

Financial Statements of

**AMYOTROPHIC LATERAL SCLEROSIS
SOCIETY OF BRITISH COLUMBIA**

And Independent Auditors' Report thereon

Year ended December 31, 2020



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INDEPENDENT AUDITORS' REPORT

To the Members of Amyotrophic Lateral Sclerosis Society of British Columbia

Report on the Audit of 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, 2020
- 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 and schedules 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, 2020, and its results of operations and its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many 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 December 31, 2020 and December 31, 2019
- the fundraising and donation revenues and excess of revenues over expenses reported in the statements of operations for the years ended December 31, 2020 and December 31, 2019
- 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 December 31, 2020 and December 31, 2019
- the excess of revenues over expenses reported in the statements of cash flows for the years ended December 31, 2020 and December 31, 2019.

Our opinion on the financial statements for the year ended December 31, 2019 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 ethical responsibilities in accordance with these requirements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with Canadian accounting standards for not-for-profit organizations, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Society’s ability to continue as a going concern, disclosing as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Society or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Society’s financial reporting process.



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 the Society's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our 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 the Society to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- 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 __, 2021

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Financial Position

December 31, 2020, with comparative information for 2019

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2020	2019
Assets					
Current assets:					
Cash and cash equivalents	\$ 944,262	\$ 3,291,610	\$ -	\$ 4,235,872	\$ 2,169,399
Investments (note 3)	1,000,000	2,206,705	-	3,206,705	1,978,676
Accounts receivable	10,450	-	-	10,450	22,415
GST receivable	13,864	-	-	13,864	15,668
Prepaid expenses	84,973	-	-	84,973	64,502
	2,053,549	5,498,315	-	7,551,864	4,250,660
Property and equipment (notes 4 and 5)	-	-	2,028,109	2,028,109	2,113,229
	\$ 2,053,549	\$ 5,498,315	\$ 2,028,109	\$ 9,579,973	\$ 6,363,889

Liabilities and Fund Balances

Current liabilities:					
Accounts payable and accrued liabilities	\$ 27,154	\$ -	\$ -	\$ 27,154	\$ 20,961
Deferred revenue (note 6)	1,553,634	-	-	1,553,634	343,008
	1,580,788	-	-	1,580,788	363,969
Deferred capital contributions (note 7)	-	-	1,306,008	1,306,008	1,402,835
Fund balances:					
General fund	472,761	-	-	472,761	474,149
Reserve and endowed funds	-	5,498,315	-	5,498,315	3,412,542
Property and equipment fund	-	-	722,101	722,101	710,394
	472,761	5,498,315	722,101	6,693,177	4,597,085
Commitments and contingencies (note 10)					
COVID-19 impact on operations (note 15)					
	\$ 2,053,549	\$ 5,498,315	\$ 2,028,109	\$ 9,579,973	\$ 6,363,889

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, 2020, with comparative information for 2019

