
**PARKINSON SOCIETY BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021**

INDEPENDENT AUDITORS' REPORT

To the Members of Parkinson Society British Columbia

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Parkinson Society British Columbia (the "Society"), which comprise the statement of financial position as at December 31, 2021, and the statements of changes in net assets, revenue and expenses and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2021, and the results of its operations and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Opinion

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 report. We are independent of the Society in accordance with 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 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 these 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:

INDEPENDENT AUDITORS' REPORT

- 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.

We 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.

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, 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.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 22, 2022

PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2021

	2021	2020
ASSETS		
CURRENT		
Cash	\$ 384,452	\$ 315,119
Short-term investments (Note 3)	200,000	200,000
Accounts receivable	58,919	48,750
Accrued interest receivable (Note 3)	41,296	31,713
Prepaid expenses	14,709	15,439
	699,376	611,021
LONG-TERM INVESTMENTS (Note 3)	4,111,546	3,649,230
CAPITAL ASSETS (Note 4)	56,285	54,270
	\$ 4,867,207	\$ 4,314,521
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 98,830	\$ 59,415
Deferred revenue (Note 5)	7,039	394
	105,869	59,809
NET ASSETS		
INVESTED IN CAPITAL ASSETS	56,285	54,270
UNRESTRICTED	4,705,053	4,200,442
	4,761,338	4,254,712
	\$ 4,867,207	\$ 4,314,521

COMMITMENTS (Note 10)

Approved by the Board:

_____ Director

_____ Director

**PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2021**

	Unrestricted	Invested in capital assets	2021	2020
BALANCE AT BEGINNING OF YEAR	\$ 4,200,442	\$ 54,270	\$ 4,254,712	\$ 1,999,096
Excess of revenue over expenses for the year	506,626	-	506,626	2,255,616
Capital asset additions	(19,772)	19,772	-	-
Amortization of capital assets	17,757	(17,757)	-	-
BALANCE AT END OF YEAR	\$ 4,705,053	\$ 56,285	\$ 4,761,338	\$ 4,254,712

**PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021**

	2021	2020
REVENUE		
Fundraising (<i>Note 7</i>)		
Bequests (<i>Note 9</i>)	\$ 919,882	\$ 2,216,192
General donations (<i>Note 9</i>)	508,386	915,923
Special events (<i>Note 7</i>)	376,725	369,544
Donations - in memoriam	99,478	66,774
Donations - research	88,174	57,890
Donations - corporate	9,870	5,033
	2,002,515	3,631,356
Support services		
Conference sponsorship	14,000	9,500
Conference fees	4,130	5,490
Resource material cost recovery	-	515
	18,130	15,505
Investments income (expense)		
Interest income	69,671	37,553
Dividend income	11,977	-
Realized loss on sale of investments	(24,005)	(23,545)
Unrealized gain on investments	221,225	18,129
	278,868	32,137
	2,299,513	3,678,998
EXPENSES		
Support services and outreach (<i>Note 6</i>)	1,003,336	841,828
Research	371,833	144,969
Fundraising (<i>Note 7</i>)	250,679	265,485
Public awareness, communication and advocacy	92,877	88,250
Governance and administration	74,162	82,850
	1,792,887	1,423,382
EXCESS OF REVENUE OVER EXPENSES FOR THE YEAR	\$ 506,626	\$ 2,255,616

PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

	2021	2020
OPERATING ACTIVITIES		
Excess of revenue over expenses for the year	\$ 506,626	\$ 2,255,616
Items not affecting cash:		
Amortization of capital assets	17,757	26,353
Unrealized gain on investments	(221,225)	(18,129)
Realized loss on sale of investments	24,005	23,545
	327,163	2,287,385
Changes in non-cash working capital:		
Accounts receivable	(10,169)	2,486
Accrued interest receivable	(9,583)	(1,219)
Prepaid expenses	730	18,603
Accounts payable and accrued liabilities	39,415	27,431
Deferred revenue	6,645	394
	27,038	47,695
	354,201	2,335,080
INVESTING ACTIVITIES		
Proceeds from sale of investments	3,812,033	4,625,528
Purchase of investments	(4,077,129)	(6,844,206)
Purchase of capital assets	(19,772)	(26,726)
	(284,868)	(2,245,404)
INCREASE IN CASH DURING THE YEAR	69,333	89,676
CASH - BEGINNING OF YEAR	315,119	225,443
CASH - END OF YEAR	\$ 384,452	\$ 315,119

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

NATURE OF OPERATIONS

The B.C. Parkinson's Disease Association was incorporated without share capital on November 14, 1969 under the British Columbia Societies Act and changed its name to Parkinson Society British Columbia (the "Society") in 2002. The Society is also a registered charity under the Income Tax Act (Canada) and is accordingly exempt from income taxes. The mission of the Society is to empower the Parkinson's community in British Columbia through providing resources and services to enable self-management, self-reliance and self-advocacy.

