

Financial Statements of

**AMYOTROPHIC LATERAL SCLEROSIS  
SOCIETY OF BRITISH COLUMBIA**

And Independent Auditors' Report thereon

Year ended December 31, 2021



KPMG LLP  
PO Box 10426 777 Dunsmuir Street  
Vancouver BC V7Y 1K3  
Canada  
Telephone (604) 691-3000  
Fax (604) 691-3031

## 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, 2021
- 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, 2021, 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, 2021 and December 31, 2020
- the fundraising and donation revenues and excess of revenues over expenses reported in the statements of operations for the years ended December 31, 2021 and December 31, 2020
- 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, 2021 and December 31, 2020
- the excess of revenues over expenses reported in the statements of cash flows for the years ended December 31, 2021 and December 31, 2020.

Our opinion on the financial statements for the year ended December 31, 2020 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.

A handwritten signature in black ink that reads 'KPMG LLP'. The signature is written in a cursive, slightly slanted style. Below the signature is a horizontal line that starts under the 'K' and ends under the 'P', with a small upward tick at the end.

Chartered Professional Accountants

Vancouver, Canada  
April 5, 2022

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Financial Position

December 31, 2021, with comparative information for 2020

	General fund	Endowed and restricted funds (note 8)	Capital asset fund	2021	2020
<b>Assets</b>					
Current assets:					
Cash and cash equivalents	\$ 1,235,088	\$ 2,518,444	\$ -	\$ 3,753,532	\$ 4,235,872
Investments (note 3)	-	2,145,953	-	2,145,953	3,206,705
Accounts receivable	13,710	-	-	13,710	10,450
GST receivable	21,474	-	-	21,474	13,864
Prepaid expenses	48,720	-	-	48,720	84,973
Due to (from) interfund	92,946	(92,946)	-	-	-
	1,411,938	4,571,451	-	5,983,389	7,551,864
Tangible capital assets (notes 4 and 5)	-	-	2,042,122	2,042,122	2,028,109
	\$ 1,411,938	\$ 4,571,451	\$ 2,042,122	\$ 8,025,511	\$ 9,579,973

## Liabilities and Fund Balances

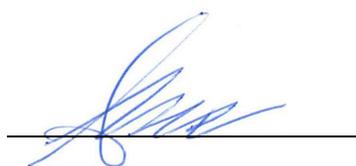
Current liabilities:					
Accounts payable and accrued liabilities	\$ 40,103	\$ -	\$ -	\$ 40,103	\$ 27,154
Deferred revenue (note 6)	494,999	-	-	494,999	1,553,634
	535,102	-	-	535,102	1,580,788
Deferred capital contributions (note 7)	-	-	1,179,018	1,179,018	1,306,008
Fund balances:					
General fund	876,836	-	-	876,836	472,761
Endowed and restricted funds	-	4,571,451	-	4,571,451	5,498,315
Capital asset fund	-	-	863,104	863,104	722,101
	876,836	4,571,451	863,104	6,311,391	6,693,177
Commitments and contingencies (note 10)					
	\$ 1,411,938	\$ 4,571,451	\$ 2,042,122	\$ 8,025,511	\$ 9,579,973

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, 2021, with comparative information for 2020

