

Financial Statements of

**AMYOTROPHIC LATERAL SCLEROSIS
SOCIETY OF BRITISH COLUMBIA**

Year ended December 31, 2016

INDEPENDENT AUDITORS' REPORT

To the Members of Amyotrophic Lateral Sclerosis Society of British Columbia

Report on the Financial Statements

We have audited the accompanying financial statements of the Amyotrophic Lateral Sclerosis Society of British Columbia, which comprise the statement of financial position as at December 31, 2016, the statement of operations and changes in fund balances and cash flows for the year then ended, and notes and schedules, comprising 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.

Auditors' 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 entity'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 entity'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 in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

In common with other charitable organizations, the entity derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the entity and we were not able to determine whether, as at or for the years ended December 31, 2016 and December 31, 2015, any adjustments might be necessary to donations and other fundraising revenue and excess of revenue over expenses reported in statement of operations and current assets and fund balances reported in the statement of financial position. This caused us to qualify our audit opinion on the financial statements as at and for the year ended December 31, 2015.

Qualified Opinion

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of the Amyotrophic Lateral Sclerosis Society of British Columbia as at December 31, 2016, and the results of its operations, changes in fund balances and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting policies applied in preparing and presenting the financial statements in accordance with Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Chartered Professional Accountants

April _____, 2017
Vancouver, Canada

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Financial Position

December 31, 2016, with comparative information for 2015

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2016	2015
Assets					
Current assets:					
Cash and cash equivalents	\$ 269,290	\$ 447,210	\$ -	\$ 716,500	\$ 1,003,113
Investments (note 3)	-	1,325,663	-	1,325,663	871,206
Accounts receivable	21,130	-	-	21,130	20,738
GST receivable	12,461	-	-	12,461	13,733
Interfund balances	(5,000)	5,000	-	-	-
Prepaid expenses	14,853	-	-	14,853	23,293
	312,734	1,777,873	-	2,090,607	1,932,083
Property and equipment (notes 4 and 5)	-	-	1,808,002	1,808,002	1,627,836
	\$ 312,734	\$ 1,777,873	\$ 1,808,002	\$ 3,898,609	\$ 3,559,919

Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 10,605	\$ -	\$ -	\$ 10,605	\$ 18,536
Deferred revenue (note 6)	208,039	-	-	208,039	25,130
Deferred capital contributions (note 7)	-	-	1,016,084	1,016,084	800,626
	218,644	-	1,016,084	1,234,728	844,292
Fund balances:					
General fund	94,090	-	-	94,090	319,684
Reserve and endowed funds	-	1,777,873	-	1,777,873	1,568,733
Property and equipment fund	-	-	791,918	791,918	827,210
	94,090	1,777,873	791,918	2,663,881	2,715,627
Commitments and contingencies (note 11)					
	\$ 312,734	\$ 1,777,873	\$ 1,808,002	\$ 3,898,609	\$ 3,559,919

See accompanying notes to financial statements.

Approved on behalf of the Board:

_____ Director

_____ Director

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations

Year ended December 31, 2016, with comparative information for 2015

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2016	2015
Revenue:					
Victoria chapter revenue (Schedule 1)	\$ 97,098	\$ -	\$ -	\$ 97,098	\$ 124,147
NCI chapter revenue (Schedule 2)	73,624	-	-	73,624	60,764
Fundraising and special events (Schedule 3)	853,019	-	-	853,019	948,989
Ice Bucket Challenge	-	-	-	-	39,810
Gaming revenue	166,500	-	-	166,500	159,000
Gifts-in-Kind, including amortization of deferred capital contributions (note 7)	3,140	-	203,988	207,128	307,399
Memoriams	69,832	-	-	69,832	178,676
Donations – individual	141,742	-	-	141,742	102,585
Donations – employees groups	20,059	-	-	20,059	31,366
Donations – corporate groups and clubs	83,309	-	-	83,309	84,610
Donations – foundations	150,335	-	-	150,335	110,307
Planned giving	26,542	-	-	26,542	272,362
Investment income	2,589	116,177	-	118,766	19,757
Research donations	10,100	-	-	10,100	3,080
Caregiver days registrations	1,180	-	-	1,180	1,223
Memberships	1,530	-	-	1,530	2,070
Total revenue	1,700,599	116,177	203,988	2,020,764	2,446,145
Expenses:					
Victoria chapter expenses (Schedule 1)	46,153	-	-	46,153	37,734
NCI chapter expenses (Schedule 2)	25,589	-	-	25,589	22,340
Fundraising and special events (Schedule 3)	288,910	-	-	288,910	321,713
Research – ALS Canada (note 9)	10,100	-	-	10,100	18,778
Ice Bucket Challenge	-	-	-	-	39,245
Administration:					
Bank charges and interest	16,842	7,515	-	24,357	26,306
Insurance	16,119	-	-	16,119	18,467
Office supplies and equipment	25,809	-	-	25,809	21,369
Postage	8,629	-	-	8,629	10,055
Professional fees	36,183	-	-	36,183	11,671
Rent	50,428	-	-	50,428	52,230
Telephone, internet and website	19,077	-	-	19,077	20,885
Wages and benefits - Administration (note 12)	177,600	-	-	177,600	163,708
Patient services:					
Equipment loan program maintenance	505,564	-	20,374	525,938	548,922
Newsletter	46,348	-	-	46,348	49,773
Outreach and public awareness	828	-	-	828	6,546
Patient services	133,627	-	-	133,627	146,816
Travel	15,268	-	-	15,268	30,451
Volunteers	15,405	-	-	15,405	29,902
Wages and benefit – Patient services (note 12)	344,595	-	-	344,595	326,789
Other:					
Board expenses	14,586	-	-	14,586	13,784
Membership administration	4,472	-	-	4,472	125
Strategic planning	2,090	-	-	2,090	1,347
Total expenses	1,804,222	7,515	20,374	1,832,111	1,918,956
Excess (deficiency) of revenue over expenses from operations before other items	\$ (103,623)	\$ 108,662	\$ 183,614	\$ 188,653	\$ 527,189

