
**PARKINSON SOCIETY BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018**



INDEPENDENT AUDITOR'S REPORT

To the Members of Parkinson Society British Columbia

Report on the 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, 2018, 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 and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2018, and the results of its operations and its 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 *Auditor's Responsibilities for the Audit of the Financial Statements* section of our 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 those 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 relating 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.



INDEPENDENT AUDITOR'S REPORT

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 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:

- 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.

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.



INDEPENDENT AUDITOR'S REPORT

Report on Other Legal and Regulatory Requirements

As required by the British Columbia Societies Act, we report that in our opinion, the Society's financial statements have been prepared following Canadian accounting standards for not-for-profit organizations applied on a consistent basis.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 5, 2019

PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2018

	2018	2017
ASSETS		
CURRENT		
Cash	\$ 398,670	\$ 288,742
Accounts receivable	27,188	43,087
Accrued interest receivable	8,242	7,700
Prepaid expenses	19,367	14,906
	453,467	354,435
INVESTMENTS (Note 3)	1,409,307	1,126,215
CAPITAL ASSETS (Note 4)	38,928	32,752
	\$ 1,901,702	\$ 1,513,402
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	\$ 27,680	\$ 32,674
NET ASSETS		
INVESTED IN CAPITAL ASSETS	38,928	32,752
UNRESTRICTED	1,835,094	1,447,976
	1,874,022	1,480,728
	\$ 1,901,702	\$ 1,513,402

COMMITMENTS (Note 9)

Approved by the Board

_____ Director

_____ Director

PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	Unrestricted	Invested in capital assets	2018	2017
BALANCE AT BEGINNING OF YEAR	\$ 1,447,976	\$ 32,752	\$ 1,480,728	\$ 911,284
Excess of revenue over expenses	393,294	-	393,294	569,444
Capital asset additions	(47,844)	47,844	-	-
Amortization of capital assets	41,668	(41,668)	-	-
BALANCE AT END OF YEAR	\$ 1,835,094	\$ 38,928	\$ 1,874,022	\$ 1,480,728

**PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018**

	2018	2017
REVENUE		
Fundraising (<i>Note 6</i>)		
Bequests	\$ 775,634	\$ 898,836
Special events	585,641	569,516
General donations	344,558	328,565
Donations - in memoriam	50,769	52,919
Donations - research	20,677	25,066
Donations - corporate	11,081	2,350
	1,788,360	1,877,252
Support services		
Conference fees	14,751	20,711
Conference sponsorship	250	15,050
Resource material cost recovery	813	9,315
	15,814	45,076
Other income		
Investment income	14,188	12,513
	1,818,362	1,934,841
EXPENSES		
Support services and outreach (<i>Note 5</i>)	525,749	552,140
Fundraising (<i>Note 6</i>)	488,188	476,623
Public awareness, communication and advocacy	206,366	187,273
Research	138,417	86,917
Governance and administration	66,348	62,444
	1,425,068	1,365,397
EXCESS OF REVENUE OVER EXPENSES	\$ 393,294	\$ 569,444

PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
YEAR ENDED DECEMBER 31, 2018

	2018	2017
OPERATING ACTIVITIES		
Excess of revenue over expenses	\$ 393,294	\$ 569,444
Item not affecting cash:		
Amortization of capital assets	41,668	20,004
	434,962	589,448
Changes in non-cash working capital:		
Accounts receivable	15,899	(2,927)
Accrued interest receivable	(542)	6,047
Prepaid expenses	(4,461)	27,435
Accounts payable and accrued liabilities	(4,994)	(30,420)
Deferred revenue	-	(420)
	5,902	(285)
Cash flow from operating activities	440,864	589,163
INVESTING ACTIVITIES		
Net proceeds from sales of investments	452,902	473,000
Purchase of investments	(735,994)	(797,687)
Purchase of capital assets	(47,844)	(23,062)
Cash flow used by investing activities	(330,936)	(347,749)
INCREASE IN CASH	109,928	241,414
CASH AT BEGINNING OF YEAR	288,742	47,328
CASH AT END OF YEAR	\$ 398,670	\$ 288,742

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

NATURE OF OPERATIONS

The B.C. Parkinson's Disease Association was incorporated without share capital on November 14, 1969 under the Societies Act of British Columbia and changed its name to Parkinson Society British Columbia (the "Society") in 2002. It is registered with the Canada Revenue Agency as a charitable organization and is, accordingly, exempt from income tax. 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.