	General fund	Endowed and restricted funds (note 8)	Capital asset fund	2021	2020
<b>Revenue:</b>					
Walks	\$ 588,459	\$ -	\$ -	\$ 588,459	\$ 438,123
Third party fundraising revenue	453,342	-	-	453,342	286,634
Events	79,035	-	-	79,035	26,580
Grants and corporate donations (note 12)	664,827	-	-	664,827	622,769
Individual donations and other revenue (note 6)	5,135,490	-	-	5,135,490	2,278,637
Investment income, including fair value adjustment on investments (note 3)	70,909	267,839	-	338,748	261,075
Gifts in kind, including amortization of deferred capital contributions (note 7)	-	-	287,419	287,419	341,221
Canada Emergency Wage Subsidy (note 15)	793	-	-	793	103,775
<b>Total revenue</b>	<b>6,992,855</b>	<b>267,839</b>	<b>287,419</b>	<b>7,548,113</b>	<b>4,358,814</b>
<b>Expenses:</b>					
Patient services and quality of life	1,285,297	-	14,750	1,300,047	1,038,311
Research (note 9)	5,479,979	-	-	5,479,979	202,904
Volunteer program	25,229	-	-	25,229	7,303
Outreach and public awareness program	115,873	-	-	115,873	123,849
Administration (note 11)	349,059	13,405	-	362,464	356,184
Fundraising	302,442	-	-	302,442	147,885
Travel and meetings	19,476	-	-	19,476	11,819
<b>Total expenses</b>	<b>7,577,355</b>	<b>13,405</b>	<b>14,750</b>	<b>7,605,510</b>	<b>1,888,255</b>
Excess (deficiency) of revenue over expenses from operations before other items	(584,500)	254,434	272,669	(57,397)	2,470,559
Amortization	-	-	(375,894)	(375,894)	(410,594)
Loss on write-down of capital assets (note 5)	-	-	(11,310)	(11,310)	(8,841)
<b>Excess (deficiency) of revenue over expenses</b>	<b>\$ (584,500)</b>	<b>\$ 254,434</b>	<b>\$ (114,535)</b>	<b>\$ (444,601)</b>	<b>\$ 2,051,124</b>

See accompanying notes to financial statements.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

## Statement of Changes in Fund Balances

Year ended December 31, 2021, with comparative information for 2020

	General fund	Endowed and restricted funds (note 8)	Capital asset fund	2021	2020
Balance, beginning of year	\$ 472,761	\$ 5,498,315	\$ 722,101	\$ 6,693,177	\$ 4,597,085
Excess (deficiency) of revenue over expenses	(584,500)	254,434	(114,535)	(444,601)	2,051,124
Endowed funds contributions (note 8)	-	62,815	-	62,815	44,968
Interfund transfers (note 8)	1,244,113	(1,244,113)	-	-	-
Purchase of capital assets	(255,538)	-	255,538	-	-
<b>Balance, end of year</b>	<b>\$ 876,836</b>	<b>\$ 4,571,451</b>	<b>\$ 863,104</b>	<b>\$ 6,311,391</b>	<b>\$ 6,693,177</b>

See accompanying notes to financial statements.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

## Statement of Cash Flows

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses for the year	\$ (444,601)	\$ 2,051,124
Adjustments for changes in non-cash items:		
Amortization of capital assets	375,894	410,594
Amortization of deferred capital contributions (note 7)	(272,669)	(312,525)
Loss on write down of capital assets (note 5)	129,382	170,943
Deferred capital contributions related to impaired capital assets (note 7)	(118,072)	(162,102)
Unrealized gain on fair value adjustment on investments (note 3)	(102,203)	(104,667)
Changes in non-cash operating working capital:		
Accounts receivable	(3,260)	11,965
GST receivable	(7,610)	1,804
Prepaid expenses	36,253	(20,471)
Accounts payable and accrued liabilities	12,949	6,193
Deferred revenue	(1,058,635)	1,210,626
Cash flows from operating activities	(1,452,572)	3,263,484
Investing:		
Redemption (purchase) of investments	1,162,955	(1,123,362)
Purchase of tangible capital assets	(255,538)	(118,617)
Cash flows from investing activities	907,417	(1,241,979)
Increase (decrease) in cash and cash equivalents	(545,155)	2,021,505
Endowed funds contributions	62,815	44,968
Cash and cash equivalents, beginning of year	4,235,872	2,169,399
Cash and cash equivalents, end of year	\$ 3,753,532	\$ 4,235,872
Non-cash transactions:		
Contributed equipment recorded as deferred capital contributions received (note 7)	\$ 263,751	\$ 377,800

See accompanying notes to financial statements.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2021

---

## 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.

As a result of its registered charity status under the Income Tax Act, the Society is not subject to income taxes.