See accompanying notes to financial statements.

DRAFT - March 10, 2017

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations (continued)

Year ended December 31, 2016, with comparative information for 2015

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2016	2015
Excess (deficiency) of revenue over expenses from operations before other items (carried forward)	\$ (103,623)	\$ 108,662	\$ 183,614	\$ 188,653	\$ 527,189
Amortization	-	-	(341,562)	(341,562)	(313,924)
Loss on write-down of property and equipment (note 5)	-	-	(11,524)	(11,524)	(10,497)
Gain from sale of property and equipment	-	-	-	-	129
Excess (deficiency) of revenue over expenses	\$ (103,623)	\$ 108,662	\$ (169,472)	\$ (164,433)	\$ 202,897

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Changes in Fund Balances

Year ended December 31, 2016, with comparative information for 2015

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2016	2015
Balance, beginning of year	\$ 319,684	\$ 1,568,733	\$ 827,210	\$ 2,715,627	\$ 2,383,400
Excess (deficiency) of revenue over expenses	(103,623)	108,662	(169,472)	(164,433)	202,987
Endowed funds contributions (note 8)	-	112,687	-	112,687	129,330
Interfund transfers (note 8)	12,209	(12,209)	-	-	-
Purchase of property and equipment	(134,180)	-	134,180	-	-
Balance, end of year	\$ 94,090	\$ 1,777,873	\$ 791,918	\$ 2,663,881	\$ 2,715,627

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended December 31, 2016, with comparative information for 2015

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2016	2015
Cash provided by (used in):					
Operating:					
Excess (deficiency) of revenue over expenses for the year	\$ (103,623)	\$ 108,662	\$ (169,472)	\$ (164,433)	\$ 202,897
Adjustments for changes in non-cash items:					
Amortization of property and equipment	-	-	341,562	341,562	313,924
Amortization of deferred capital contributions	-	-	(183,614)	(183,614)	(285,682)
Loss on write down of property and equipment (note 5)	-	-	50,878	50,878	44,214
Deferred capital contributions related to impaired capital assets (note 7)	-	-	(39,354)	(39,354)	(33,717)
Gain from sale of property and equipment	-	-	-	-	(129)
Unrealized loss on fair value adjustment on investments	-	7,528	-	7,528	16,305
Changes in non-cash operating working capital:					
Accounts receivable	(392)	-	-	(392)	(325)
GST receivable	1,272	-	-	1,272	(27)
Interfund balances	4,565	(4,565)	-	-	-
Prepaid expenses	8,440	-	-	8,440	(1,090)
Accounts payable and accrued liabilities	(7,931)	-	-	(7,931)	977
Deferred revenue	182,909	-	-	182,909	(1,990)
Cash flows from operating activities	85,240	111,625	-	196,865	255,357
Investing:					
Purchase of investments	-	(461,985)	-	(461,985)	(64,492)
Purchase of property and equipment	-	-	(134,180)	(134,180)	(78,634)
Cash flows used in investing activities	-	(461,985)	(134,180)	(596,165)	(143,126)
Increase (decrease) in cash and cash equivalents	85,240	(350,360)	(134,180)	(399,300)	112,231
Investment in capital assets	(134,180)	-	134,180	-	-
Endowed funds contributions	-	112,687	-	112,687	129,330
Interfund transfers	12,209	(12,209)	-	-	-
Cash and cash equivalents, beginning of year	306,021	697,092	-	1,003,113	761,552
Cash and cash equivalents, end of year	\$ 269,290	\$ 447,210	\$ -	\$ 716,500	\$ 1,003,113
Non-cash transactions:					
Contributed equipment recorded as deferred capital contributions received (note 7)				\$ 438,426	\$ 353,350

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

1. Purpose of the Society:

The Amyotrophic Lateral Sclerosis (“ALS”) Society of British Columbia (the “Society”) is a registered charity under the Income Tax Act and is incorporated under the Society Act (British Columbia) as a non-profit organization without share capital. The Society’s mission is to find the cause of and a cure for ALS, and to provide support to ALS patients, their families, and caregivers.