The global outbreak of COVID-19 has had a significant impact on businesses through the restrictions put in place by the various levels of government regarding travel, business operations, and isolation/quarantine orders. At this time, the extent of the impact that the COVID-19 outbreak has had and is anticipated to have on the Society is unknown as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

1. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian accounting standards for not-for-profit organizations ("ASNPO") under Part III of the CPA Canada Handbook - Accounting. Financial statements prepared in accordance with ASNPO are also in accordance with Canadian generally accepted accounting principles ("GAAP").

These financial statements have, in management's opinion, been prepared within reasonable limits of materiality using the significant accounting policies noted below:

(a) Cash

Cash consists of cash on deposit.

(b) Capital assets

Capital assets are recorded at amortized cost. Amortization is provided annually over the estimated useful lives of the assets on the straight-line basis as follows:

Computer hardware	20%
Computer software	100%

The Society's policy is to record a write-down to a capital asset's fair value or replacement cost when conditions indicate that a capital asset is impaired. Such conditions include when the capital asset no longer contributes to the Society's ability to provide goods and services or when the value of future economic benefits or service potential associated with the capital asset is less than its net carrying amount. Write-downs are recognized as an expense in the statement of revenue and expenses and are not reversed.

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PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

(c) Revenue recognition

The Society follows the deferral method of accounting for contributions. Restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized as revenue when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred revenue represents membership fees received in the current period that is related to a subsequent period.

Investment income is recognized in the period when the investment income is earned.

Bequests are recognized as revenue when received.

(d) Use of estimates

The preparation of the financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions about future events that affect the reported amounts of assets, liabilities, revenue and expenses as at the end of or during the reporting period. Management believes that the estimates used are reasonable and prudent, however, actual results could differ from those estimates. Significant areas requiring the use of management estimates relate to the determination of the useful lives of capital assets used for determining amortization, measurement of deferred revenue and certain amounts recorded as accrued liabilities.

(e) Contributed services and materials

Contributed services are not recognized in the financial statements due to the difficulty of determining their fair value. Contributed materials are recognized only when their fair value can be reasonably estimated and when the materials are used in the normal course of the Society's operations and would otherwise have been purchased.

(f) Allocation of expenses

The Society reports its expenses under one of the following functions: support services and outreach, fundraising, public awareness, communication and advocacy, governance and administration.

Each of the functions is allocated a portion of the Society's total salaries and benefit expense and a portion of the office expenses. The allocation of salaries and benefits is based on the relative amount of time the Society's employees work on each function. Details of the amounts allocated are disclosed in Note 8. The allocation of the office expenses is based on the same percentage allocation as the salaries and benefits.

(g) Financial instruments

i) Measurement

The Society's financial instruments consist of cash, accounts receivable, investments and accounts payable. The Society initially measures its financial assets and liabilities at fair value. The Society subsequently measures all of its financial assets and liabilities at amortized cost except for investments quoted in an active market, which are an equity instrument measured at fair value.

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PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

1. SIGNIFICANT ACCOUNTING POLICIES *(continued)*

ii) Impairment

Financial assets measured at amortized cost are tested for impairment when there are indicators of impairment. The amount of any write-down that is determined is recognized in the statement of revenue and expenses. A previously recognized impairment loss may be reversed to the extent of any improvement, provided it is no greater than the amount that would have been reported at the date of the reversal had the impairment not been recognized previously. The amount of the reversal is recognized in the statement of revenue and expenses in the period in which it is determined.

iii) Transactions costs

The Society recognizes its transaction costs in the statement of revenue and expenses in the period incurred. However, financial instruments that will not be subsequently measured at fair value are adjusted by the transaction costs that are directly attributable to their origination, issuance or assumption.

2. FINANCIAL INSTRUMENTS RISKS

The Society's financial instruments are described in Note 1(g). In management's opinion, the Society is not exposed to significant credit, liquidity, market, interest rate, currency or other price risks arising from these financial instruments, except as described below. In addition, the Society is not exposed to any material concentrations of risk and there has been no change in the risk exposures described below from the prior year, except as noted with respect to COVID-19.

(a) Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society is not exposed to significant credit risk.

Although the financial impact of the health pandemic has been pervasive, there has been minimal credit risk impact to the Society as a result of COVID-19.

(b) Liquidity risk

Liquidity risk is the risk that the Society will encounter difficulty in meeting obligations associated with liabilities. The Society is exposed to this risk mainly in respect of its accounts payable. The Society's ability to meet obligations depends on the donations and fundraising revenue received from its donors and participants. The Society mitigates liquidity risk by managing its working capital and cash flows.

Although the financial impact of the health pandemic has been pervasive, there has been minimal liquidity risk impact to the Society as a result of COVID-19.

(c) Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency risk, interest rate risk and other price risk.

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PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

2. FINANCIAL INSTRUMENTS RISKS *(continued)*

(d) Currency risk

Currency risk is the risk to the Society's earnings that arise from fluctuations of foreign exchange rates and the degree of volatility of these rates. The Society is exposed to foreign currency exchange risk on investments of \$1,645,449 (\$1,297,877 USD) (2020 - \$288,304 (\$226,440 USD)) held in US dollars. The Society mitigates this risk by maintaining a cash account and investment account in US dollars. This acts as a natural hedge as cash inflows denominated in US dollars can be used to settle cash outflows denominated in US dollars.

