investments

Investment funds with Canso Fund Management Ltd, RP Investment Advisors LP and Phillips, Hager & North Investment Management ("PH&N") are in pooled funds and include all unrealized gains and losses since the funds were invested. All distributions earned on pooled investments are reinvested. Fund balances are reviewed quarterly to ensure they are within an acceptable threshold as outlined in the Society's approved investment policy statement.

Included in short-term investments, is a life insurance policy of \$200,000 (2020 - \$200,000). 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 the Financial Statements

For the year ended December 31, 2021

4. 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.

For the year ended December 31, 2021, the Tim E. Noël Endowment Fund had an unrealized loss of original capital after all dividends were reinvested of \$23,361. A transfer from the research fund has been made to return the capital amount to \$1,300,000 (2020 - \$11,443 was transferred to the Research Fund).

For the year ended December 31, 2021, the Society transferred \$3,000,000 from the general fund to the reserve fund.

5. Capital assets

In \$	<i>Cost</i>	<i>Accumulated amortization</i>	<i>2021 Net book value</i>	<i>2020 Net book value</i>
Capital assets				
Furniture and fixtures	14,253	14,253	-	1,397
Leasehold improvements	93,997	66,953	27,044	40,026
Website	143,797	143,797	-	8,239
	252,047	225,003	27,044	49,662

6. 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 was \$26,898 (2020 - \$30,563). The maximum credit limit for corporate credit cards is \$66,000 (2020 - \$86,000).

7. Deferred revenue

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

In \$	General Fund	Research Fund	<i>2021</i>	<i>2020</i>
Balance, beginning of year	1,042,082	766,364	1,808,446	1,862,694
Contributions	62,321	507,006	569,327	366,454
Revenue recognized	(22,888)	(507,006)	(529,894)	(410,186)
Amortization of life insurance policy	(10,516)	-	(10,516)	(10,516)
Balance, end of year	1,070,999	766,364	1,837,363	1,808,446
Less: current portion	1,070,999	366,364	1,437,363	1,200,233
Long-term portion	-	400,000	400,000	608,213

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2021

8. Research grants payable

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

2022	1,420,403
2023	1,201,233
2024	260,000
2025	50,000
Total due	2,931,636
Less: current portion	(1,420,403)
	1,511,233

9. Gaming

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

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 ticket sales.

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

In \$	2021	2020
Revenue	33,900	37,202
Expenses	15,590	17,393
	18,310	19,809

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2021

10. Funds recorded from provincial societies

Provincial partner	WALK for ALS	Additional research funds	2021
ALS Society of Alberta	95,926	66,932	162,858
ALS Society of British Columbia	179,929	1,750	181,679
ALS Society of Manitoba	31,571	-	31,571
ALS Society of Newfoundland and Labrador	17,206	-	17,206
ALS Society of Prince Edward Island	4,524	-	4,524
ALS Society of Quebec	84,209	24,959	109,168
	413,365	93,641	507,006

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

11. 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 \$	2021	2020
Other research support	333,569	196,077
Advocacy	248,807	193,207
Ontario community services	555,068	441,649
National programs	78,637	96,041
Volunteer development	21,962	23,772
Fundraising	773,828	574,627
Governance	209,724	145,448
	2,221,595	1,670,821

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2021

12. 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. Thus, external, international ALS researchers adjudicate the competitions.

For the year ended December 31, 2021, the grant recipients included two current member of the Board of Directors who were also member of the Medical Advisory Council, in the total amount of \$1,250,000 (2020 - \$185,975). This amount was included in research grants expenses.

In addition, \$667,077 (2020 - \$223,000) was paid to the institutions for current or past Board Members for grants awarded in previous years.

13. Ontario community services

In \$	2021	2020
Equipment program	1,431,981	1,301,208
Community services	1,006,983	1,121,814
	2,438,964	2,423,022

Included in this total are the costs associated with accepting and carrying 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 \$184,892 (2020 - \$180,252) and is included in fundraising and donations revenue and in Ontario community support service expense at the appraised amount as of the date of the contribution. Additional purchases of client equipment were necessary to accommodate the needs of the Society's clients.

14. 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 leases are as follows:

2022	157,166
2023	157,166
2024	13,097
	327,429

15. Government subsidies

In response to the impact of COVID-19, the Government of Canada continued the Canada Emergency Wage Subsidy (CEWS) program and the Canada Emergency Rental Subsidy (CERS) program for the year ended December 31, 2021. CEWS provided 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 and CERS provided a rent subsidy on eligible rental expenses based on certain criteria, including demonstration of revenue declines as a result of COVID-19.

The Society has continued to qualify for both programs during the year ended December 31, 2021 until the cancellation of both programs, and received government subsidies for both programs of \$471,144 (2020 - \$843,047).

Amyotrophic Lateral Sclerosis (ALS) Society of Canada

Notes to the Financial Statements

For the year ended December 31, 2021

16. Financial instruments

The Society, as part of its operations, carries a number of financial instruments. The Society believes that it 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.

17. Comparatives figures

Certain comparative figures have been reclassified to conform with the current year presentation of the financial statements.