In March of 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organization. At the time of approval of these financial statements, ALS has not experienced any significant impact to operations or a reduction in any of its major funding sources and it is not expected that there will be a material financial impact on operations. Management will continue to monitor the on-going financial impact on its cash and budget forecasts, and adjust its operations as required to ensure its ability to fulfill its obligations and continue operations.

## 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 (Schedules 1 and 2).

### (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 tangible 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.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

---

## 2. Significant accounting policies (continued):

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

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

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

#### (i) General Fund:

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

#### (ii) Endowed and Restricted Funds:

The Endowed and Restricted 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) Capital Asset Fund:

The Capital Asset 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 7,767 hours (2020 - 3,412 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, 2021

---

## 2. Significant accounting policies (continued):

(f) Tangible capital assets:

Tangible capital assets are recorded at cost less accumulated amortization. Contributed assets are recorded at fair value at the date of contribution. Amortization is calculated monthly using the declining balance method for all of the equipment at the below rates. Warehouse leasehold improvements are amortized on a straight-line basis over the lease term of eight years.

Asset	Rate
Assistive technology	20%
Bathroom equipment	10%
Beds and mattresses	20%
Miscellaneous equipment	20%
Patient lift equipment	20%
Wheelchairs and walkers	20%
Office equipment	20%
Warehouse equipment	20%

The Society regularly reviews for impairment of its tangible capital assets 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) Measurement uncertainty:

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 capital assets 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, 2021

## 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, other than guaranteed investment certificates which are carried at amortized cost.

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 an Investment Policy Statement approved by the Board of Directors. The investments consists of the following:

	2021	2020
Guaranteed Investment Certificate, at amortized cost	\$ -	\$ 1,000,000
Jarislowky Fraser Funds, at fair value:		
Short Mid Bond	\$ -	\$ 328,343
Global Balanced Fund	2,145,953	1,878,362
Total Jarislowky Fraser Funds	\$ 2,145,953	\$ 2,206,705

(a) The Guaranteed Investment Certificate had an interest rate of 0.55% and a matured during 2021.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

### 3. Investments (continued):

Investment income consists of the following:

	2021	2020
Unrealized gain on fair value adjustments on investments	\$ 102,203	\$ 104,667
Realized gain on fair value adjustments on investments	17,810	-
Interest	218,735	156,408
	<b>\$ 338,748</b>	<b>\$ 261,075</b>

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 restricted funds for specific purpose.

### 4. Tangible capital assets:

	2021	2020		
Cost	Accumulated amortization	Net book value	Net book value	
<b>Patient equipment:</b>				
Assistive technology	\$ 75,817	\$ 18,803	\$ 57,014	\$ 27,289
Bathroom equipment	166,990	15,445	151,545	141,310
Beds and mattresses	223,668	86,695	136,973	156,108
Miscellaneous equipment	146,983	57,549	89,434	100,625
Patient lift equipment	392,533	155,506	237,027	227,017
Wheelchairs and walkers	2,041,626	832,865	1,208,761	1,341,618
	<b>3,047,617</b>	<b>1,166,863</b>	<b>1,880,754</b>	<b>1,993,967</b>
Office equipment	56,653	27,054	29,599	34,142
Warehouse leasehold improvements	80,993	1,572	79,421	-
Warehouse equipment	54,138	1,790	52,348	-
	<b>\$ 3,239,401</b>	<b>\$ 1,197,279</b>	<b>\$ 2,042,122</b>	<b>\$ 2,028,109</b>

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 5. Loss on write-down of tangible capital assets:

During the year, the Society reviewed its tangible capital assets for impairment. This review resulted in the retirement and write-down of significantly amortized, impaired, and obsolete assets with associated net book value of \$129,382 (2020 - \$170,943) and deferred capital contributions of \$118,072 (2020 - \$162,102). This resulted in a loss recorded to the statement of operations of \$11,310 (2020 - \$8,841).