(e) Interest rate risk

Interest rate risk is the risk that the value of a financial instrument might be adversely affected by a change in the interest rates. The Society is exposed to interest rate risk on its interest bearing fixed income investments. The Society's investments are comprised of guaranteed investment certificates with fixed rates of interest and staggered maturity dates. The fair value of the Society's investments is disclosed in Note 3. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities and by investing in fixed rate investments.

(f) Other price risk

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk), whether those changes are caused by factors specific to the individual financial instrument or its issuer, or factors affecting all similar financial instruments traded in the market. The Society is exposed to other price risk through its investments. In seeking to partially minimize other price risk, the Society reviews its investments routinely and invests in a diversified portfolio.

3. INVESTMENTS

The fair value of short-term and long-term investments at December 31, 2021 is \$4,352,842 (2020 - \$3,880,943) which includes accrued interest. The investments are comprised of:

- i) guaranteed investment certificates totaling \$1,041,296 (2020 - \$1,031,713) with maturity dates ranging from March 2022 to June 2026, bearing interest from 1.18% to 2.86%;
- ii) investment savings accounts and mutual funds totalling \$861,529 (2020 - \$2,450,542); and
- iii) common shares in the amount of \$2,450,017 (2020 - \$398,688).

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2021 Net book value	2020 Net book value
Computer hardware	\$ 171,200	\$ 114,915	\$ 56,285	\$ 54,270

Amortization of \$17,757 (2020 - \$26,353) is included in governance and administration expenses.

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

5. DEFERRED REVENUE

	2021	2020
Balance beginning of year	\$ 394	\$ -
Revenue received during the year	2,306,158	3,679,392
Revenue recognized during the year	(2,299,513)	(3,678,998)
Balance end of year	\$ 7,039	\$ 394

6. SUPPORT SERVICES AND OUTREACH

The Society's expenditures for the year on support services and outreach are summarized as follows:

	2021	2020
Salaries and benefits	\$ 525,190	\$ 464,519
Support group services and programs	258,989	142,982
Office	157,093	170,229
Resource and library materials	32,866	23,024
Newsletter publications	19,319	16,996
Conferences and meetings	8,506	20,658
Exercise programs	1,293	2,650
Website and services	80	770
	\$ 1,003,336	\$ 841,828

7. FUNDRAISING ACTIVITIES

The Society's fundraising activities for the year are summarized as follows:

	Revenue	Expenses	2021	2020
Special events				
Superwalk	\$ 291,675	\$ 163,816	\$ 127,859	\$ 127,882
Third party events	85,050	29,337	55,713	31,220
	376,725	193,153	183,572	159,102
Donations and bequests	1,625,790	57,526	1,568,264	3,206,769
	\$ 2,002,515	\$ 250,679	\$ 1,751,836	\$ 3,365,871

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

8. ALLOCATION OF SALARIES AND EMPLOYEE BENEFITS EXPENSE

Pursuant to the policy described in Note 1(f), the Society's expenditures for the year for salaries and benefits are allocated as follows:

	2021	2020
Support services and outreach	\$ 525,190	\$ 464,519
Fundraising - special events	102,645	112,461
Public awareness, communication and advocacy	70,864	51,950
Governance and administration	53,658	60,631
Fundraising - general	35,390	34,719
	\$ 787,747	\$ 724,280

9. DONATIONS IN-KIND

In addition to monetary donations, the Society receives donations in-kind. During the year ended December 31, 2021, the Society received equity shares traded on a public stock exchange. The shares were recorded at the fair market value as at the date they were contributed and sold shortly after. Revenue of \$72,185 (2020 - \$31,732) from the donations in-kind was included in general donations and \$204,266 (2020 - \$948,000) was included in bequests in the statement of revenue and expenses.

10. COMMITMENTS

a) The Society leases certain office equipment under a long-term lease. Minimum payments under the lease commitment and service contract during the next two years are anticipated to be as follows:

2022	\$ 5,038
2023	5,038
	<u>\$ 10,076</u>

b) The Society makes commitments to fund future and/or multi-year research and fellowship grants. Minimum payments during the next five years are anticipated to be as follows:

2022	\$ 297,500
2023	154,375
2024	45,000
2025	45,000
2026	30,000
	<u>\$ 571,875</u>

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PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2021

10. COMMITMENTS *(continued)*

c) The Board of Directors approved funding to the Interior Health, Island Health Authorities and Vancouver Coastal Health Authority for the expansion of staffing for the Kelowna, Victoria and Vancouver Movement Disorder Clinics. The funding will be paid over a period of six years (2021 to 2026) and the payments during the next five years are anticipated to be as follows:

2022	\$	354,973
2023		299,583
2024		194,207
2025		88,203
2026		15,621
		<u>952,587</u>
	\$	<u>952,587</u>

11. SALARIES AND EMPLOYEE BENEFITS

Salaries and employee benefits include two employees who earned over \$75,000 during the year ended December 31, 2021 (2020 - two employees).

12. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation. These reclassifications have no impact on the previously reported excess of revenue over expenses, or net assets.