The Society is one of eight independent charities that belong to the ALS Societies of Canada Federation and has equal representation on the Federation Council. As a result of its registered charity status under the Income Tax Act, the Society is not subject to income taxes.

2. Significant accounting policies:

The financial statements have been prepared by management in accordance with Canadian Accounting Standards for Not-For-Profit Organizations in Part III of the Chartered Professional Accountants of Canada Handbook and include the following accounting policies:

(a) Basis of presentation:

These financial statements include the volunteer chapters located in Victoria and the North Central Island region.

(b) Fund accounting and revenue recognition:

The Society follows the deferral method of accounting for contributions. The Society maintains its accounts in accordance with the restrictions on the use of resources as designated by donors or the board of directors.

Contributions are recorded as revenue when received or receivable except when the donor has specified that they are intended for a specific use or for use in a future period, in which case they are deferred and recognized in the period the related expenses are incurred. Contributions are recognized when receivable if the amount can be reasonably estimated and collection is reasonably assured. Donations are recognized when received, pledges receivable are not recorded.

Contributions restricted for the purchase of capital assets and the fair value of contributed capital assets are deferred and amortized to revenue on a basis consistent with the amortization of the capital assets acquired.

The Society is the named beneficiary under various wills, life insurance policies and trust agreements. Proceeds are recorded as revenue when the amounts are received.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

2. Significant accounting policies (continued):

(b) Fund accounting and revenue recognition (continued):

For financial reporting purposes, the accounts have been classified into the following funds:

(i) General Fund:

The General Fund comprises revenues and expenses relating to program delivery, administration and special projects.

(ii) Reserve and Endowed Funds:

The Reserve and Endowed Funds comprise of donations and investment income specifically designated by donors and the board of directors. Reserve and endowed contributions are recognized as direct increases in net assets. Investment income earned by the funds is recorded on an accrual basis. Investments are recorded at fair value at each financial statement date with unrealized gains and losses recorded in investment income.

(iii) Property and Equipment Fund:

The Property and Equipment Fund recognizes resources that have been invested in capital assets. These resources increase for capital asset purchases, amortization of deferred capital contributions, and donations related to capital assets. The resources decrease by amortization of property and equipment, disposal of property and equipment, and increases in deferred capital contributions.

(c) Contributed services:

The Society receives a significant amount of time from volunteers each year to assist the Society in carrying out its programs and services. Due to the difficulty in determining their fair value, these contributed services are not recognized in these financial statements.

(d) Non-cash donations:

Contributions of assets, including patient equipment, supplies and services that would otherwise have been purchased are recorded at fair value at the date of contribution, provided a fair value can be reasonably determined.

(e) Cash and cash equivalents:

Cash and cash equivalents include restricted and unrestricted cash on hand and short-term deposits which are highly liquid with original maturities of less than three months at the date of acquisition.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

2. Significant accounting policies (continued):

(f) Investments:

Investments consist of guaranteed investment certificates, fixed income investments, and equity instruments. The guaranteed investment certificates are readily convertible to cash and mature within one year. Fixed income investments and equity instruments are measured at fair value using the quoted market value.

The realized gain or loss on investments, being the difference between adjusted cost base and proceeds, is included in investment income on the statement of operations. The unrealized gain and loss on investments, being the difference between carrying value and fair value is included in investment income on the statement of operations.

(g) Property and equipment:

Property and equipment are recorded at cost less accumulated amortization. Contributed assets are recorded at fair value at the date of contribution. Amortization is provided on a declining balance at the following annual rates:

Asset	Rate
Bathroom equipment	10%
Beds and mattresses	20%
Communication aids	30%
Miscellaneous equipment	20%
Patient lift equipment	20%
Wheelchairs and walkers	20%
Office equipment	20%

Amortization is calculated monthly using the declining balance method. The Society regularly reviews for impairment of its property and equipment whenever events or changes in circumstances indicate that the asset no longer has long-term service potential to the Society. If such conditions exist, an impairment loss is measured at the amount by which the carrying amount of the asset exceeds its residual value.

(h) Use of estimates:

The preparation of financial statements 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 revenue and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of fair value of non-cash donations and the determination of useful lives of property and equipment for calculating amortization. Actual results could differ from those estimates.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

2. Significant accounting policies (continued):

(i) Allocation of expenses:

Expenses are recorded and reported by programs and services. Other administrative costs, including office rent and utilities, postage and courier and information technology are not allocated. Certain employees perform a combination of program, fundraising and administrative functions; as a result, salaries and benefits are allocated based on time dedicated to the functional activities. Such allocations are reviewed regularly by management (note 12).

