

Financial Statements of

**AMYOTROPHIC LATERAL SCLEROSIS
SOCIETY OF BRITISH COLUMBIA**

Year ended December 31, 2018



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INDEPENDENT AUDITORS' REPORT

To the Members of Amyotrophic Lateral Sclerosis Society of British Columbia

Report on the Financial Statements

Qualified Opinion

We have audited the financial statements of Amyotrophic Lateral Sclerosis Society (the "Society"), which comprise:

- the statement of financial position as at December 31, 2018
- the statement of operations for the year then ended
- the statement of changes in fund balances for the year then ended
- the statement of cash flows for the year then ended
- and notes to the financial statements, including a summary of significant accounting policies

(Hereinafter referred to as the "financial statements").

In our opinion, except for the possible effects of the matter described in the "**Basis for Qualified Opinion**" section of our auditors' report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, and its results of operations, its changes in fund balances and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

In common with many not-for-profit organizations, the Society derives revenue from fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society.

Therefore, we were not able to determine whether any adjustments might be necessary to:

- the current assets reported in the statements of financial position as at end of 2018 and end of 2017
- the fundraising and donation revenues and excess of revenues over expenses reported in the statements of operations for the years ended end of 2018 and end of 2017
- the general fund balances, at the beginning and end of the year, reported in the statements of changes in fund balances for the years ended end of 2018 and end of 2017
- the excess of revenues over expenses reported in the statements of cash flows for the years ended end of 2018 and end of 2017.



Our opinion on the financial statements for the year ended end of 2017 was qualified accordingly because of the possible effects of this limitation in scope.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the “**Auditors’ Responsibilities for the Audit of the Financial Statements**” section of our auditors’ 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 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.

Auditors’ 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 auditors’ 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 the 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 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 auditors' 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 auditors' report. However, future events or conditions may cause 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.
- 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.

Reporting on Other Legal and Regulatory Requirements

As required by the Societies 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

Vancouver, Canada

April 2, 2019

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Financial Position

December 31, 2018, with comparative information for 2017

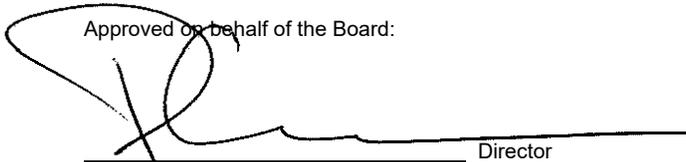
	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2018	2017
Assets					
Current assets:					
Cash and cash equivalents	\$ 541,177	\$ 1,360,863	\$ -	\$ 1,902,040	\$ 996,837
Investments (note 3)	-	1,627,057	-	1,627,057	1,526,340
Accounts receivable	23,282	-	-	23,282	16,840
GST receivable	14,144	-	-	14,144	14,479
Prepaid expenses	37,532	-	-	37,532	36,896
	616,135	2,987,920	-	3,604,055	2,591,392
Property and equipment (notes 4 and 5)	-	-	2,057,769	2,057,769	1,966,896
	\$ 616,135	\$ 2,987,920	\$ 2,057,769	\$ 5,661,824	\$ 4,558,288

Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 30,431	\$ -	\$ -	\$ 30,431	\$ 17,635
Deferred revenue (note 6)	287,723	-	-	287,723	328,849
	318,154	-	-	318,154	346,484
Deferred capital contributions (note 7)	-	-	1,390,445	1,390,445	1,270,332
Fund balances:					
General fund	297,981	-	-	297,981	260,353
Reserve and endowed funds	-	2,987,920	-	2,987,920	1,984,555
Property and equipment fund	-	-	667,324	667,324	696,564
	297,981	2,987,920	667,324	3,953,225	2,941,472
Commitments and contingencies (note 10)					
	\$ 616,135	\$ 2,987,920	\$ 2,057,769	\$ 5,661,824	\$ 4,558,288

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, 2018, with comparative information for 2017