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2020	2019
Revenue:					
Victoria chapter revenue (Schedule 1)	\$ 32,497	\$ -	\$ -	\$ 32,497	\$ 109,677
NCI chapter revenue (Schedule 2)	60,023	-	-	60,023	104,901
Fundraising and special events (Schedule 3)	701,010	-	-	701,010	1,073,227
Gaming revenue	270,800	-	-	270,800	195,500
Gifts-in-Kind, including amortization of deferred capital contributions (note 7)	237	-	340,984	341,221	333,713
Memoriams	91,584	-	-	91,584	129,594
Donations – individual	153,641	-	-	153,641	274,478
Donations – employees groups	34,035	-	-	34,035	33,726
Donations – corporate groups and clubs	103,971	-	-	103,971	140,636
Donations – foundations	212,998	-	-	212,998	250,051
Planned giving	1,970,999	-	-	1,970,999	186,218
Investment income, including fair value adjustment on investments (note 3)	64,198	196,877	-	261,075	312,592
Research donations	19,575	-	-	19,575	2,255
Caregiver days registrations	-	-	-	-	910
Memberships	1,610	-	-	1,610	1,770
Canada Emergency Wage Subsidy (note 16)	103,775	-	-	103,775	-
Total revenue	3,820,953	196,877	340,984	4,358,814	3,149,248
Expenses:					
Victoria chapter expenses (Schedule 1)	14,744	-	-	14,744	53,804
NCI chapter expenses (Schedule 2)	27,399	-	-	27,399	38,498
Fundraising and special events (Schedule 3)	256,568	-	-	256,568	345,337
Research – ALS Canada (note 9)	55,290	-	-	55,290	2,255
Administration:					
Bank charges and interest	10,043	12,497	-	22,540	20,580
Insurance	18,018	-	-	18,018	16,900
Office supplies and equipment	27,481	-	-	27,481	30,479
Postage	5,618	-	-	5,618	6,575
Professional fees	18,010	-	-	18,010	11,531
Rent	68,778	-	-	68,778	67,273
Telephone, internet and website	42,984	-	-	42,984	33,562
Wages and benefits - Administration (note 11)	180,625	-	-	180,625	185,563
Patient services:					
Equipment loan program maintenance	581,489	-	26,648	608,137	607,112
Newsletter	28,375	-	-	28,375	49,785
Outreach and public awareness	57,265	-	-	57,265	52,837
Patient services	40,059	-	-	40,059	126,465
Travel	4,625	-	-	4,625	14,642
Volunteer	7,303	-	-	7,303	34,885
Wages and benefit – Patient services (note 11)	390,013	-	-	390,013	400,578
Other:					
Board expenses	7,195	-	-	7,195	17,725
Membership administration	4,320	-	-	4,320	4,595
Strategic planning	2,908	-	-	2,908	1,492
Total expenses	1,849,110	12,497	26,648	1,888,255	2,122,473
Excess of revenue over expenses from operations before other items					
	\$ 1,971,843	\$ 184,380	\$ 314,336	\$ 2,470,559	\$ 1,026,775

See accompanying notes to financial statements.

DRAFT – MARCH 16, 2021

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations (continued)

Year ended December 31, 2020, with comparative information for 2019

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2020	2019
Excess of revenue over expenses from operations before other items (carried forward)	\$ 1,971,843	\$ 184,380	\$ 314,336	\$ 2,470,559	\$ 1,026,775
Amortization	-	-	(410,594)	(410,594)	(410,657)
Loss on write-down of property and equipment (note 5)	-	-	(8,841)	(8,841)	(4,216)
Excess (deficiency) of revenue over expenses	\$ 1,971,843	\$ 184,380	\$ (105,099)	\$ 2,051,124	\$ 611,902

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Changes in Fund Balances

Year ended December 31, 2020, with comparative information for 2019

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2020	2019
Balance, beginning of year	\$ 474,149	\$ 3,412,542	\$ 710,394	\$ 4,597,085	\$ 3,953,225
Excess (deficiency) of revenue over expenses	1,971,843	184,380	(105,099)	2,051,124	611,902
Endowed funds contributions (note 8)	-	44,968	-	44,968	31,958
Interfund transfers (note 8)	(1,856,425)	1,856,425	-	-	-
Purchase of property and equipment	(116,806)	-	116,806	-	-
Balance, end of year	\$ 472,761	\$ 5,498,315	\$ 722,101	\$ 6,693,177	\$ 4,597,085

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended December 31, 2020, with comparative information for 2019

	General fund	Reserve and endowed funds (note 8)	Property and equipment fund	2020	2019
Cash provided by (used in):					
Operating:					
Excess (deficiency) of revenue over expenses for the year	\$ 1,971,843	\$ 184,380	\$ (105,099)	\$ 2,051,124	\$ 611,902
Adjustments for changes in non-cash items:					
Amortization of property and equipment	-	-	410,594	410,594	410,657
Amortization of deferred capital contributions	-	-	(312,525)	(312,525)	(309,582)
Loss on write down of property and equipment (note 5)	-	-	170,943	170,943	73,734
Deferred capital contributions related to impaired capital assets (note 7)	-	-	(162,102)	(162,102)	(69,518)
Unrealized gain on fair value adjustment on investments	-	(104,667)	-	(104,667)	(156,395)
Changes in non-cash operating working capital:					
Accounts receivable	11,965	-	-	11,965	867
GST receivable	1,804	-	-	1,804	(1,524)
Prepaid expenses	(20,471)	-	-	(20,471)	(26,970)
Accounts payable and accrued liabilities	6,193	-	-	6,193	(9,470)
Deferred revenue	1,210,626	-	-	1,210,626	55,285
Cash flows from operating activities	3,181,960	79,713	1,811	3,263,484	578,986
Investing:					
Purchase of investments	(1,000,000)	(123,362)	-	(1,123,362)	(195,224)
Purchase of property and equipment	-	-	(118,617)	(118,617)	(148,361)
Cash flows used in investing activities	(1,000,000)	(123,362)	(118,617)	(1,241,979)	(343,585)
Increase (decrease) in cash and cash equivalents	2,181,960	(43,649)	(116,806)	2,021,505	235,401
Investment in capital assets	(116,806)	-	116,806	-	-
Endowed funds contributions	-	44,968	-	44,968	31,958
Interfund transfers	(1,856,425)	1,856,425	-	-	-
Cash and cash equivalents, beginning of year	735,533	1,433,866	-	2,169,399	1,902,040
Cash and cash equivalents, end of year	\$ 944,262	\$ 3,291,610	\$ -	\$ 4,235,872	\$ 2,169,399
Non-cash transactions:					
Contributed equipment recorded as deferred capital contributions received (note 7)	\$	\$	\$ 377,800	\$ 377,800	\$ 391,490