(j) Financial instruments:

The Society's financial instruments consist of cash, investments, accounts receivable, and accounts payable and accrued liabilities.

Financial instruments are recorded at fair value on initial recognition. Equity instruments that are quoted in an active market are subsequently measured at fair value. All other financial instruments are subsequently recorded at cost or amortized cost, unless management has elected to carry the instruments at fair value. The Society has elected to carry all investments at fair value.

Financial assets recorded at amortized cost are assessed for impairment on an annual basis at the end of the fiscal year if there are indicators of impairment. If there is an indicator of impairment, the Society determines if there is a significant adverse change in the expected amount or timing of future cash flows from the financial asset. If there is a significant adverse change in the expected cash flows, the carrying value of the financial asset is reduced to the highest of the present value of the expected cash flows, the amount that could be realized from selling the financial asset or the amount the Society expects to realize by exercising its right to any collateral. If events and circumstances reverse in a future period, an impairment loss will be reversed to the extent of the improvement, not exceeding the initial carrying value.

3. Investments:

Investments on endowed funds are managed by an independent investment manager in accordance an Investment Policy Statement approved by the Board of Directors. Investment income and realized and unrealized gains and losses are allocated to the funds based on the actual return earned by the assets allocated to or held by each fund during the year. Depending on the terms of the individual endowed funds, this income is retained by the funds or transferred to the unrestricted funds for specific purpose.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

3. Investments (continued):

	2016	2015
Pooled investment funds – JF Global Balanced Fund	\$ 1,325,663	\$ -
Fixed income investments	-	168,223
Equities	-	386,916
Exchange traded funds	-	316,067
Total	\$ 1,325,663	\$ 871,206

On July 1, 2016, the Society changed its investment manager from Raymond James to Jarislowsky Fraser and realized a gain of \$52,209 on transfer of the funds invested which has been included in investment income. Also included in investment income is \$7,528 (2015 - \$16,305) in unrealized loss on fair value adjustments on investments.

4. Property and equipment:

	2016		2015	
	Cost	Accumulated amortization	Net book value	Net book value
Patient equipment:				
Bathroom equipment	\$ 148,770	\$ 25,135	\$ 123,635	\$ 120,913
Beds and mattresses	320,478	153,764	166,714	162,787
Communication aids	29,554	8,343	21,211	28,658
Miscellaneous equipment	119,532	47,108	72,424	74,575
Patient lift equipment	356,599	147,615	208,984	147,141
Wheelchairs and walkers	1,961,353	756,500	1,204,853	1,084,208
	<u>2,936,286</u>	<u>1,138,465</u>	<u>1,797,821</u>	<u>1,618,282</u>
Office equipment	34,406	24,225	10,181	9,554
	<u>\$ 2,970,692</u>	<u>\$ 1,162,690</u>	<u>\$ 1,808,002</u>	<u>\$ 1,627,836</u>

5. Loss on write-down of property and equipment:

During 2016, a review of property and equipment took place. This review resulted in the retirement and write-down of significantly amortized, impaired, and obsolete assets. The net loss on this write-down for 2016 is \$11,524 (2015 - \$10,497).

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

5. Loss on write-down of property and equipment (continued):

	2016	2015
Capital assets written-off	\$ 367,526	\$ 620,810
Accumulated amortization	(316,648)	(576,596)
	50,878	44,214
Deferred capital contributions related to impaired capital assets (see note 7)	(39,354)	(33,717)
Loss on write-down	\$ 11,524	\$ 10,497

6. Deferred revenue:

Deferred revenue represents restricted contributions (other than endowed funds) that the Society is unable to use during the fiscal year due to its restrictions. These contributions are deferred and recognized as revenue in the year in which related expenses are incurred.

	2016	2015
Deferred revenue, beginning of year	\$ 25,130	\$ 27,220
Less amount recognized as revenue in the year:		
Golf and Walk revenues	(3,180)	(2,520)
Grants	-	(11,300)
Camp	(300)	(1,000)
Equipment Loan and Patient Services	(2,000)	-
Add amounts received for future periods:		
BC Gaming Grant	183,000	-
Golf and Walk revenues	1,440	2,670
Camp Alohi Lani	200	300
Equipment Loan and Patient Services	-	9,250
Fundraising	3,749	510
Deferred revenue, end of year	\$ 208,039	\$ 25,130

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

7. Deferred capital contributions:

Deferred capital contributions represents donations of property and equipment and are amortized on the same basis as the capital assets to which they relate. Changes in the deferred capital contributions balances during the year are as follows:

	2016	2015
Deferred capital contributions, beginning of year	\$ 800,626	\$ 766,675
Add capital contributions received	438,426	353,350
Less amortization of capital contributions to revenue	(183,614)	(285,682)
Less deferred capital contributions related to impaired capital assets (note 5)	(39,354)	(33,717)
Deferred capital contributions, end of year	\$ 1,016,084	\$ 800,626

Included in gifts-in-kind revenue is \$183,614 (2015 - \$285,682) of amortized deferred capital contributions.