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2018	2017
Revenue:					
Victoria chapter revenue (Schedule 1)	\$ 120,992	\$ -	\$ -	\$ 120,992	\$ 104,140
NCI chapter revenue (Schedule 2)	63,357	-	-	63,357	45,523
Fundraising and special events (Schedule 3)	988,127	-	-	988,127	833,553
Gaming revenue	196,500	-	-	196,500	183,000
Gifts-in-Kind, including amortization of deferred capital contributions (note 7)	3,488	-	328,164	331,652	312,248
Memoriams	84,473	-	-	84,473	89,121
Donations – individual	325,296	-	-	325,296	196,772
Donations – employees groups	27,964	-	-	27,964	45,823
Donations – corporate groups and clubs	148,142	-	-	148,142	82,612
Donations – foundations	222,804	-	-	222,804	80,513
Planned giving	823,517	-	-	823,517	236,004
Investment income, including fair value adjustment on investments (note 3)	57,648	(20,109)	-	37,539	157,457
Research donations	510	-	-	510	-
Caregiver days registrations	1,300	-	-	1,300	850
Memberships	2,620	-	-	2,620	1,885
Total revenue	3,066,738	(20,109)	328,164	3,374,793	2,369,501
Expenses:					
Victoria chapter expenses (Schedule 1)	52,714	-	-	52,714	52,148
NCI chapter expenses (Schedule 2)	24,112	-	-	24,112	17,879
Fundraising and special events (Schedule 3)	318,867	-	-	318,867	300,950
Research – ALS Canada (note 9)	14,182	-	-	14,182	2,625
Administration:					
Bank charges and interest	7,917	9,676	-	17,593	24,016
Insurance	15,686	-	-	15,686	16,046
Office supplies and equipment	26,820	-	-	26,820	22,951
Postage	7,975	-	-	7,975	8,599
Professional fees	10,763	-	-	10,763	11,173
Rent	53,927	-	-	53,927	54,941
Telephone, internet and website	56,918	-	-	56,918	18,449
Wages and benefits – Administration (note 11)	187,870	-	-	187,870	171,281
Patient services:					
Equipment loan program maintenance	581,099	-	24,505	605,604	517,542
Newsletter	42,172	-	-	42,172	44,070
Outreach and public awareness	5,782	-	-	5,782	56,241
Patient services	133,889	-	-	133,889	108,486
Travel	16,934	-	-	16,934	17,194
Volunteer	7,331	-	-	7,331	14,614
Wages and benefit – Patient services (note 11)	325,898	-	-	325,898	321,133
Other:					
Board expenses	16,094	-	-	16,094	11,797
Membership administration	5,510	-	-	5,510	5,079
Strategic planning	5,321	-	-	5,321	449
Total expenses	1,917,781	9,676	24,505	1,951,962	1,797,663
Excess of revenue over expenses from operations before other items	\$ 1,148,957	(29,785)	303,659	\$ 1,422,831	\$ 571,838

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations (continued)

Year ended December 31, 2018, with comparative information for 2017

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2018	2017
Excess of revenue over expenses from operations before other items (carried forward)	\$ 1,148,957	\$ (29,785)	\$ 303,659	\$ 1,422,831	\$ 571,838
Amortization	-	-	(405,023)	(405,023)	(380,648)
Loss on write-down of property and equipment (note 5)	-	-	(14,656)	(14,656)	(11,240)
Excess (deficiency) of revenue over expenses	\$ 1,148,957	\$ (29,785)	\$ (116,020)	\$ 1,003,152	\$ 179,950

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Changes in Fund Balances

Year ended December 31, 2018, with comparative information for 2017

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2018	2017
Balance, beginning of year	\$ 260,353	\$ 1,984,555	\$ 696,564	\$ 2,941,472	\$ 2,663,881
Excess (deficiency) of revenue over expenses	1,148,957	(29,785)	(116,020)	1,003,152	179,950
Endowed funds contributions (note 8)	-	8,601	-	8,601	97,641
Interfund transfers (note 8)	(1,024,549)	1,024,549	-	-	-
Purchase of property and equipment	(86,780)	-	86,780	-	-
Balance, end of year	\$ 297,981	\$ 2,987,920	\$ 667,324	\$ 3,953,225	\$ 2,941,472

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended December 31, 2018, with comparative information for 2017