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2020

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 across 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 significant 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 (continued)

Year ended December 31, 2020

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. Externally 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 property and equipment. The amortization of property and equipment and deferred capital contributions are recorded in this Fund.

(c) Contributed services:

The Society received 3,412 hours (2019 - 15,955 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, short-term deposits, and money market funds 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 (continued)

Year ended December 31, 2020

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
Assistive technology	20%
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 or that the value of future economic benefits or service potential associated with the asset is less than its carrying amount. If such conditions exist, an impairment loss is measured and recorded in the statement operations at the amount by which the carrying amount of the net asset exceeds its fair value or replacement cost.

(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. 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 11).

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

2. Significant accounting policies (continued):

(i) Financial instruments:

The Society's financial instruments consist of cash and cash equivalents, 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:

The Society's investments are managed by an independent investment manager in accordance with an Investment Policy Statement approved by the Board of Directors. The investments consist of the following:

	2020	2019
Guaranteed Investment Certificate	\$ 1,000,000	\$ -
Jarislowsky Fraser Funds:		
Short Mid Bond	\$ 328,343	\$ 303,923
Global Balanced Fund	1,878,362	1,674,753
Total Jarislowsky Fraser Funds	\$ 2,206,705	\$ 1,978,676
Total investments	\$ 3,206,705	\$ 1,978,676

(a) The Guaranteed Investment Certificate has an interest rate of 0.55% (2019 – nil) and a maturity date during the next fiscal year.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

3. Investments (continued):

Included in investment income is an unrealized gain on fair value adjustments on investments of \$104,667 (2019 – gain of \$156,395).

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.

4. Property and equipment:

	2020		2019	
	Cost	Accumulated amortization	Net book value	Net book value
Patient equipment:				
Assistive technology	34,235	10,813	23,422	24,208
Bathroom equipment	\$ 155,576	\$ 14,266	\$ 141,310	\$ 149,549
Beds and mattresses	252,983	96,875	156,108	171,085
Communication aids	3,867	-	3,867	8,283
Miscellaneous equipment	155,512	54,887	100,625	84,818
Patient lift equipment	341,614	114,597	227,017	220,644
Wheelchairs and walkers	2,195,137	853,519	1,341,618	1,433,630
	3,138,924	1,144,957	1,993,967	2,092,217
Office equipment	53,988	19,846	34,142	21,012
	\$ 3,192,912	\$ 1,164,803	\$ 2,028,109	\$ 2,113,229

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 \$170,943 (2019 - \$73,734) and deferred capital contributions of \$160,102 (2019 - \$69,518). This resulted in a loss recorded to the statement of operations of \$8,841 (2019 - \$4,216).

	2020	2019
Capital assets written-off	\$ 903,461	\$ 398,885
Accumulated amortization	(732,518)	(325,151)
	170,943	73,734
Deferred capital contributions related to impaired capital assets (note 7)	(162,102)	(69,518)
Loss on write-down	\$ 8,841	\$ 4,216

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

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.

