

Financial Statements of

**AMYOTROPHIC LATERAL SCLEROSIS
SOCIETY OF BRITISH COLUMBIA**

And Independent Auditor's Report thereon

Year ended December 31, 2022



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INDEPENDENT AUDITOR'S 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, 2022
- 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 auditor's report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2022, 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, 2022 and December 31, 2021
- the fundraising and donation revenues and excess (deficiency) of revenues over expenses reported in the statements of operations for the years ended December 31, 2022 and December 31, 2021
- 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, 2022 and December 31, 2021
- the excess of revenues over expenses reported in the statements of cash flows for the years ended December 31, 2022 and December 31, 2021.

Our opinion on the financial statements for the year ended December 31, 2021 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 **“Auditor’s Responsibilities for the Audit of the Financial Statements”** section of our auditor’s 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.



Auditor's 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 auditor's 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 auditor's 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 auditor's 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'.

Chartered Professional Accountants

Vancouver, Canada
April 11, 2023

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

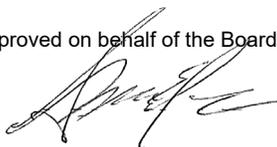
Statement of Financial Position

December 31, 2022, with comparative information for 2021

	General fund	Endowed and restricted funds (note 8)	Capital asset fund	2022	2021
Assets					
Current assets:					
Cash and cash equivalents	\$ 1,274,507	\$ 2,321,592	\$ -	\$ 3,596,099	\$ 3,753,532
Investments (note 3)	2,646,127	3,148,386	-	5,794,513	2,145,953
Accounts receivable	2,450	-	-	2,450	13,710
GST receivable	24,240	-	-	24,240	21,474
Prepaid expenses	76,236	-	-	76,236	48,720
	4,023,560	5,469,978	-	9,493,538	5,983,389
Tangible capital assets (notes 4 and 5)	-	-	2,063,312	2,063,312	2,042,122
	\$ 4,023,560	\$ 5,469,978	\$ 2,063,312	\$ 11,556,850	\$ 8,025,511
Liabilities and Fund Balances					
Current liabilities:					
Accounts payable and accrued liabilities	\$ 53,566	\$ -	\$ -	\$ 53,566	\$ 40,103
Deferred revenue (note 6)	3,189,097	-	-	3,189,097	494,999
	3,242,663	-	-	3,242,663	535,102
Deferred capital contributions (note 7)	-	-	1,125,683	1,125,683	1,179,018
	3,242,663	-	1,125,683	4,368,346	1,714,120
Fund balances:					
General fund	780,897	-	-	780,897	876,836
Endowed and restricted funds	-	5,469,978	-	5,469,978	4,571,451
Capital asset fund	-	-	937,629	937,629	863,104
	780,897	5,469,978	937,629	7,188,504	6,311,391
Commitments and contingencies (note 9)					
	\$ 4,023,560	\$ 5,469,978	\$ 2,063,312	\$ 11,556,850	\$ 8,025,511

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, 2022, with comparative information for 2021

	General fund	Endowed and restricted funds (note 8)	Capital asset fund	2022	2021
Revenue:					
Move to Cure ALS	\$ 419,809	\$ -	\$ -	\$ 419,809	\$ 588,459
Third party fundraising revenue	404,120	-	-	404,120	453,342
Events	82,055	-	-	82,055	79,035
Grants and corporate donations (note 12)	670,388	-	-	670,388	664,827
Individual donations and other revenue	1,029,578	-	-	1,029,578	5,135,490
Investment income, including fair value adjustment on investments (note 3)	115,095	(233,618)	-	(118,523)	338,748
Gifts in kind, including amortization of deferred capital contributions (note 7)	-	-	220,985	220,985	287,419
Canada Emergency Wage Subsidy	-	-	-	-	793
Total revenue	2,721,045	(233,618)	220,985	2,708,412	7,548,113
Expenses:					
Patient services and quality of life	1,170,821	-	7,499	1,178,320	1,300,047
Research	-	-	-	-	5,479,979
Volunteer program	22,298	-	-	22,298	25,229
Outreach and public awareness program	148,637	-	-	148,637	115,873
Administration (note 11)	390,820	14,033	-	404,853	362,464
Fundraising	325,899	-	-	325,899	302,442
Travel and meetings	28,674	-	-	28,674	19,476
Total expenses	2,087,149	14,033	7,499	2,108,681	7,605,510
Excess (deficiency) of revenue over expenses from operations before other items	633,896	(247,651)	213,486	599,731	(57,397)
Amortization	-	-	(376,197)	(376,197)	(375,894)
Loss on write-down of capital assets (note 5)	-	-	(18,471)	(18,471)	(11,310)
Excess (deficiency) of revenue over expenses	\$ 633,896	\$ (247,651)	\$ (181,182)	\$ 205,063	\$ (444,601)