8. Reserve and endowed funds:

Endowed funds are externally restricted donations received by the Society where the endowed principal is invested. The investment income generated from these endowed funds remains in the fund. A spending rule is applied to calculate payouts to be used in accordance with the various purposes established by the donors. The Society ensures that all funds received with a restricted purpose are expended for the purposes for which they were provided.

The Operating Reserve Fund represents funds that have been allocated internally for the purpose of supporting the Society's activities in the event of a cash flow decline.

	Balance January 1, 2016	Regular additions	Net inter-fund transfers	Net investment income	Balance December 31, 2016
Funds managed under the Investment Policy Statement:					
George "Sonny" Williams	\$ 411,136	\$ 3,350	\$ 17,322	\$ 38,825	\$ 470,633
David Pendray Memorial	202,905	5,000	1,115	17,368	221,388
Pearmain Fund	194,882	-	-	17,037	216,919
Dr. Andrew and Kathleen Eisen	294,441	100,000	-	33,187	427,628
Reserve funds:					
Operating Reserve Fund	162,000	-	-	-	162,000
ALS Adventure Challenge	95,855	-	(13,619)	418	82,654
Kamloops Endowed Fund	19,614	-	(15,057)	74	4,631
Victoria Endowed Fund	160,301	3,550	-	1,522	165,373
Karl Watt Endowed Fund	14,799	-	(1,970)	97	12,926
Cycle of Hope Lemonade Education Fund	12,800	787	-	134	13,721
	\$ 1,568,733	\$ 112,687	\$ (12,209)	\$ 108,662	\$ 1,777,873

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

8. Reserve and endowed funds (continued):

(a) Funds managed under the Investment Policy Statement:

The endowed funds of George "Sonny" Williams, David Pendray Memorial, Pearmain and Dr. Andrew and Kathleen Eisen are invested in medium-term and long-term investment funds, managed by an independent, professional investment manager. The funds invest in a diversified portfolio of investments in accordance with the Investment Policy Statement.

The annual disbursement from the Endowed Funds is calculated as 4% of the respective fund's average at the end of the fiscal year. The average of each endowed fund is calculated by summing and averaging the ending market values of the portfolio in each of the preceding 36 months. During the year, the Society changed the average ending market value calculation from 18 months to 36 months. No payout can occur when the average as calculated is less than the opening balance for the current fiscal year.

- (i) The George "Sonny" Williams Endowed Fund was created in 2003 to support caregivers of people living with ALS in B.C. Contributions to the fund are generated from the Annual ALS Golf Tournament, as well as, from individual donations from Williams Transportation and Logistics Group employees. The Williams family oversees the Fund.

George "Sonny" Williams died on Tuesday, January 30, 1996 at 12:20AM. The game of golf and the entire province lost a true friend. Mr. Williams, the well-respected owner of Williams Moving & Storage, dealt with the debilitating effects of ALS for over 6 years before succumbing to it. Mr. Williams left his mark on many aspects of business, as well as the game of golf, within British Columbia. He had been adamant in his pursuit of integrity within the moving industry. He was one of the first principal patrons for the B.C. Golf Museum. To add to his other contributions, Mr. Williams single handedly saved the B.C. Open from sure demise in 1982. In 1988, George Williams was named a CPGA honorary director for his contributions.

The opening balance of the George "Sonny" Williams Endowed Fund at January 1, 2016 was \$411,136 and the average monthly value of the fund for the 36 preceding months was \$404,558. Therefore the fund is not permitted to disburse in 2017.

In 2006 his son, Jim Williams, requested that 30% of the ALS Memorial Golf Tournament proceeds (NET) be allocated to the Endowed Fund. The proceeds allocated in 2016 were \$17,322 (2015 - \$18,745). The balance of funds raised was donated to the ALS Society of B.C for patient services.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

8. Reserve and endowed funds (continued):

(a) Funds managed under "Investment Policy Statement" (continued):

(ii) The David Pendray Memorial Endowed Fund was established to support patient services.

David (Dave) Pendray passed away from the effects of ALS at 57 years of age. Dave was a third generation dairy farmer. The 225-acre Pendray dairy farm is currently located off West Saanich Road, in North Saanich on Vancouver Island B.C. The farm is now operated by David's family. Milk from the Pendray farm has been shipped to Island Farms Dairy since 1960. The Pendray family and Island Farms Dairy have had strong connections for almost 50 years.

The opening balance of the David Pendray Memorial Endowed Fund at January 1, 2016 was \$202,905 and the average monthly value of the fund for the 36 preceding months was \$199,900. Therefore the fund is not permitted to disburse funds in 2017.

(iii) The Pearmain Endowed Fund was established to fund the purchase of equipment for ALS patients.