	2021	2020
Capital assets written-off	\$ 473,755	\$ 903,461
Accumulated amortization	(344,373)	(732,518)
	129,382	170,943
Deferred capital contributions related to impaired capital assets (note 7)	(118,072)	(162,102)
Loss on write-down	\$ 11,310	\$ 8,841

## 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.

	PROJECT HOPE (note 8 (b) (vi))	BC Gaming Grant	Patient Services	Other	Total 2021	Total 2020
Balance, beginning of year	\$ 1,064,700	\$ 250,000	\$ 159,356	\$ 79,578	\$ 1,553,634	\$ 343,008
Amounts received during the year	2,471,225	-	233,678	49,626	2,754,529	1,487,906
Amounts recognized as revenue in the year	(3,363,288)	(250,000)	(159,356)	(40,520)	(3,813,164)	(277,280)
Balance, end of year	\$ 172,637	\$ -	\$ 233,678	\$ 88,684	\$ 494,999	\$ 1,553,634

Included in the amounts received during the year for PROJECT HOPE is \$2,000,000 (2020 - \$1,000,000) of funding received from the Province of British Columbia.

\$3,363,288 was drawn from PROJECT HOPE deferred revenue, along with \$1,753,376 from the PROJECT HOPE fund (note 8(b)(vi)), \$101,711 from the Operating Reserve fund (note 8 (c)) and \$81,625 from ALS Adventure Challenge fund (note 8 (b)(i)) to make the payment of \$5,300,000 to the University of British Columbia (note 8 (b)(vi)). The deferred revenue recognized amount is included in individual donations and other revenue in the statement of operations.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 7. Deferred capital contributions:

Deferred capital contributions represent donations of capital assets 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:

	2021	2020
Balance, beginning of year	\$ 1,306,008	\$ 1,402,835
Capital contributions received during the year	263,751	377,800
Amortization of capital contributions to revenue	(272,669)	(312,525)
Deferred capital contributions related to impaired capital assets (note 5)	(118,072)	(162,102)
Balance, end of year	\$ 1,179,018	\$ 1,306,008

Included in gifts-in-kind revenue in the statement of operations is \$272,669 (2020 - \$312,525) of amortized deferred capital contributions.

## 8. Endowed and other restricted 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.

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.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 8. Endowed and other restricted funds (continued):

	Balance, January 1, 2021	Fund contributions/ withdrawals	Net inter-fund transfers	Net investment income	Balance, December 31, 2021
<b>Endowed funds managed under the Investment Policy Statement:</b>					
George & Verna Williams	\$ 604,419	\$ 5,500	\$ 10,816	\$ 76,158	\$ 696,893
David Pendray Memorial	305,721	7,265	(9,299)	39,275	342,962
Pearmain Fund	274,976	-	(8,146)	33,800	300,630
Dr. Andrew and Kathleen Eisen	695,520	50,050	(20,128)	91,439	816,881
<b>Other Restricted Funds:</b>					
ALS Society of BC PROJECT HOPE Fund	1,819,276	-	(1,753,376)	415	66,315
ALS Adventure Challenge	80,461	-	(81,625)	1,164	-
Kamloops Fund	1,547	-	13,461	3	15,011
Victoria Fund	194,810	-	(100,000)	2,375	97,185
Karl Watt Fund	10,587	-	(10,816)	229	-
Cycle of Hope Lemonaid Education Fund	10,305	-	-	103	10,408
Operating Reserve Fund	1,500,693	-	715,000	9,473	2,225,166
	\$ 5,498,315	\$ 62,815	\$ (1,244,113)	\$ 254,434	\$ 4,571,451

### (a) Endowed 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, 2021

---

## 8. Endowed and other restricted funds (continued):

(a) Endowed 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, 2021

---

## 8. Endowed and other restricted funds (continued):

(a) Endowed 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.