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) 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.

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.

(c) 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 monitors the recoverability of capital assets based on their long-term service potential. When a capital asset no longer has any long-term service potential to the Society, the excess of its net carrying amount over any residual value is recognized as an expense in the statement of revenue and expenses. Write-downs recognized under this policy are not reversed.

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PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(d) 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.

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

(e) 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, revenues 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 assets used for calculating amortization, recognition of deferred revenue and the amounts recorded as accrued liabilities.

(f) 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.

(g) Allocation of expenses

The Society reports its expenses under one of the following functions: support services and outreach, fundraising, public awareness, communication and advocacy, research and 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 7. The allocation of the office expenses is based on the same percentage allocation as the salaries and benefits.

2. FINANCIAL INSTRUMENTS RISKS

The Society's financial instruments are described in Note 1(b). In management's opinion, the Society is not exposed to significant currency, credit, liquidity, interest or other market risks except as described in the next paragraph.

The Society's investments are comprised of high-quality corporate debt instruments with low credit risk exposures and fixed rates of interest and mutual funds. Accordingly, the primary financial risk to the Society lies in its exposure to the effects of fluctuations in market interest rates. The Society's investment policy seeks to partially mitigate this risk by maintaining staggered maturity dates in its investments. The fair value of the Society's investments is disclosed in Note 3.

In addition, the Society is not exposed to any material concentrations of risk and there has been no change in the risk exposures from the prior year.

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

3. INVESTMENTS

The fair value of investments at December 31, 2018 is \$1,417,549 (2017 - \$1,133,915) which includes accrued interest.

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2018 Net book value	2017 Net book value
Computer hardware	\$ 101,501	\$ 62,573	\$ 38,928	\$ 21,221
Computer software	43,202	43,202	-	11,531
	\$ 144,703	\$ 105,775	\$ 38,928	\$ 32,752

Amortization of \$41,668 is included in governance and administration expenses (2017 - \$20,004).

5. SUPPORT SERVICES AND OUTREACH

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

	2018	2017
Salaries and benefits	\$ 286,357	\$ 291,272
Office	109,720	97,731
Conferences and meetings	40,732	62,207
Resource and library materials	36,663	31,292
Support group services and programs	26,274	43,444
Newsletter publications	22,921	21,960
Exercise programs	2,313	4,059
Website and services	769	175
	\$ 525,749	\$ 552,140

6. FUNDRAISING ACTIVITIES

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

	Revenue	Expenses	2018 Net	2017 Net
Special events				
Superwalk	\$ 446,935	\$ 305,780	\$ 141,155	\$ 171,101
Third party events	138,706	93,834	44,872	56,892
	585,641	399,614	186,027	227,993
Donations and bequests	1,202,719	88,574	1,114,145	1,172,636
	\$ 1,788,360	\$ 488,188	\$ 1,300,172	\$ 1,400,629

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2018

7. ALLOCATION OF SALARIES AND BENEFITS EXPENSE

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

	2018	2017
Support services and outreach	\$ 286,357	\$ 291,272
Fundraising - special events	174,545	140,197
Public awareness, communication and advocacy	123,691	121,339
Fundraising - general	52,319	76,732
Governance and administration	40,631	46,760
	\$ 677,543	\$ 676,300

8. DONATIONS IN-KIND

In addition to monetary donations, the Society receives donations in-kind. During the year ended December 31, 2018, the Society received equity shares traded on a public stock exchange. The shares were recorded at fair market value as at the date they were contributed and sold shortly after. Total revenue of \$10,847 (2017 - \$11,479) from those donations in-kind was included in general donations in the statement of revenue and expenses.

9. COMMITMENTS

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

2019	\$ 115,148
2020	112,761

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:

2019	\$ 93,906
2020	58,718
2021	48,458
2022	45,000
2023	11,250

10. REMUNERATION

Two employees earned over \$75,000 during the year ended December 31, 2018 (2017 - one employee).