Financial Statements of

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Year ended December 31, 2015

KPMG LLP
Chartered Professional Accountants
Metro Tower I
4710 Kingsway, Suite 2400
Burnaby BC V5H 4M2
Canada

Telephone 604-527-3600
Fax 604-527-3636
Internet www.kpmg.ca

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, 2015, the statement of operations and changes in fund balances and cash flows for the year then ended, and notes, 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 year ended 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.

KPMG LLP is a Canadian limited liability partnership and a member firm of the KPMG network of independent member firms affiliated with KPMG International Cooperative ("KPMG International"), a Swiss entity.
KPMG Canada provides services to KPMG LLP.

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, 2015, 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.

Other Matter

Our audit was conducted for the purpose of forming an opinion on the financial statements taken as a whole. The supplementary information included in Schedules 1 through 3 is presented for purposes of additional analysis and is not a required part of the financial statements. Such supplementary information has been subjected to the audit procedures applied in the audit of the financial statements and, in our opinion, is fairly stated in all material respects to the financial statements taken as a whole.

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.

Comparative Information

The financial statements of the Amyotrophic Lateral Sclerosis Society of British Columbia as at and for the year ended December 31, 2014 were audited by another auditor who expressed a qualified opinion for the completeness of donation revenue on those financial statements on April 7, 2015.

KPMG LLP

Chartered Professional Accountants

April 5, 2016
Vancouver, Canada

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Financial Position

December 31, 2015, with comparative information for 2014

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2015	2014
Assets					
Current assets:					
Cash and cash equivalents	$ 306,021	$ 697,092	$ -	$ 1,003,113	$ 761,552
Investments (note 3)	-	871,206	-	871,206	823,019
Accounts receivable	20,738	-	-	20,738	20,413
GST receivable	13,733	-	-	13,733	13,706
Interfund balances	(435)	435	-	-	-
Prepaid expenses	23,293	-	-	23,293	22,203
	363,350	1,568,733	-	1,932,083	1,640,893
Property and equipment (notes 4 and 5)	-	-	1,627,836	1,627,836	1,553,861
	$ 363,350	$ 1,568,733	$ 1,627,836	$ 3,559,919	$ 3,194,754
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities	$ 18,536	$ -	$ -	$ 18,536	$ 17,559
Deferred revenue (note 6)	25,130	-	-	25,130	27,220
Deferred capital contributions (note 7)	-	-	800,626	800,626	766,575
	43,666	-	800,626	844,292	811,354
Fund balances:					
General fund	319,684	-	-	319,684	147,721
Reserve and endowed funds	-	1,568,733	-	1,568,733	1,448,393
Property and equipment fund	-	-	827,210	827,210	787,286
	319,684	1,568,733	827,210	2,715,627	2,383,400
Commitments and contingencies (note 11)					
	$ 363,350	$ 1,568,733	$ 1,627,836	$ 3,555,919	$ 3,194,754

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, 2015, with comparative information for 2014