(b) Other Restricted Funds:

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

(i) The ALS Adventure Challenge 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 Society.; 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 Society are allocated to this Fund. In April 2021, Lisa Nilsson, the surviving principal of the fund, agreed to contribute the remaining balance of \$81,586 to help raise \$5.3 million for PROJECT HOPE phase 1.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

---

## 8. Endowed and other restricted funds (continued):

### (b) Other Restricted Funds (continued):

- (ii) The Kamloops 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.
- (iii) The Victoria 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.
- (iv) The Karl Watt 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. On September 28, 2021, Norman Alexander the only surviving principal of the Karl Watt Endowed Fund agreed to transfer the balance of this fund which is \$10,816 to the George & Verna Williams Endowment Fund as the designation to support caregivers is consistent in both portfolios. By adding to the principal, the fund will realize greater return on investment.
- (v) 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.
- (vi) The objective of PROJECT HOPE is to establish an ALS Research Professorship at the University of British Columbia ("UBC") which will be held by a Clinician/Scientist to champion and run the program. The ALS Professorship will strive to create an optimal environment integrating research and clinical care. This is to be funded by an endowment investment of \$5.3 million. The endowed position will exist in perpetuity.

In April 2021, the \$5.3 million goal was achieved. Of this, the Province of BC contributed \$3 million with the remaining \$2.3 million donated by British Columbians (note 6). UBC has committed funding through the President's Academic Excellence Initiative to support the recruitment of a senior ALS Clinician Scientist. The recruitment process to hire the ALS Clinician Scientist is underway.

On November 3, 2021, the Society signed a Memorandum of Understanding with UBC to raise an additional \$20 million to support ALS research through PROJECT HOPE.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

---

## 8. Endowed and other restricted funds (continued):

### (c) Operating Reserve Fund:

The Operating Reserve Fund is intended to provide an internal source of funds for situations such one-time or unbudgeted expenses, unanticipated loss in funding, or other contingencies. The operating reserve may also be used for expenses that will build long-term capacity, such as staff development, research and development, or investment in infrastructure. The funds are managed under the Board approved Operating Reserve Policy which is implemented in concert with the other governance and financial policies of the Society and is intended to support the goals and strategies contained in these related policies and in strategic and operational plans.

### (d) 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.

#### (i) 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 \$1,767,236 (2020 - \$1,232,043). During the year, the Society received \$58,364 (2020 - \$56,024) of investment income earned from this fund. The market value of the fund at December 31, 2021 was \$1,658,678 (2020 - \$1,578,232).

#### (ii) 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 \$875 (2020 - \$4,953) of investment income earned from this fund. The market value of the fund at December 31, 2021 was \$147,751 (2020 - \$133,753).

#### (iii) 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 \$549 (2020 - \$256) of investment income earned from this fund. 100% of the distributions from this fund are for the benefit of the Society. The market value of the fund is \$7,395 (2020 - \$7,322).

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 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 2021	Total 2020
Donations for research	\$ 50	\$ -	\$ -	\$ 50	\$ 55,290
Walk to End ALS	144,362	12,350	23,217	179,929	147,614
PROJECT HOPE for research	5,300,000	-	-	5,300,000	-
<b>Total</b>	<b>\$ 5,444,412</b>	<b>\$ 12,350</b>	<b>\$ 23,217</b>	<b>\$ 5,479,979</b>	<b>\$ 202,904</b>

Historically, the Society redirected all donations designated for research and 40% of the proceeds from the Walk to End ALS to ALS Canada for research under an agreement between the two parties. This agreement was terminated with the appropriate notice in the current fiscal year. Effective September 16, 2021, all donations designated to research received by the Society, and 40% of proceeds raised from the Society's Move to Cure ALS event will go to ALS research through PROJECT HOPE at the UBC operated through the ALS Society of British Columbia ALS Research Professorship.