	2020	2019
Deferred revenue, beginning of year	\$ 343,008	\$ 287,723
Less amount recognized as revenue in the year:		
Golf and Walk revenues	(2,480)	-
Gaming grant	(270,800)	(204,905)
Equipment Loan and Patient Services	-	(17,090)
Camp	(4,000)	-
Add amounts received for future periods:		
BC Gaming Grant	250,000	270,800
Equipment Loan 2021 program	159,356	-
Golf and Walk revenues	12,100	1,860
Camp Alohi Lani	1,750	4,000
Fundraising	-	620
ALS Society of BC Project Hope (note 8 (a) (v))	1,064,700	-
Deferred revenue, end of year	\$ 1,553,634	\$ 343,008

7. Deferred capital contributions:

Deferred capital contributions represent 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:

	2020	2019
Deferred capital contributions, beginning of year	\$ 1,402,835	\$ 1,390,445
Add capital contributions received	377,800	391,490
Less amortization of capital contributions to revenue	(312,525)	(309,582)
Less deferred capital contributions related to impaired capital assets (note 5)	(162,102)	(69,518)
Deferred capital contributions, end of year	\$ 1,306,008	\$ 1,402,835

Included in gifts-in-kind revenue in the statement of operations is \$312,525 (2019 - \$309,582) of amortized deferred capital contributions.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

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, 2020	Fund contributions/ withdrawals	Net inter-fund transfers	Net investment income	Balance, December 31, 2020
Funds managed under the Investment Policy Statement:					
George & Verna Williams	\$ 548,852	\$ 8,200	\$ -	\$ 47,367	\$ 604,419
David Pendray Memorial	273,126	8,804	-	23,791	305,721
Pearmain Fund	253,811	-	-	21,165	274,976
Dr. Andrew and Kathleen Eisen	610,861	30,455	-	54,204	695,520
Reserve funds:					
Operating Reserve Fund	400,000	-	1,096,525	4,168	1,500,693
ALS Society of BC Project Hope Fund	1,020,761	-	769,900	28,615	1,819,276
ALS Adventure Challenge	79,504	-	-	957	80,461
Kamloops Endowed Fund	11,482	-	(10,000)	65	1,547
Victoria Endowed Fund	189,645	1,424	-	3,741	194,810
Karl Watt Endowed Fund	10,345	85	-	157	10,587
Cycle of Hope Lemonaid Education Fund	14,155	(4,000)	-	150	10,305
	\$ 3,412,542	\$ 44,968	\$ 1,856,425	\$ 184,380	\$ 5,498,315

(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 (continued)

Year ended December 31, 2020

8. Reserve and endowed funds (continued):

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

- (i) The George & Verna 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.

- (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.

- (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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Reserve and endowed funds (continued):

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

(iii) The Pearmain 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 by establishing an Endowed Fund in their name.

(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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Reserve and endowed funds (continued):

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

(v) Managed expendable fund:

The ALS Society of BC Project Hope 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.

The ALS Society of BC Project Hope Fund will support the recruitment of dedicated ALS Clinician-Scientist in order to build on the ability of the ALS Clinic for BC to provide exceptional care, including clinical trials, as well as conducting research through the an endowment at University of British Columbia Faculty of Medicine. The endowment will fund the creation of the *ALS Society of BC Professorship in ALS Research* in perpetuity.

With a goal of raising \$5.3 million for this program, the ALS Society of BC has on deposit over \$1.88 million which was received from donation, fundraising and an estate bequest. \$1 million was contributed by the Province of British Columbia, raising the total of \$2.88 million in 2020.

(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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Reserve and endowed funds (continued):

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

(vi) Reserve and endowed funds (continued):

- (3) The Kamloops Endowed Fund was initiated with 30% of the net proceeds from the ALS Golf Tournament of Hope. This annual tournament is heavily supported by the families of Clayton Smailes, Giovanni (John) Caferra and Brian Rintoul. The purpose of the fund is to provide advanced communication equipment to people living with ALS in B.C.
- (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.
- (6) The Cycle of Hope Lemonaid 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 \$1,232,043 (2019 - \$1,175,350). During the year, the Society received \$56,024 (2019 - \$52,978) of investment income earned from this fund. The market value of the fund at December 31, 2020 was \$1,578,232 (2019 - \$1,457,924).

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

8. Reserve and endowed funds (continued):

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

(vii) Externally Managed Endowment Funds (continued):

(2) Victoria Foundation Endowment Fund:

The Society maintains a permanent endowment fund with the Victoria Foundation called United Commercial Travellers' Fund. The ALS Society of BC - Victoria Chapter receives 16% of the distributions from this fund. During the year, the Society received \$4,953 (2019 - \$4,838) of investment income earned from this fund. The market value of the fund at December 31, 2020 was \$133,753 (2019 - \$130,168).