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2015	2014
Revenue:					
Victoria chapter revenue (Schedule 1)	$ 124,147	$ -	$ -	$ 124,147	$ 106,450
NCI chapter revenue (Schedule 2)	60,764	-	-	60,764	39,144
Fundraising and special events (Schedule 3)	948,989	-	-	948,989	1,078,865
Ice Bucket Challenge	39,810	-	-	39,810	2,078,134
Gaming revenue	159,000	-	-	159,000	149,000
Gifts-in-Kind, including amortization of deferred capital contributions (note 7)	6,372	-	301,027	307,399	356,939
Memoriams	178,676	-	-	178,676	119,854
Donations – individual	102,585	-	-	102,585	82,518
Donations – employees groups	31,366	-	-	31,366	26,470
Donations – corporate	84,610	-	-	84,610	71,599
Donations – foundations	110,307	-	-	110,307	99,880
Planned giving	272,362	-	-	272,362	87,566
Investment income	2,202	17,555	-	19,757	60,240
ALS Canada	-	-	-	-	7,600
Research donations	3,080	-	-	3,080	5,197
Caregiver days registrations	1,223	-	-	1,223	1,200
Memberships	2,070	-	-	2,070	2,800
Total revenue	2,127,563	17,555	301,027	2,446,145	4,373,456
Expenses:					
Victoria chapter expenses (Schedule 1)	37,734	-	-	37,734	53,430
NCI chapter expenses (Schedule 2)	22,340	-	-	22,340	19,459
Fundraising and special events (Schedule 3)	321,713	-	-	321,713	413,825
Research – ALS Canada (note 9)	18,778	-	-	18,778	1,919,358
Ice Bucket Challenge	39,245	-	-	39,245	134,529
Administration:					
Bank charges and interest	18,228	8,078	-	26,306	21,183
Insurance	18,467	-	-	18,467	18,673
Office supplies and equipment	21,369	-	-	21,369	19,045
Postage	10,055	-	-	10,055	6,931
Professional fees	11,671	-	-	11,671	9,738
Rent	52,230	-	-	52,230	49,193
Telephone, internet and website	20,885	-	-	20,885	19,443
Wages and benefits – Administration (note 12)	163,708	-	-	163,708	155,494
Patient services:					
Equipment loan program maintenance	533,477	-	15,445	548,922	405,365
Newsletter	49,773	-	-	49,773	31,542
Outreach and public awareness	6,546	-	-	6,546	3,816
Patient services	146,816	-	-	146,816	146,514
Travel	30,451	-	-	30,451	21,048
Volunteers	29,902	-	-	29,902	17,344
Wages and benefit – Patient Services (note 12)	326,789	-	-	326,789	311,678
Other:					
Board expenses	13,784	-	-	13,784	8,565
Membership administration	125	-	-	125	100
Strategic planning	1,347	-	-	1,347	1,146
Total expenses	1,895,433	8,078	15,445	1,918,956	3,787,419
Excess of revenue over expenses from operations before other items	232,130	9,477	285,582	527,189	586,037

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations (continued)

Year ended December 31, 2015, with comparative information for 2014

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2015	2014
Excess of revenue over expenses from operations before other items (carried forward)	$ 232,130	$ 9,477	$ 285,582	$ 527,189	$ 586,037
Amortization (note 4)	-	-	(313,924)	(313,924)	(329,233)
Loss on write-down of property and equipment (note 5)	-	-	(10,497)	(10,497)	(4,748)
Gain from sale of asset	-	-	129	129	4,000
Excess (deficiency) of revenue over expenses	$ 232,130	$ 9,477	$ (38,710)	$ 202,897	$ 256,056

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Changes in Fund Balances

Year ended December 31, 2015, with comparative information for 2014

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2015	2014
Balance, beginning of year	$ 147,721	$ 1,448,393	$ 787,286	$ 2,383,400	$ 2,014,026
Excess (deficiency) of revenue over expenses	232,130	9,477	(38,710)	202,897	256,056
Endowed funds contributions (note 8)	-	129,330	-	129,330	113,318
Interfund transfers (note 8)	18,467	(18,467)	-	-	-
Purchase of property and equipment	(78,634)	-	78,634	-	-
Balance, end of year	$ 319,684	$ 1,568,733	$ 827,210	$ 2,715,627	$ 2,383,400

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended December 31, 2015, with comparative information for 2014

	General fund	Reserve and endowed funds	Property and equipment fund	2015	2014
		(note 8)			
Operating:					
Excess of revenue over expenses for the year	$ 232,130	$ 9,477	$ (38,710)	$ 202,897	$ 256,056
Adjustments for changes in:					
Amortization of property and equipment	-	-	313,924	313,924	329,233
Loss on write down of property and equipment (note 5)	-	-	10,497	10,497	4,748
Gain from sale of asset	-	-	(129)	(129)	-
Unrealized loss (gain) on fair value adjustment on investments	-	16,305	-	16,305	(40,997)
Accounts receivable	(325)			(325)	(18,757)
GST receivable	(27)	-	-	(27)	3,472
Interfund balances	435	(435)	-	-	-
Prepaid expenses	(1,090)	-	-	(1,090)	(15,806)
Accounts payable and accrued liabilities	977	-	-	977	1,014
Cash flows from operating activities	232,100	25,347	285,582	543,029	518,963
Investments:					
Purchase of investments	-	(64,492)	-	(64,492)	(51,955)
Purchase of property and equipment	-	-	(78,634)	(78,634)	(116,192)
Proceeds from sale of property and equipment	-	-	-	-	(4,000)
Deferred capital contributions received (note 7)	-	-	(353,350)	(353,350)	(337,085)
Deferred capital contributions on impaired property and equipment (note 5)	-	-	33,717	33,717	37,749
Cash flows used in investing activities	-	(64,492)	(398,267)	(462,759)	(471,483)
Financing:					
Deferred contributions	(2,090)	-	34,051	31,961	(54,225)
Cash flows from (used in) financing activities	(2,090)	-	34,051	31,961	(54,225)
Increase (decrease) in cash and cash equivalents	230,010	(39,145)	(78,634)	112,231	(6,745)
Investment in capital assets	(78,634)	-	78,634	-	-
Endowed funds contributions	-	129,330	-	129,330	113,318
Interfund transfers	18,467	(18,467)	-	-	-
Cash and cash equivalents, beginning of year	136,178	625,374	-	761,552	654,979
Cash and cash equivalents, end of year	$ 306,021	$ 697,092	$ -	$ 1,003,113	$ 761,552