Prior to retirement, Jean Pearmain was a Neurological Nurse. She worked with Neurologists that specialized in ALS including Dr. Andrew Eisen. Since that time, she served as director on the ALS Society Board of Directors and volunteered with her husband Gord tirelessly for over 9 years. At any given time, Jean provided support to up to 30 ALS patients living in the North Central Vancouver Island region. She maintained an equipment storage locker and in many cases she and her husband Gord delivered the equipment themselves. Jean also conducted home visits and coordinated the Nanaimo monthly ALS Support Group.

The Pearmain family participated in the Walk for ALS and Jean has acted as an escort for the "On a Roll for ALS". Gord drove the support vehicle and Jean rode her bike next to the ALS roller.

The Executive of the North Central Island Chapter has worked to achieve a significant revenue surplus and decided to honor the dedication of the Pearmain family by establishing an Endowed Fund in their name.

The opening balance of the Pearmain Endowed Fund at January 1, 2016 was \$194,882 and the average monthly value of the fund for the 36 preceding months was \$191,638. Therefore the fund is not permitted to disburse funds in 2017.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

8. Reserve and endowed funds (continued):

(a) Funds managed under "Investment Policy Statement" (continued):

- (iv) The Dr. Andrew and Kathleen Eisen Endowed Fund was established on April 9, 2013 to support ALS patient services. Revenue for the fund is generated from donations from Dr. Andrew and Mrs. Kathleen Eisen, and from donations, other gifts or bequests that other persons may designate to the fund for its purpose.

Dr. Eisen is a founding director of the Society. He has been an active volunteer on the board since 1981, and has been named as a honorary life director. Dr. Eisen is a physician and neurologist, and a pioneer in the field of neurophysiology, having worked and taught at the University of British Columbia's Neuromuscular Diseases Unit and the ALS Clinic. Dr. Eisen's influence and legacy as a teacher and mentor in the practice of neurology, clinical neurophysiology, and neuromuscular disease research can be traced all over the world through his many books, hundreds of scientific papers, and international lectures.

Prior to retirement, Kathleen was a Neurological Nurse. She worked at the Allergy Clinic in Montreal's Royal Victoria Hospital from 1963 until 1980. With Dr. Donald Paty, Kathleen established the Multiple Sclerosis Clinic at the University of British Columbia in 1980, and worked as its Nurse Co-Ordinator until her retirement in 1998.

The opening balance of the Dr. Andrew and Kathleen Eisen Endowed Fund at January 1, 2015 was \$294,441 and the average monthly value of the fund for the 36 preceding months was \$261,219. Therefore the fund is not permitted to disburse funds in 2017.

(v) Reserve and endowed funds:

The following Reserve and Endowed funds were established to ensure immediate access should the need arise. The Reserve and Endowed Funds operate with a much higher degree of liquidity/accessibility than the funds managed under the investment policy statement, as per the Endowed Agreements with the Funds' settlers.

- (1) The General Operating Reserve Fund has been established to support future Society activities in the event of a cash flow decline.
- (2) The ALS Adventure Challenge Endowed Fund was created by the Board of Directors in 2006 at the request of the Nilsson Foundation in order to support improved research, technology and services for ALS patients that will improve their quality of life and to support new initiatives to enhance patient care as proposed by the ALS Society of B.C.; this would include training to support the Psychological Support Program. Monies raised by the Nilsson Foundation by hosting the ALS Adventure Challenge and donated to the ALS Society of B.C. are allocated to this Endowed Fund. During the year, \$13,619 (2015 - \$10,000) was paid to fund new initiatives to enhance patient care.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

8. Reserve and endowed funds (continued):

(a) Funds managed under "Investment Policy Statement" (continued):

(v) Reserve and endowed funds (continued):

- (3) The Kamloops Endowed Fund was initiated with 30% of the net proceeds from the ALS Golf Tournament of Hope. This annual tournament is heavily supported by the families of Clayton Smailes, Giovanni (John) Caferra and Brian Rintoul. The purpose of the fund is to provide advanced communication equipment to people living with ALS in B.C. In 2016, \$3,620 (2015 - \$5,496) was contributed to the fund, representing 30% of the net proceeds from the 2013 ALS Golf Tournament of Hope. During 2016, \$18,677 (2015 - \$20,000) was disbursed to purchase advanced communication equipment.
- (4) The Victoria Endowed Fund was established by the Victoria Chapter of the ALS Society of BC. The purpose of the fund is to provide financial support to people living with ALS.
- (5) The Karl Watt Endowed Fund was established by Norm and Misty Alexander in honor of their late son Karl Stefano Watt. The purpose of the fund is to financially assist ALS family homecare caregivers in providing respite care for themselves. During the year, \$1,970 (2015 - \$2,471) was paid to fund extraordinary patient services, respite and homecare services.
- (6) The Cycle of Hope Lemonade Education fund was established by the Cycle of Hope Society. The purpose of the fund is to provide financial aid to B.C. students who have a parent that is living with or has passed away from ALS.

(vi) Externally Managed Endowment Funds:

Externally managed endowment funds are not included in the assets of the Society as they are held in perpetuity by the external foundations.