(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 (2019 - \$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 (2019 - \$7,322).

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 2020	Total 2019
Donations for research	\$ 55,290	\$ -	\$ -	\$ 55,290	\$ 2,255
Walk for ALS	118,738	8,207	20,669	147,614	215,379
	174,028	8,207	20,669	202,904	217,634
Flower Day	-	-	-	-	7,000
Total	\$ 174,028	\$ 8,207	\$ 20,669	\$ 202,904	\$ 224,634

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 \$202,904 (2019 - \$217,634) for research to the ALS Society of Canada.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

10. Commitments and contingencies:

(a) Premises:

The Society is committed to annual operating lease payments related to its premises of \$63,660 until 2024 and \$66,235 from 2024 until 2029.

(b) Communication Assistance for Youth and Adults (“CAYA”):

The Society has entered into an agreement to contribute \$25,000 to CAYA until December 31, 2021. 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 \$180,625 (2019 - \$185,563) are reported after an allocation of \$134,959 (2019 - \$131,874) 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 \$18,652 (2019 - \$35,320). These amounts are included in general fund revenues.

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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2020

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

(c) Market risk:

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

There has been no change to the financial risk exposures from the prior year other than the potential economic and financial market impact from the on-going COVID-19 pandemic on the Society's investments market values and related income.

14. Disclosure of remuneration under the Societies Act (British Columbia):

The Societies Act of British Columbia requires disclosure of remuneration paid to all Board directors and to employees and contractors who are paid at least \$75,000 annually.

For the fiscal year ending December 31, 2020, the Society paid remuneration of \$145,226 (2019 - \$142,485) to one employee and \$248,656 (2019 - \$173,996) to contractors for services related to patient equipment loan program maintenance.

No remuneration was paid to any members of the Board of Directors.

15. COVID-19 impact on operations:

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization and has had a significant financial market impact globally, domestically, and locally on jurisdictions and market sections in which the Society operates.

As the situation is dynamic and the ultimate duration and magnitude of the impact on the economy are not known, an estimate on the financial effect on the Society is not practicable at this time. The situation presents uncertainty over future cash flows, may cause significant changes to the assets and liabilities, and may have an impact on future operations. The Society continues to closely monitor the impact of its financial implications and will be adjusting its operations as required to enhance continuity of operations.

16. Canada Emergency Wage Subsidy

Due to the COVID-19 pandemic, the Canadian government introduced the Canada Emergency Wage Subsidy to assist organizations who had lost a certain percentage of their eligible revenue. During the fiscal year ended December 31, 2020, the Society filed and received eligible claims totaling \$103,775 which have been recognized in the Statement of Operations.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – Victoria Chapter

Schedule 1

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Victoria Walk for ALS	\$ 26,690	\$ 79,646
Flower Day	-	7,083
Donations - individual	200	257
General 3 rd party fundraising events (Schedule 4)	1,525	13,736
Grants/donations - Clubs	300	5,750
Grants/donations - Foundations	1,000	1,000
Grants/donations - Corporate	300	500
Memoriams and bequests	850	1,695
Interest on investment income	1,632	10
	<u>32,497</u>	<u>109,677</u>
Expenses:		
Bank charges and interest	101	438
Fundraising and special events	4,098	17,506
Office supplies and equipment	177	253
Patient services and support group	100	1,231
Rent and storage	2,017	1,945
Research (note 9)	8,207	32,276
Volunteers	44	155
	<u>14,744</u>	<u>53,804</u>
Excess of revenue over expenses for the year	\$ 17,753	\$ 55,873

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations - North Central Island Chapter

Schedule 2

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
Mid Island Walk for ALS	\$ 59,873	\$ 87,383
Donations - individual	-	265
Donations - employee groups	-	8,925
Memoriams and bequests	150	-
General 3 rd party fundraising events (Schedule 4)	-	8,328
	<u>60,023</u>	<u>104,901</u>
Expenses:		
Bank charges and interest	28	15
Fundraising and special events	5,958	8,061
Patient services and support group	744	1,393
Research (note 9)	20,669	29,029
	<u>27,399</u>	<u>38,498</u>
Excess of revenue over expenses for the year	\$ 32,624	\$ 66,403

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Fundraising Revenues and Expenses