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2018	2017
Cash provided by (used in):					
Operating:					
Excess (deficiency) of revenue over expenses for the year	\$ 1,148,957	\$ (29,785)	\$ (116,020)	\$ 1,003,152	\$ 179,950
Adjustments for changes in non-cash items:					
Amortization of property and equipment	-	-	405,023	405,023	380,648
Amortization of deferred capital contributions	-	-	(303,659)	(303,659)	(263,314)
Loss on write down of property and equipment (note 5)	-	-	75,617	75,617	138,412
Deferred capital contributions related to impaired capital assets (note 7)	-	-	(60,961)	(60,961)	(127,172)
Unrealized loss on fair value adjustment on investments	-	96,300	-	96,300	14,861
Changes in non-cash operating working capital:					
Accounts receivable	(6,442)	-	-	(6,442)	4,290
GST receivable	335	-	-	335	(2,018)
Prepaid expenses	(636)	-	-	(636)	(22,043)
Accounts payable and accrued liabilities	12,796	-	-	12,796	7,030
Deferred revenue	(41,126)	-	-	(41,126)	120,810
Cash flows from operating activities	1,113,884	66,515	-	1,180,399	431,454
Investing:					
Purchase of investments	-	(197,017)	-	(197,017)	(215,538)
Purchase of property and equipment	-	-	(86,780)	(86,780)	(33,220)
Cash flows used in investing activities	-	(197,017)	(86,780)	(283,797)	(248,758)
Increase (decrease) in cash and cash equivalents	1,113,884	(130,502)	(86,780)	896,602	182,696
Investment in capital assets	(86,780)	-	86,780	-	-
Endowed funds contributions	-	8,601	-	8,601	97,641
Interfund transfers	(1,024,549)	1,024,549	-	-	-
Cash and cash equivalents, beginning of year	538,622	458,215	-	996,837	716,500
Cash and cash equivalents, end of year	\$ 541,177	\$ 1,360,863	\$ -	\$ 1,902,040	\$ 996,837
Non-cash transactions:					
Contributed equipment recorded as deferred capital contributions received (note 7)				\$ 484,733	\$ 644,734

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

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 Societies 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, 2018

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 the Society has invested in capital assets. The amortization of capital assets and deferred capital contributions are recorded in this fund.

(c) Contributed services:

The Society received 15,112 hours (2017 – 9,397 hours) from volunteers 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 or gifts-in-kind, 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, 2018

2. Significant accounting policies (continued):

(f) 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.

(g) 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.

(h) 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).

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

2. Significant accounting policies (continued):

(i) 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. Included in investment income is an unrealized loss on fair value adjustments on investments of \$96,300 (2017 - \$14,861).

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, 2018

4. Property and equipment:

			2018	2017
	Cost	Accumulated amortization	Net book value	Net book value
Patient equipment:				
Bathroom equipment	\$ 161,142	\$ 39,734	\$ 121,408	\$ 126,389
Beds and mattresses	374,718	195,600	179,118	185,752
Communication aids	14,898	3,175	11,723	15,852
Miscellaneous equipment	143,233	68,636	74,597	79,871
Patient lift equipment	359,117	166,247	192,870	211,549
Wheelchairs and walkers	2,341,501	898,125	1,443,376	1,335,395
Assistive technology	19,244	1,328	17,916	-
	3,413,853	1,372,845	2,041,008	1,954,808
Office equipment	46,017	29,256	16,761	12,088
	\$ 3,459,870	\$ 1,402,101	\$ 2,057,769	\$ 1,966,896

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

During the year, the Society reviewed its property and equipment. This review resulted in the retirement and write-down of significantly amortized, impaired, and obsolete assets with associated net book value of \$75,617 and deferred capital contributions of \$60,961. This resulted in a loss recorded to the statement of operation of \$14,656 (2017 - \$11,240).

	2018	2017
Capital assets written-off	\$ 319,776	\$ 441,857
Accumulated amortization	(244,159)	(303,445)
	75,617	138,412
Deferred capital contributions related to impaired capital assets (see note 7)	(60,961)	(127,172)
Loss on write-down	\$ 14,656	\$ 11,240

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

6. Deferred revenue:

Deferred revenue represents restricted contributions (other than endowed funds) received and required to be spent by the Society on future eligible expenses. These contributions are deferred and recognized as revenue in the year in which related expenses are incurred.

	2018	2017
Deferred revenue, beginning of year	\$ 328,849	\$ 208,039
Less amount recognized as revenue in the year:		
Golf and Walk revenues	(4,565)	(1,440)
Grants	(200,906)	(185,400)
Camp	-	(200)
Equipment Loan and Patient Services	(40,560)	(13,806)
Add amounts received for future periods:		
BC Gaming Grant	195,500	196,500
Government Grant (CIRCA)	-	120,000
Golf and Walk revenues	500	1,165
Camp Alohi Lani	-	550
Fundraising	8,905	3,441
Deferred revenue, end of year	\$ 287,723	\$ 328,849

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:

	2018	2017
Deferred capital contributions, beginning of year	\$ 1,270,332	\$ 1,016,084
Add capital contributions received	484,733	644,734
Less amortization of capital contributions to revenue	(303,659)	(263,314)
Less deferred capital contributions related to impaired capital assets (note 5)	(60,961)	(127,172)
Deferred capital contributions, end of year	\$ 1,390,445	\$ 1,270,332

Included in gifts-in-kind revenue is \$303,659 (2017 - \$263,314) of amortized deferred capital contributions.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

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 and with the Board approved Endowment Funds Terms of Reference which was amended on May 15, 2018. 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. Board approved contributions from the General Fund to Reserve and Endowed Funds and disbursements from Reserve and Endowed Funds are recorded as inter-fund transfers. Investment income allocated to the funds are shown net of fair value adjustments on investments held as at year end.

	Balance January 1, 2018	Regular additions	Net inter-fund transfers	Net investment income	Balance December 31, 2018
Funds managed under the Investment Policy Statement:					
George "Sonny" Williams	\$ 505,999	-	-	(10,222)	\$ 495,777
David Pendray Memorial	239,219	6,043	1,238	(5,307)	241,193
Pearmain Fund	231,606	-	-	(4,582)	227,024
Dr. Andrew and Kathleen Eisen	550,380	-	-	(11,049)	539,331
Reserve funds:					
Operating Reserve Fund	162,000	-	20,000	-	182,000
ALS Centre of Excellence Fund	-	-	1,000,000	-	1,000,000
ALS Adventure Challenge	83,067	-	(2,978)	431	80,520
Kamloops Endowed Fund	11,670	-	7,081	103	18,854
Victoria Endowed Fund	173,861	2,558	-	666	177,085
Karl Watt Endowed Fund	12,965	-	(792)	72	12,245
Cycle of Hope Lemonade Education Fund	13,788	-	-	103	13,891
	\$ 1,984,555	\$ 8,601	\$ 1,024,549	\$ (29,785)	\$ 2,987,920

(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 4% of the average ending principal balance if the investment income earned over the preceding 36 months exceeds the required annual CPI plus 4% growth of the preceding 36 months. No payout can occur if the investment income earned does not exceed the required growth as stated in the Endowment Funds Terms of Reference.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

8. Reserve and endowed funds (continued):

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

- (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 Endowed Fund is primarily composed of 30% proceeds raised from the ALS Memorial Golf Tournament over a 30 year period with 2017 being the final year of the tournament. During the year, the Society received endowment donations of \$2,641 towards this fund. In the prior year, the Society allocated \$17,322 to the Endowed Fund, representing 30% of the ALS Memorial Golf Tournament proceeds (NET).

The George “Sonny” Williams Endowed Fund exceeded the required growth as stated in the Endowment Funds Terms of Reference and hence is permitted to disburse \$17,539 in 2019. The fund was not subject to a disbursal in 2018.

- (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 David Pendray Memorial Endowed Fund exceeded the required growth as stated in the Endowment Funds Terms of Reference and hence is permitted to disburse \$8,698 in 2019. The fund was not subject to a disbursal in 2018.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

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 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 Pearmain Endowed Fund exceeded the required growth as stated in the I Endowment Funds Terms of Reference and hence is permitted to disburse \$7,860 in 2019. The fund was not subject to a disbursement in 2018.

- (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 Dr. Andrew and Kathleen Eisen Endowed Fund exceeded the required growth as stated in the Endowment Funds Terms of Reference and hence is permitted to disburse \$15,581 in 2019. The fund was not subject to a disbursement in 2018.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

8. Reserve and endowed funds (continued):

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

(v) Managed expendable fund:

The ALS Centre of Excellence Fund was created by the Board of Directors in 2018 to increase service for people living with ALS by creating an environment for excellence in patient care, improved working conditions for the ALS Centre team and the capacity needed to foster clinical research in British Columbia. During the year, \$1,000,000 was contributed to the fund as a result of increased fundraising revenue and a significant bequest donation.

(vi) 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, \$2,978 (2017 - nil) 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 2018, \$7,081 (2017 - \$7,015) was contributed to the fund, representing 30% of the net proceeds from the ALS Golf Tournament of Hope.
- (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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

8. Reserve and endowed funds (continued):

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

(vi) Reserve and endowed funds (continued):

- (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, \$792 (2017 - nil) 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.

(vii) 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 \$1,128,680 (2017 - \$1,110,279). During the year, the Society received \$49,976 (2017 - \$45,709) of investment income earned from this fund. The market value of the fund at December 31, 2018 was \$1,316,308 (2017 - \$1,367,623).