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Changes in Fund Balances

Year ended December 31, 2022, with comparative information for 2021

	General fund	Endowed and restricted funds (note 8)	Capital asset fund	2022	2021
Balance, beginning of year	\$ 876,836	\$ 4,571,451	\$ 863,104	\$ 6,311,391	\$ 6,693,177
Excess (deficiency) of revenue over expenses	633,896	(247,651)	(181,182)	205,063	(444,601)
Endowed funds contributions (note 8)	-	672,050	-	672,050	62,815
Interfund transfers (note 8)	(474,128)	474,128	-	-	-
Purchase of capital assets	(255,707)	-	255,707	-	-
Balance, end of year	\$ 780,897	\$ 5,469,978	\$ 937,629	\$ 7,188,504	\$ 6,311,391

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Cash Flows

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Cash provided by (used in):		
Operating:		
Excess (deficiency) of revenue over expenses for the year	\$ 205,063	\$ (444,601)
Adjustments for changes in non-cash items:		
Amortization of capital assets	376,197	375,894
Amortization of deferred capital contributions (note 7)	(213,486)	(272,669)
Loss on write down of capital assets (note 5)	18,471	11,310
Unrealized loss (gain) on fair value adjustment on investments (note 3)	370,458	(102,203)
Changes in non-cash operating working capital:		
Accounts receivable	11,260	(3,260)
GST receivable	(2,766)	(7,610)
Prepaid expenses	(27,516)	36,253
Accounts payable and accrued liabilities	13,463	12,949
Deferred revenue	2,694,098	(1,058,635)
Cash flows from operating activities	3,445,242	(1,452,572)
Investing:		
Redemption (purchase) of investments, net	(4,019,018)	1,162,955
Purchase of tangible capital assets, net of proceeds from disposal	(255,707)	(255,538)
Cash flows from investing activities	(4,274,725)	907,417
Increase (decrease) in cash and cash equivalents	(829,483)	(545,155)
Endowed funds contributions	672,050	62,815
Cash and cash equivalents, beginning of year	3,753,532	4,235,872
Cash and cash equivalents, end of year	\$ 3,596,099	\$ 3,753,532
Non-cash transactions:		
Contributed equipment recorded as deferred capital contributions received (note 7)	\$ 279,649	\$ 263,751

See accompanying notes to financial statements.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements

Year ended December 31, 2022

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 cure ALS through funding research, while advocating for and supporting people living with ALS.

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 (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.

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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

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

(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 9,004 hours (2021 - 7,767 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.

(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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(f) Tangible capital assets (continued):

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).

(i) Financial instruments:

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

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

2. Significant accounting policies (continued):

(i) Financial instruments (continued):

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.

2. 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 consist of the following:

	2022	2021
Guaranteed Investment Certificates, at amortized cost	\$ 3,278,029	\$ -
Jarislowsky Fraser Funds, at fair value:		
Global Balanced Fund	\$ 2,516,484	\$ 2,145,953
Total Investments	\$ 5,794,513	\$ 2,145,953

- (a) The Guaranteed Investment Certificates have interest rates of 0.95% to 3.6% (2021 - 0.55%) and maturity dates during the next fiscal year.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

3. Investments (continued):

Investment income consists of the following:

	2022	2021
Interest	\$ 247,651	\$ 218,735
Realized gain on fair value adjustments on investments	4,284	17,810
Unrealized (gain) loss on fair value adjustments on investments	(370,458)	102,203
	\$ (118,523)	\$ 338,748

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:

	2022		2021	
	Cost	Accumulated amortization	Net book value	Net book value
Patient equipment:				
Assistive technology	\$ 108,677	\$ 29,123	\$ 79,554	\$ 57,014
Bathroom equipment	169,933	12,290	157,643	151,545
Beds and mattresses	208,935	74,300	134,635	136,973
Miscellaneous equipment	147,252	32,054	115,198	89,434
Patient lift equipment	382,066	161,910	220,156	237,027
Wheelchairs and walkers	1,909,961	731,706	1,178,255	1,208,761
	2,926,824	1,041,383	1,885,441	1,880,754
Office equipment	77,030	30,368	46,662	29,599
Warehouse leasehold improvements	80,993	11,696	69,297	79,421
Warehouse equipment	73,917	12,005	61,912	52,348
	\$ 3,158,764	\$ 1,095,452	\$ 2,063,312	\$ 2,042,122

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

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 \$142,969 (2021 - \$129,382) and deferred capital contributions of \$119,498 (2021 - \$118,072). This resulted in a loss recorded to the statement of operations of \$18,471 (2021 - \$11,310).

	2022	2021
Capital assets written-off	\$ 620,991	\$ 473,755
Accumulated amortization	(478,022)	(344,373)
	142,969	129,382
Less:		
Deferred capital contributions related to impaired capital assets (note 7)	(119,498)	(118,072)
Sale proceeds from disposal of asset	(5,000)	-
Loss on write-down	\$ 18,471	\$ 11,310

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 2022	Total 2021
Balance, beginning of year	\$ 172,637	\$ -	\$ 233,678	\$ 88,684	\$ 494,999	\$ 1,553,634
Amounts received during the year	2,623,458	276,230	306,295	61,659	3,267,642	2,754,529
Amounts recognized as revenue in the year	-	(276,230)	(233,678)	(63,636)	(573,544)	(3,813,164)
Balance, end of year	\$ 2,796,095	\$ -	\$ 306,295	\$ 86,707	\$ 3,189,097	\$ 494,999

Included in the amounts received during the year for PROJECT HOPE is \$2,000,000 (2021 - \$2,000,000) of funding received from the Province of British Columbia ("B.C.").

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, 2022

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:

	2022	2021
Balance, beginning of year	\$ 1,179,018	\$ 1,306,008
Capital contributions received during the year	279,649	263,751
Amortization of capital contributions to revenue	(213,486)	(272,669)
Deferred capital contributions related to impaired capital assets (note 5)	(119,498)	(118,072)
Balance, end of year	\$ 1,125,683	\$ 1,179,018

Included in gifts-in-kind revenue in the statement of operations is \$213,956 (2021 - \$272,669) 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.

The Society's Board finance committee meets at a minimum of once per year with the Financial Manager, Jarislowski Fraser, to review the spending rule and the performance of the funds.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Endowed and other restricted funds (continued):

	Balance, January 1, 2022	Fund contributions/ withdrawals	Net inter-fund transfers	Net investment income	Balance, December 31, 2022
Endowed funds managed under the Investment Policy Statement:					
George & Verna Williams	\$ 696,893	\$ 5,000	\$ (11,319)	\$ (92,010)	\$ 598,564
David Pendray Memorial	342,962	-	(7,701)	(45,721)	289,540
Pearmain Fund	300,630	-	(8,621)	(39,191)	252,818
Dr. Andrew and Kathleen Eisen	816,881	667,050	(20,380)	(88,501)	1,375,050
Other Restricted Funds:					
ALS Society of BC PROJECT					
HOPE Fund	66,315	-	-	1,392	67,707
Kamloops Fund	15,011	-	(851)	47	14,207
Victoria Fund	97,185	-	-	1,433	98,618
Cycle of Hope Lemonaid Education Fund	10,408	-	(2,000)	75	8,483
Operating Reserve Fund	2,225,166	-	525,000	14,825	2,764,991
	\$ 4,571,451	\$ 672,050	\$ 474,128	\$ (247,651)	\$ 5,469,978

(a) Endowed funds managed under the Investment Policy Statement:

The endowed funds of George & Verna 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.

- (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 B.C. 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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Endowed and other restricted funds (continued):

(a) Endowed funds managed under the Investment Policy Statement (continued):

(i) (continued):

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.

The Pearmain's 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's 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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Endowed and other restricted funds (continued):

(a) Endowed funds managed under the Investment Policy Statement (continued):

(iv) (continued):

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 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.
- (ii) 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.
- (iii) 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.
- (iv) 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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Endowed and other restricted funds (continued):

(b) Other Restricted Funds (continued):

(iv) (continued):

In April 2021, the \$5.3 million goal was achieved. Of this, the Province of B.C. 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.