(1) Vancouver Foundation Endowment Fund:

The Society maintains a permanent endowment fund with the Vancouver Foundation, established in memory of Mrs. Jeannette Heinrich, known as the ALS Society of British Columbia Endowment Fund. The fund is administered by the Vancouver Foundation. 100% of the distributions from this fund are for the benefit of the Society. The contributed principal is \$1,071,492 (2015 - \$972,699). During the year, the Society received \$40,423 (2015 - \$35,060) of investment income earned from this fund. The market value of the fund at December 31, 2016 was \$1,081,961 (2015 - \$1,133,316).

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

8. Reserve and endowed funds (continued):

(a) Funds managed under "Investment Policy Statement" (continued):

(vi) Externally Managed Endowment Funds (continued):

(2) Victoria Foundation Endowment Fund:

The Society maintains a permanent endowment fund with the Victoria Foundation called United Commercial Travellers' Fund. The ALS Society of BC - Victoria Chapter receives 16% of the distributions from this fund. The market value of the fund at December 31, 2016 was \$123,334 (2015 - \$116,163). During the year, the Society received \$719 (2015 - \$859).

(3) Central Okanagan Foundation Endowed Fund:

The Society maintains a permanent endowment fund with the Central Okanagan Foundation. The fund is administered by the Central Okanagan Foundation. During the year, the Society received \$330 (2015 - \$256) of investment income earned from this fund, 100% of the distributions from this fund are for the benefit of the Society. The contributed principal is \$7,322 (2015 - \$7,322).

9. Donations for research:

	British Columbia	Victoria	North Central Island	Total 2016	Total 2015
Donations for research	\$ 10,100	\$ -	\$ -	\$ 10,100	\$ 2,430
Ice Bucket Challenge	-	-	-	-	16,348
Walk for ALS	100,509	18,319	17,428	136,256	126,042
Flower Day	-	8,502	-	8,502	10,000
Total	\$ 110,609	\$ 26,821	\$ 17,428	\$ 154,858	\$ 154,820

10. Related party transactions:

The ALS Society of Canada oversees the distribution of research contributions. The relationship between the Society and the ALS Society of Canada is governed by the Partnership Agreement. During the year, the Society contributed \$144,758 (2015 - \$154,820) for research to the ALS Society of Canada. As at December 31, 2016, nil (2015 - \$15,698) was receivable from ALS Society of Canada.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

11. Commitments and contingencies:

(a) Premises:

The Society is committed to annual premise lease payments of \$52,080 until 2021.

(b) Communication Assistance for Youth and Adults ("CAYA"):

The Society has entered into an agreement to contribute \$25,000 to CAYA in 2017. The commitment also includes providing CAYA with access to the communication equipment owned by the Society. The communication equipment loaned to CAYA remains the property of the Society.

12. Allocation of expenses:

Wages and benefits - Administration reported on the statement of operations of \$177,600 (2015 - \$163,708) are reported after an allocation of \$122,089 (2015 - \$99,054) to Wages and Benefits - Patient Services representing estimated executive time spent supporting patient services.

13. Service club gaming revenues:

The Society received donations of gaming revenues from various community service clubs of \$21,070 (2015 - \$22,350). These amounts are included in general fund revenues.

14. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk is the risk associated with holding cash and short term investments. The Society limits its credit risk by holding its cash and short term investments with federally regulated, credit worthy financial institutions.

(b) Liquidity Risk:

Liquidity risk is the risk that the Society will be unable to fulfill its obligations on a timely basis at a reasonable cost. The Society manages its liquidity risk by monitoring its operating requirements, and makes adjustments based on available government funding and economic conditions.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2016

14. Financial risks and concentration of risk (continued):

(c) Market risk:

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate as market prices change. The Society invests its funds according to its Investment Policy Statement. The Investment Policy Statement applies to all investments in marketable securities and it includes restrictions regarding the minimum and maximum amount of Canadian equities, global equities, fixed income, real estate, mortgages, multi-strategy funds and short-term investments. The diversification across various asset classes is designed to decrease the volatility of portfolio returns.

15. Remuneration:

For the fiscal year ending December 31, 2016, the Society paid remuneration of \$134,500 to one employee and \$114,600 to one contractor for services related to patient equipment loan program maintenance.