See accompanying notes to financial statements.

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 ten 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.

Deferred capital contributions are 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.

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.

2. Significant accounting policies (continued):

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

(*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, 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.

(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.

2. Significant accounting policies (continued):

(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%
Vehicles	30%

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.

(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).

2. Significant accounting policies (continued):

(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 consist of guaranteed investment certificates, fixed income investments and marketable securities. Marketable securities relate to endowed funds and are managed by an independent investment manager. 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.

		2015		2014
Fixed income investments	$	168,223	$	101,843
Equities		386,916		614,777
Exchange traded funds		316,067		106,399
Total	$	871,206	$	823,019

Included in investment income is $16,305 (2014 - $40,997 gain) in unrealized loss on fair value adjustments on investments.

4. Property and equipment:

			2015	2014
	Cost	Accumulated amortization	Net book value	Net book value
Patient equipment				
Bathroom equipment	$ 150,561	$ 29,648	$ 120,913	$ 111,717
Beds and mattresses	293,988	131,201	162,787	156,832
Communication aids	29,554	896	28,658	42,077
Miscellaneous equipment	120,374	45,799	74,575	63,167
Patient lift equipment	291,736	144,595	147,141	160,338
Wheelchairs and walkers	1,847,697	763,489	1,084,208	1,007,551
	2,733,910	1,115,628	1,618,282	1,541,682
Office equipment	31,702	22,148	9,554	11,689
Vehicles	-	-	-	490
	$ 2,765,612	$ 1,137,776	$ 1,627,836	$ 1,553,861

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

During 2015, 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 2015 is $10,497 (2014 - $4,748).

	2015	2014
Capital assets written-off	$ 620,810	$ 341,959
Accumulated amortization	(576,596)	(299,462)
Deferred capital contributions related to impaired capital assets (see note 7)	(33,717)	(37,749)
Loss on write-down	$ 10,497	$ 4,748

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.

		2015		2014
Deferred revenue, beginning of year	$	27,220	$	26,660
Less amount recognized as revenue in the year:				
Golf and Walk revenues		(2,520)		(6,660)
Grants		(11,300)		(7,600)
Camp		(1,000)		-
Add amounts received for future periods:				
Golf and Walk revenues		2,670		2,520
Camp Alohi Lani		300		1,300
Equipment Loan and Patient Services		9,250		11,000
Fundraising		510		-
Deferred revenue, end of year	$	25,130	$	27,220

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:

		2015		2014
Deferred capital contributions, beginning of year	$	766,675	$	821,360
Add capital contributions received		353,350		337,085
Less amortization of capital contributions to revenue		(285,682)		(354,121)
Less deferred capital contributions related to impaired capital assets (note 5)		(33,717)		(37,749)
Deferred capital contributions, end of year	$	800,626	$	766,575