Schedule 3

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
Revenue:		
ALS BC Events:		
Walk for ALS	\$ 351,561	\$ 526,106
ALS Golf Tournaments - Kamloops	13,290	57,832
ALS BC Raffle	13,290	28,680
ALS Multi-media Awareness	2,760	-
Third Party Events:		
General 3 rd party fundraising events (Schedule 4)	28,500	173,058
PGA of BC Golf A Thon for ALS	231,744	194,041
Provincial Walk Sponsor	35,000	35,000
Abbotsford Police John Goyer Memorial Golf Tournament	10,000	21,600
Shoot for ALS	14,865	36,910
	701,010	1,073,227
Expenses:		
Walk for ALS	53,823	81,880
Walk for ALS 40% to ALS Canada for Research (note 9)	118,738	161,074
ALS Golf Tournaments - Vancouver & Kamloops	523	36,726
ALS Society of BC Project Hope	15,568	-
General fundraising	25,965	25,905
PGA of BC Golf A Thon for ALS	41,951	39,752
	256,568	345,337
Excess of revenue over expenses for the year	\$ 444,442	\$ 727,890

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

General 3rd Party Fundraising Events
(Unaudited)

Schedule 4

Year ended December 31, 2020, with comparative information for 2019

	2020	2019
ALS BC 3 rd Party:		
2 nd Annual Mike Kroeker Golf Tournament	-	14,717
4 th Annual Mike Kroeker Golf Tournament	950	-
An Afternoon for Ted of Trivia & other Pursuits	3,878	-
ALS Fundraiser Dance in Memory of Barney Bischoff	-	3,953
BC Tree Fruits Growers Co-op Golf Tournament	-	1,500
BMO Vancouver Marathon	7,256	49,893
Bob Heinrich Calendar Sale	1,155	1,265
Daryl Cut-off his Beard fundraising	-	820
Chairman Tom's Grouse Grind	-	2,350
Coast Hotels Shuhachi Naito Golf Classic	-	43,000
General Fundraising – Virtual Silent Auction	3,325	-
Get Buckets for ALS Challenge – Langley Christian School	-	600
IronMan 70.3 Victoria	100	-
Ironman for ALS Aaron Volpatti	-	27,300
Island Farms Mooman Charity Golf Tourney for ALS	-	1,345
Jones Emery Hargreaves Swan - Jeans Day General Fundraising	-	123
Lift Off for ALS	-	2,565
MasTec Boat Race	-	3,800
Michael Wall Card Sale	835	880
Nolan and Justin Smailes 4-H Marketland	-	1,234
Ocean Floor Party Fundraising	554	841
Quick Grow's Annual 420 BBQ	7,760	-
Ray Walker - Walk for ALS	-	1,747
Run for Harry	-	150
Scavenger Hunt	-	1,570
Sea Run Saison Launch Fundraiser - Mount Arrow Smith Brewery	-	4,919
Shaan's Hot Chocolate and Cookie sale	1,500	1,340
Silent Auction for ALS Society of BC - Rain City Brigade	-	2,705
SFU Taco Night	-	210
South Island Harmony's Singing Valentines	100	-
Spul 'U' Kwuks Elementary Schol – Mustache/Twin Day Fundraiser	235	-
St. Mary's Catholic Independent School - Bingo Night in Honour of Dan Havens	-	707
Team Clarke Fundraiser	-	2,538
Vancouver Mini Club	670	986
Vanderburgh & Company Barristers and Solicitors – Noratrics – Casual Friday	59	-
Viking Air Social Committee Fundraising Event	123	-
	28,500	173,058
North Central Island Chapter 3 rd Party Fundraising:		
Ol' Hustler's Hockey Club Fundraiser	-	7,825
Nanaimo Seniors Village - 4 th Annual Ice Bucket Challenge	-	503
	-	8,328
Victoria Chapter 3 rd Party Fundraising:		
Charellis Cheese Shop and Deli Fundraising		2,270
Marion Denton's Tea in Victoria	1,375	1,350
10 th Annual Lyall Street Service Station Car Show & Shine		6,215
Sobey's "Thrifty Foods"		842
Sue Monaghan - Scrubbies		750
Garage Day Victoria Fundraising Event		1,000
Michael Giles Tribution Exhibition		505
General Fundraising	150	804
	1,525	13,736
Total	30,025	195,122

DRAFT – MARCH 16, 2021