During the year the Society raised \$2.6 million for research designated to PROJECT HOPE. All funds raised in B.C. now remain in B.C. These funds are being held in deferred revenue until the clinician/scientist to champion PROJECT HOPE is recruited. The ALS Clinic is relocating to the Djavad Mowafaghian Centre for Brain Health in the Spring of 2023. Some funds will be expended to equip the clinic as per the PROJECT HOPE terms of reference.

(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 \$2,776,813 (2021 - \$1,767,236). During the year, the Society received \$100,496 (2021 - \$58,364) of investment income earned from this fund. The market value of the fund at December 31, 2022 was \$3,006,479 (2021 - \$1,658,678).

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

8. Endowed and other restricted funds (continued):

(d) Externally Managed Endowment Funds (continued):

(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 \$1,006 (2021 - \$875) of investment income earned from this fund. The market value of the fund at December 31, 2022 was \$128,647 (2021 - \$147,751).

(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 nil (2021 - \$549) 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 \$8,030 (2021 - \$7,395).

9. Commitments and contingencies:

(a) Operating leases:

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

2023	\$	72,337
2024		73,840
2025		81,353
2026		82,440
2027		83,527
Thereafter		153,133
	\$	546,630

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

The Society has entered into an agreement to contribute \$25,000 to CAYA until December 31, 2023. 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.

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

10. Administration expenses:

	2022	2021
Bank charges and interest	\$ 15,286	\$ 13,977
Insurance	10,978	11,609
Office supplies and equipment	33,002	27,996
Postage	6,233	8,150
Professional fees	23,452	17,220
Rent	72,488	70,931
Telephone, internet and website	5,413	5,185
Strategic plan	8,624	11,139
Membership Admin	11,300	3,742
Wages and benefits	218,077	192,514
	\$ 404,853	\$ 362,463

Wages and benefits are reported after an allocation of \$147,235 (2021 - \$137,210) to Patient Services representing estimated executive time spent supporting patient services.

11. Grants and corporate donations:

Grants and corporate donations are comprised of the following:

	2022	2021
BC Gaming	\$ 276,230	\$ 250,000
Donations:		
Corporate groups	95,742	148,636
Foundations	267,433	245,621
Clubs	30,983	20,570
	394,158	414,827
	\$ 670,388	\$ 664,827

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Notes to Financial Statements (continued)

Year ended December 31, 2022

12. Financial risks and concentration of risk:

(a) Credit risk:

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

13. 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, 2022, the Society paid remuneration of \$235,204 to two employees (2021 - \$148,023 to one employee) and nil (2021 - \$259,071) to contractors for services related to patient equipment loan program maintenance, each of whom received total annual remuneration of \$75,000 or greater.

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

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations – Victoria Chapter

Schedule 1

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Victoria Move to Cure ALS	\$ 29,017	\$ 38,472
Donations - individual	-	1,200
General 3 rd party fundraising events	10,995	2,922
Grants/donations - Clubs	1,600	500
Grants/donations - Foundations	1,000	-
Memoriams and bequests	150	50
Interest on investment income	1,257	884
	<u>44,019</u>	<u>44,028</u>
Expenses:		
Bank charges and interest	101	102
Fundraising and special events	11,636	3,040
Office supplies and equipment	310	153
Patient services and support group	664	373
Rent and storage	2,188	2,085
Research	-	12,350
	<u>14,899</u>	<u>18,103</u>
Excess of revenue over expenses for the year	\$ 29,120	\$ 25,925

AMYOTROPHIC LATERAL SCLEROSIS SOCIETY OF BRITISH COLUMBIA

Statement of Operations - North Central Island Chapter

Schedule 2

Year ended December 31, 2022, with comparative information for 2021

	2022	2021
Revenue:		
Mid Island Move to Cure ALS	\$ 35,824	\$ 64,240
Memoriams and bequests	1,514	-
	<u>37,338</u>	<u>64,240</u>
Expenses:		
Bank charges and interest	22	-
Fundraising and special events	9,159	3,111
Patient services and support group	264	18
Research	-	23,217
	<u>9,445</u>	<u>26,346</u>
Excess of revenue over expenses for the year	\$ 27,893	\$ 37,894