Included in gifts-in-kind revenue is $285,682 (2014 - $354,121) 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, 2015	Regular additions	Net inter-fund transfers	Net investment income	Balance December 31, 2015
Funds managed under the Investment Policy Statement:					
George "Sonny" Williams	$ 402,759	$ 665	$ 4,095	$ 3,617	$ 411,136
David Pendray Memorial	201,283	5,500	(6,657)	2,779	202,905
Pearmain Fund	193,626	5,000	(6,910)	3,166	194,882
Dr. Andrew and Kathleen Eisen	201,909	100,315	(5,075)	(2,708)	294,441
Reserve funds:					
Operating Reserve Fund	162,000	-	-	-	162,000
ALS Adventure Challenge	104,797	-	(10,000)	1,058	95,855
Kamloops Endowed Fund	33,820	50	(14,504)	248	19,614
Victoria Endowed Fund	136,018	-	23,055	1,228	160,301
Karl Watt Endowed Fund	12,181	5,000	(2,471)	89	14,799
Cycle of Hope Lemonade Education Fund	-	12,800	-	-	12,800
	$ 1,448,393	$ 129,330	$ (18,467)	$ 9,477	$ 1,568,733

(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 18 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.

8. Reserve and endowed funds (continued):

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

(*i*) (continued):

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, 2015 was $396,981 and the average monthly value of the fund for the 18 preceding months was $400,647. Therefore the fund is permitted to disburse $16,025 in 2016, being 4% of the average monthly value.

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 2015 were $18,745 (2014 - $21,164). The balance of funds raised was donated to the ALS Society of B.C for patient services.

(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, 2015 was $201,283 and the average monthly value of the fund for the 18 preceding months was $198,348. Therefore the fund is not permitted to disburse funds in 2016.

8. Reserve and endowed funds (continued):

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

(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 Pearmains 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 Pearmains by establishing an Endowed Fund in their name.

The opening balance of the Pearmain Endowed Fund at January 1, 2015 was $193,626 and the average monthly value of the fund for the 18 preceding months was $190,287. Therefore the fund is not permitted to disburse funds in 2016.

(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 honourary 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.

8. Reserve and endowed funds (continued):

(a) Funds managed under “Investment Policy Statement” (continued):

(*iv*) (continued):

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 $273,972 and the average monthly value of the fund for the 18 preceding months was $237,755. Therefore the fund is not permitted to disburse funds in 2016.

(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, $10,000 (2014 - $7,015) was paid to fund new initiatives to enhance patient care.

(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 2015, $5,496 (2014 - $5,468) was contributed to the fund, representing 30% of the net proceeds from the 2013 ALS Golf Tournament of Hope. During 2015, $20,000 (2014 - $817) was disbursed to purchase advanced communication equipment.

8. Reserve and endowed funds (continued):

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

(*v*) Reserve and endowed funds (continued):

(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, $2,471 (2014 - $2,099) 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 $972,699 (2014 - $893,015). During the year, the Society received $35,060 (2014 - $29,403) of investment income earned from this fund. The market value of the fund at December 31, 2015 was $1,133,316 (2014 - $995,068).

(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, 2015 was $116,163 (2014 - $115,362). During the year, the Society received $859 (2014 - $577).

8. Reserve and endowed funds (continued):

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

(*vi*) Externally Managed Endowment Funds (continued):

(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 $256 (2014 - $746) 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 (2014 - $7,322).

9. Donations for research:

	British Columbia	Victoria	North Central Island	Total 2015	Total 2014
Donations for research	$ 2,430	$ -	$ -	$ 2,430	$ 5,197
Ice Bucket Challenge	16,348	-	-	16,348	1,914,161
Walk for ALS	97,118	16,754	12,170	126,042	224,718
Flower Day	-	10,000	-	10,000	10,900
Total	$ 115,896	$ 26,754	$ 12,170	$ 154,820	$ 2,154,976

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 $154,820 (2014 - $2,154,976) for research to the ALS Society of Canada. As at December 31, 2015, $15,698 (2014 - $5,090) was receivable from ALS Society of Canada.

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 Communication Assistance for Youth and Adults ("CAYA") in 2016 and 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 $163,708 (2014 - $155,495) are reported after an allocation of $99,054 (2014 - $116,018) 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 $22,350 (2014 - $17,855). 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.