During the year, the Society contributed \$179,979 (2020 - \$202,904) to the ALS Canada for research.

## 10. Commitments and contingencies:

(a) Operating leases:

The Society is committed to annual operating lease payments related to its office and warehouse premises:

2022	\$ 72,337
2023	72,337
2024	73,840
2025	81,353
2026	82,440
Thereafter	236,660
	<b>\$ 618,967</b>

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

## 10. Commitments and contingencies (continued):

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

The Society has entered into an agreement to contribute \$25,000 to CAYA until December 31, 2022. 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. Administration expenses:

	2021	2020
Bank charges and interest	\$ 13,977	\$ 22,669
Insurance	11,609	18,018
Office supplies and equipment	27,996	30,463
Postage	8,150	5,618
Professional fees	17,220	18,010
Rent	70,931	68,778
Telephone, internet and website	5,185	4,775
Strategic plan	11,139	2,908
Membership Admin	3,742	4,320
Wages and benefits	192,514	180,625
<b>Total</b>	<b>\$ 362,463</b>	<b>\$ 356,184</b>

Wages and benefits are reported after an allocation of \$137,210 (2020 - \$134,959) to Patient Services representing estimated executive time spent supporting patient services.

## 12. Grants and corporate donations:

Grants and corporate donations are comprised of the following:

	2021	2020
BC Gaming	\$ 250,000	\$ 270,800
	250,000	270,800
Donations:		
Corporate groups	148,636	107,444
Foundations	245,621	222,998
Clubs	20,570	21,527
	414,827	351,969
<b>Total</b>	<b>\$ 664,827</b>	<b>\$ 622,769</b>

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

---

## 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.

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, 2021, the Society paid remuneration of \$148,023 (2020 - \$145,226) to one employee and \$259,071 (2020 - \$248,656) to contractors for services related to patient equipment loan program maintenance.

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

## 15. 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 qualifying revenue. During the fiscal year ended December 31, 2021, the Society filed and received eligible claims totaling \$793 (2020 - \$103,775) which have been recognized in the Statement of Operations.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2021

---

## **16. Comparative information:**

Certain comparative information has been reclassified to conform with the financial statement presentation adopted in the current year.

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – Victoria Chapter

Schedule 1

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
<b>Revenue:</b>		
Victoria Walk to End ALS	\$ 38,472	\$ 26,690
Donations - individual	1,200	200
General 3 <sup>rd</sup> party fundraising events	2,922	1,525
Grants/donations - Clubs	500	300
Grants/donations - Foundations	-	1,000
Grants/donations - Corporate	-	300
Memoriams and bequests	50	850
Interest on investment income	884	1,632
	<u>44,028</u>	<u>32,497</u>
<b>Expenses:</b>		
Bank charges and interest	102	101
Fundraising and special events	3,040	4,098
Office supplies and equipment	153	177
Patient services and support group	373	100
Rent and storage	2,085	2,017
Research (note 9)	12,350	8,207
Volunteers	-	44
	<u>18,103</u>	<u>14,744</u>
<b>Excess of revenue over expenses for the year</b>	<b>\$ 25,925</b>	<b>\$ 17,753</b>

# AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations - North Central Island Chapter

Schedule 2

Year ended December 31, 2021, with comparative information for 2020

	2021	2020
Revenue:		
Mid Island Walk to End ALS	\$ 64,240	\$ 59,873
Memoriams and bequests	-	150
	64,240	60,023
Expenses:		
Bank charges and interest	-	28
Fundraising and special events	3,111	5,958
Patient services and support group	18	744
Research (note 9)	23,217	20,669
	26,346	27,399
<b>Excess of revenue over expenses for the year</b>	<b>\$ 37,894</b>	<b>\$ 32,62</b>