16. Comparative information:

Certain 2015 comparative information has been reclassified to conform with the presentation adopted in the current year. This includes the reclassification in the statement of cash flows of \$285,682 in amortization of deferred capital contributions and \$1,990 in deferred revenue from investing and financing activities to non-cash items in operating activities. This reclassification resulted in a decrease in cash flow from operating activities by \$287,672, an increase in cash flow from investing activities by \$319,633, and a decrease in cash from financing activities by \$31,961.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – Victoria Chapter

Schedule 1

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Victoria Walk for ALS	\$ 75,272	\$ 70,710
Flower Day	8,502	10,030
Donations - individual	1,101	6,713
General Fundraising	9,922	35,959
Donations - employee groups	1,050	-
Memoriams and bequests	1,250	700
Interest	-	35
	97,098	124,147
Expenses:		
Bank charges and interest	35	107
Fundraising and special events	15,016	7,368
Office supplies and equipment	298	468
Patient services and support group	2,013	1,051
Rent (Storage)	1,438	1,481
Research (note 9)	26,821	26,754
Volunteers	532	505
	46,153	37,734
Excess of revenue over expenses for the year	\$ 50,945	\$ 86,413

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – North Central Island Chapter

Schedule 2

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
Mid Island Walk for ALS	\$ 60,513	\$ 49,174
Donations - individual	2,500	1,700
Donations - employee groups	5,656	-
Memoriams and bequests	350	-
General fundraising	4,605	9,890
	<u>73,624</u>	<u>60,764</u>
Expenses:		
Bank charges and interest	13	302
Fundraising and special events	6,776	6,093
Patient services and support group	1,372	1,061
Research (note 9)	17,428	12,170
Travel	-	2,714
	<u>25,589</u>	<u>22,340</u>
Excess of revenue over expenses for the year	\$ 48,035	\$ 38,424

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Fundraising Revenues and Expenses

Schedule 3

Year ended December 31, 2016, with comparative information for 2015

	2016	2015
Revenue:		
ALS BC Events:		
Walk for ALS	\$ 357,826	\$ 394,784
ALS Golf Tournaments - Vancouver and Kamloops	157,098	170,194
ALS BC Raffle	9,860	12,420
Patient Symposium	400	1,370
Third Party Events:		
General 3rd Party Fundraising Events	117,470	170,589
PGA of BC Golf A Thon for ALS	143,365	150,564
Peoples Drug Mart	25,000	25,000
Abbotsford Police John Goyer Memorial Golf Tournament	15,000	17,000
Shoot for ALS	27,000	7,068
	<u>853,019</u>	<u>948,989</u>
Expenses:		
Walk for ALS	56,911	54,493
Walk for ALS 40% to ALS Canada for Research (note 9)	100,509	97,118
ALS Golf Tournaments - Vancouver & Kamloops	81,525	90,102
General Fundraising	15,805	44,776
PGA of BC Golf A Thon for ALS	34,160	35,224
	<u>288,910</u>	<u>321,713</u>
Excess of revenue over expenses for the year	\$ 564,109	\$ 627,276

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

General 3rd Party Fundraising Events
(unaudited)

Schedule 3(A)

Year ended December 31, 2016

ALS BC 3rd Party:	
2 nd Annual Fundraiser Dance	\$ 8,683
3 rd Annual Cavalier Jewellers Cup	1,500
ALS Triple Cup	2,440
BC Tree Fruits Coop 2016 Golf Tournament	2,000
Blueridge Elementary School Fundraiser	306
BMO Vancouver Marathon	8,796
Bob Heinrich Calendar Sale	506
BrrrBQ & Ice Bucket Challenge in Honor of Catherine Little Wood	1,320
Chairman Tom's Grouse Grind	11,840
Coast Hotels Shuhachi Naito Golf Classic	24,000
Cormac's Birthday Fundraising	310
Cruisin Canada for ALS	4,517
Dallas Elementary School	750
Flow Yoga for ALS	778
General Fundraising	167
Grade 5 Westcot Elementary Fundraiser	298
Halloween Night in Strathcona Neighborhood	225
I Would Rather Be Fishing	4,881
Island Farms Mooman Charity Golf Tourney for ALS	1,115
Jamie Laycock Cycling Trip	246
Josie De Baat – Aloha Polynesian Dinner 2016	1,200
Margaret Thomson Line Dancing for Seniors	401
Michael Wall Card Sale	1,422
Nanaimo Seniors Village – 3 rd Annual Ice Bucket Challenge	1,360
Ocean Floor 3 rd Party Fundraising	269
Pub Night for ALS Society of BC	7,645
Race for Ron	1,625
RBC Got Talent	24
Rick Whittaker Sunset Golf and Massive Men's Day	5,401
Sage Golf Day	883
Scotiabank Marathon	645
Set It Up for ALS	160
Spring Honda Run	14,000
Summer Flower Arranging "Hand-on" Fundraising Evening	3,190
Team Clarke Fundraiser	3,832
Tribute for Dr. Rod Andrew Fundraiser	615
Windsor Secondary School	120
	117,470
North Central Island Chapter 3rd Party Fundraising:	
Ocean Idlers Club	1,000
Ol' Hustler's Hockey Club Fundraiser	3,605
	4,605
Victoria Chapter 3rd Party Fundraising:	
100 Women Who Care	650
Charellis Cheese Shop and Deli Fundraising	1,855
Marion Denton's Tea in Victoria	1,340
Peter Grant Fundraising	4,220
Sobey's "Thrifty Foods"	1,858
	9,923
	\$ 131,998