(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 an Investment Policy Statement approved by the Board of Directors. 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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – Victoria Chapter

Schedule 1

Year ended December 31, 2015

	2015	2014
Revenue:		
Victoria Walk for ALS	$ 70,710	$ 73,442
Flower Day	10,030	11,404
Donations - individual	6,713	9,347
General Fundraising	35,959	9,280
Donations - employee groups	-	2,585
Memoriams and bequests	700	350
Interest	35	42
	124,147	106,450
Expenses:		
Bank charges and interest	107	45
Fundraising and special events	7,368	9,291
Office supplies and equipment	468	846
Patient services and support group	1,051	687
Rent (Storage)	1,481	5,176
Research (note 9)	26,754	36,947
Travel	-	35
Volunteers	505	403
	37,734	53,430
Excess of revenue over expenses for the year	$ 86,413	$ 53,020

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – North Central Island Chapter

Schedule 2

Year ended December 31, 2015

	2015	2014
Revenue:		
Mid Island Walk for ALS	$ 49,174	$ 36,233
Donations - individual	1,700	2,250
Donations - employee groups	-	304
Memoriams and bequests	-	235
Interest	-	122
General fundraising	9,890	-
	60,764	39,144
Expenses:		
Bank charges and interest	302	84
Fundraising and special events	6,093	5,799
Office supplies and equipment	-	104
Patient services and support group	1,061	404
Research (note 9)	12,170	11,608
Travel	2,714	1,460
	22,340	19,459
Excess of revenue over expenses for the year	$ 38,424	$ 19,685

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Fundraising Revenues and Expenses — Schedule 3

Year ended December 31, 2015, with comparative information for 2014

	2015	2014
Revenue:		
ALS BC Events:		
Walk for ALS	$ 394,784	$ 562,364
ALS Golf Tournaments - Vancouver and Kamloops	170,194	169,428
ALS BC Raffle	12,420	-
Patient Symposium	1,370	749
Third Party Events:		
General 3rd Party Fundraising Events	170,589	124,639
PGA of BC Golf A Thon for ALS	150,564	158,157
Peoples Drug Mart	25,000	25,000
Abbotsford Police John Goyer Memorial Golf Tournament	17,000	15,000
Shoot for ALS	7,068	20,000
Cambridge House Gala	-	3,528
	948,989	1,078,865
Expenses:		
Walk for ALS	54,493	81,624
Walk for ALS 40% to ALS Canada for Research (note 9)	97,118	187,063
ALS Golf Tournaments - Vancouver & Kamloops	90,102	80,821
General Fundraising	44,776	20,294
PGA of BC Golf A Thon for ALS	35,224	44,023
	321,713	413,825
Excess of revenue over expenses for the year	$ 627,276	$ 665,040

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

General 3rd Party Fundraising Events — Schedule 3(A)

(unaudited)

Year ended December 31, 2015

		2015
ALS BC 3rd Party:		
12 Days of Glowbal Giving	$	1,500
Aloha Polynesia Dinner		500
BC Sheet Metal Association Fundraiser		3,586
BC Tree Fruits Golf Tournament		1,635
Bischoff Family Dance		4,135
BMO Vancouver Marathon		50
Bob Heinrich 2016 Calendars		1,450
Chairman Tom's Grouse Grind		17,191
Chief Dan George Middle School		111
Coast Hotels Shuhachi Naito Golf Classic		22,000
Cormac's Birthday Fundraising		200
Cruisin Canada for ALS		31,934
Drive for ALS Charity Tournament - Ardmore Golf		4,338
Eagle River Secondary School		1,069
Fix Auto Peninsula Fundraising		50
Forward Law Charity Challenge		214
MacLeod's Mates Fundraiser		2,525
Marine Hairstyling for Men Fundraiser		46,113
Michael Wall Cards		1,615
Moneris Loyalty Gift Pass		300
Mooman Fundraising		660
Ocean Floor Fundraising		385
Scotiabank Vancouver Half Marathon		10,835
Spring Honda Fun Run		7,650
Super Fun Games for Good		2,600
Team Clarke - Clutter Clean Up		7,943
		170,589
North Central Island Chapter 3rd Party Fundraising:		
Cowichan Valley Ol' Hustlers Burger Night		6,115
Ol' Hustler's Hockey Club Fundraiser		3,775
		9,890
Victoria Chapter 3rd Party Fundraising:		
Peter Grant Fundraising		4,324
Sobey's "Thrifty Foods"		1,235
ALS Tea		1,110
Charellis Cheese Shop and Deli Fundraising		1,840
100+ Women Who Care		26,800
Sue Mohaghan Scrub Fundraising		650
		35,959
	$	216,438