(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. During the year, the Society received \$784 (2017 - \$758) of investment income earned from this fund. The market value of the fund at December 31, 2018 was \$118,747 (2017 - \$128,082).

(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 \$439 (2017 - \$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 (2017 - \$7,322).

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

9. Contributions made for research and related party transactions:

The Society makes annual contributions towards research from the following sources of revenue:

	British Columbia	Victoria	North Central Island	Total 2018	Total 2017
Donations for research	\$ 14,182	\$ -	\$ -	\$ 14,182	\$ 2,625
Walk for ALS	129,434	30,209	16,496	176,139	144,244
	143,616	30,209	16,496	190,321	146,869
Flower Day	-	6,000	-	6,000	10,797
Total	\$ 143,616	\$ 36,209	\$ 16,496	\$ 196,321	\$ 157,666

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 \$190,321 (2017 - \$146,869) for research to the ALS Society of Canada.

10. Commitments and contingencies:

(a) Premises:

The Society is committed to annual operating lease payments related to its premises 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 until December 31, 2019. 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.

11. Allocation of expenses:

Wages and benefits - Administration reported on the statement of operations of \$187,870 (2017 - \$171,281) are reported after an allocation of \$128,983 (2017 - \$126,391) to Wages and Benefits - Patient Services representing estimated executive time spent supporting patient services.

12. Service club gaming revenues:

The Society received donations of gaming revenues from various community service clubs of \$22,400 (2017 - \$31,078). These amounts are included in general fund revenues.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2018

13. Financial risks and concentration of risk:

(a) Credit risk:

Credit risk is the risk associated with holding cash and cash equivalents. The Society limits its credit risk by holding its cash and cash equivalents 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 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 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.

14. Remuneration:

For the fiscal year ending December 31, 2018, the Society paid remuneration of \$139,797 (2017 - \$137,000) to one employee and \$147,446 (2017 - \$107,000) to one contractor for services related to patient equipment loan program maintenance.

No remuneration was paid to any members of the board of directors.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – Victoria Chapter

Schedule 1

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Victoria Walk for ALS	\$ 94,000	\$ 79,457
Flower Day	7,659	10,797
Donations - individual	1,840	20
General Fundraising	11,202	11,216
Donations - employee groups	4,000	2,650
Donations – club	2,041	-
Memoriams and bequests	250	-
	<u>120,992</u>	<u>104,140</u>
Expenses:		
Bank charges and interest	24	49
Fundraising and special events	12,962	16,040
Office supplies and equipment	256	395
Patient services and support group	1,022	960
Rent (storage)	1,726	1,619
Research (note 9)	36,209	32,753
Volunteers	515	332
	<u>52,714</u>	<u>52,148</u>
Excess of revenue over expenses for the year	\$ 68,278	\$ 51,992

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – North Central Island Chapter

Schedule 2

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
Mid Island Walk for ALS	\$ 53,482	\$ 41,613
Donations - individual	25	-
Donations - employee groups	4,950	3,910
Memoriams and bequests	100	-
General fundraising	4,800	-
	<u>63,357</u>	<u>45,523</u>
Expenses:		
Bank charges and interest	23	84
Fundraising and special events	6,395	5,546
Patient services and support group	1,198	437
Research (note 9)	16,496	11,812
	<u>24,112</u>	<u>17,879</u>
Excess of revenue over expenses for the year	\$ 39,245	\$ 27,644

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Fundraising Revenues and Expenses

Schedule 3

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Revenue:		
ALS BC Events:		
Walk for ALS	\$ 434,917	\$ 358,824
ALS Golf Tournaments - Vancouver and Kamloops	59,034	121,713
ALS BC Raffle	20,000	20,000
Third Party Events:		
General 3rd Party Fundraising Events	204,767	134,824
PGA of BC Golf A Thon for ALS	198,838	154,908
Provincial Walk Sponsor	30,000	15,000
Abbotsford Police John Goyer Memorial Golf Tournament	24,000	11,500
Shoot for ALS	16,571	16,784
	988,127	833,553
Expenses:		
Walk for ALS	74,201	69,223
Walk for ALS 40% to ALS Canada for Research (note 9)	129,434	99,679
ALS Golf Tournaments - Vancouver & Kamloops	37,060	70,153
General Fundraising	42,947	21,887
PGA of BC Golf A Thon for ALS	35,225	40,008
	318,867	300,950
Excess of revenue over expenses for the year	\$ 668,590	\$ 532,603

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

General 3rd Party Fundraising Events
(unaudited)

Schedule 3(A)

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
ALS BC 3rd Party:		
2018 Restoration Fair & Swap Meet	\$ 1,090	\$ -
2nd Annual Mike Kroeker Golf Tournament	10,286	-
30 th Birthday Party organized by Francesca Corrado	1,250	-
5th Ave Jewellery – Jeannine Barrett	2,160	-
ALS Action Day by Hitfar	23,055	-
ALS Fundraiser Dance in Memory of Barney Bischoff	6,522	6,468
ALS Triple Cup – Phi Delta Theta	-	255
Alwin Holland Elementary Fundraiser	354	-
Ardmore Golf Tournament	-	890
BC Tree Fruits Growers Co-op Golf Tournament	1,500	2,000
BMO Vancouver Marathon	34,573	23,191
Bob Heinrich Calendar Sale	1,605	2,067
Buzz Cut for ALS organized by Whitney Everett	2,025	-
Celebration of Life for Marne In Campbell River	2,275	-
Chairman Tom's Grouse Grind	4,393	2,300
Coast Hotels Shuhachi Naito Golf Classic	50,000	52,000
Donations at School + Summer Concert - Colourstrings Conservatory Music	204	-
Free Golf By Donation to ALS Society of BC organized by James Presnail	1,380	-
General Fundraising	-	699
Get Buckets for ALS Challenge – Langley Christian School	939	2,009
Halloween Night in Strathcona Neighborhood	-	215
Human Resources Development Canada Jeans Day	100	100
I Love My Gramps by Deana Larsson	457	-
In Memory of Dr. Rod Andrew (Invitational Golf Tournament 2017)	110	-
Ishay Levin Mitzvah for Philanthropy	1,128	-
Island Farms Mooman Charity Golf Tourney for ALS	1,300	1,350
Jim Betteridge Memorial Bonspiel 3rd Party	6,000	4,606
Joan Cunningham	-	20
John O'Groats @Land End Cycle – Margaret & Tony Baker	-	250
Josie De Baat – Aloha Polynesian Dinner	598	975
Judith Colin	-	140
Kamloops Big Horn Ladies' Night Donation	366	-
Kamloops Insurance Industry Golf Tournament 2018	5,500	-
Laughing Buddha Linda's Legacy	1,800	-
Let's Beat ALS Concert – Dave's Special Night	-	3,064
Life is a Celebration, Despite ALS!	31,486	-
Maya & Ana Athwal	-	1,710
Michael Wall Card Sale	40	410
Mission Hill Winery Staff BBQ Fundraising Event	880	-
Nanaimo Seniors Village – 3rd Annual Ice Bucket Challenge	640	440
Nature's Fare Natural Foods (Kamloops) Ltd.	-	40
Nolan and Justin Smailes 4-H Marketland	670	447
Ocean Floor Party Fundraising	776	674
Total carried forward	195,462	106,320

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

General 3rd Party Fundraising Events (continued)
(unaudited)

Schedule 3(A)

Year ended December 31, 2018, with comparative information for 2017

	2018	2017
Total brought forward	\$ 195,462	\$ 106,320
ALS BC 3rd Party:		
Race for Ron	-	1,400
RMMG Invitational Golf Group organized by Garth Albright	800	-
Set It Up for ALS	-	1,174
Southridge Secondary School	520	1,652
Spring Honda Run/JCI Kootenay Fun Run	5,536	7,700
Sukhpal Gill	-	75
Team Clarke Fundraiser	1,998	2,641
Team Katie – Beat ALS	-	11,972
Tribute for Dr. Rod Andrew Fundraiser	-	290
Tuesdays with Morrie	-	1,200
Vancouver Mini Club	400	400
Woodward Hill Elementary School	51	-
	204,767	134,824
North Central Island Chapter 3rd Party Fundraising:		
Ol' Hustler's Hockey Club Fundraiser	4,800	-
Victoria Chapter 3rd Party Fundraising:		
Charellis Cheese Shop and Deli Fundraising	2,310	1,690
Marion Denton's Tea in Victoria	1,340	1,300
Peter Grant Fundraising	6,076	6,840
Country Grocer	-	110
Sobey's "Thrifty Foods"	1,076	876
Christmas Carriage House Athletics	400	400
	11,202	11,216
	\$ 220,769	\$ 146,040