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**PARKINSON SOCIETY BRITISH COLUMBIA**

**FINANCIAL STATEMENTS**

**FOR THE YEAR ENDED DECEMBER 31, 2019**

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## INDEPENDENT AUDITORS' REPORT

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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, 2019, 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, 2019, 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.

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## INDEPENDENT AUDITORS' REPORT

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### **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:

- 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.

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## INDEPENDENT AUDITORS' REPORT

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### 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 consistent basis with that of the preceding year.

*Manning Elliott LLP*

Chartered Professional Accountants  
Vancouver, British Columbia  
March 11, 2020

**PARKINSON SOCIETY BRITISH COLUMBIA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2019**

	2019	2018
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 225,443	\$ 398,670
Accounts receivable	51,236	27,188
Accrued interest receivable	30,494	8,242
Prepaid expenses	34,042	19,367
	<b>341,215</b>	453,467
INVESTMENTS (Note 3)	<b>1,635,968</b>	1,409,307
CAPITAL ASSETS (Note 4)	<b>53,897</b>	38,928
	<b>\$ 2,031,080</b>	\$ 1,901,702
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 31,984	\$ 27,680
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	<b>53,897</b>	38,928
UNRESTRICTED	<b>1,945,199</b>	1,835,094
	<b>1,999,096</b>	1,874,022
	<b>\$ 2,031,080</b>	\$ 1,901,702

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, 2019**

	Unrestricted	Invested in capital assets	<b>2019</b>	2018
BALANCE AT BEGINNING OF YEAR	\$ 1,835,094	\$ 38,928	<b>\$ 1,874,022</b>	\$ 1,480,728
Excess of revenue over expenses	125,074	-	<b>125,074</b>	393,294
Capital asset additions	(37,766)	37,766	-	-
Amortization of capital assets	22,797	(22,797)	-	-
<b>BALANCE AT END OF YEAR</b>	<b>\$ 1,945,199</b>	<b>\$ 53,897</b>	<b>\$ 1,999,096</b>	<b>\$ 1,874,022</b>

**PARKINSON SOCIETY BRITISH COLUMBIA  
STATEMENT OF REVENUE AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
<b>REVENUE</b>		
Fundraising <i>(Note 6)</i>		
Special events	\$ 537,007	\$ 585,641
Bequests	513,225	775,634
General donations <i>(Note 8)</i>	413,834	344,558
Donations - in memoriam	45,389	50,769
Donations - research	42,457	20,677
Donations - corporate	4,875	11,081
	<b>1,556,787</b>	<b>1,788,360</b>
Support services		
Conference fees	22,335	14,751
Conference sponsorship	16,500	250
Conference exhibitor fees	1,250	-
Resource material cost recovery	390	813
	<b>40,475</b>	<b>15,814</b>
Other income		
Investment income	38,514	14,188
	<b>1,635,776</b>	<b>1,818,362</b>
<b>EXPENSES</b>		
Support services and outreach <i>(Note 5)</i>	683,347	525,749
Fundraising <i>(Note 6)</i>	417,919	488,188
Public awareness, communication and advocacy	199,982	206,366
Research	142,823	138,417
Governance and administration	66,631	66,348
	<b>1,510,702</b>	<b>1,425,068</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>\$ 125,074</b>	<b>\$ 393,294</b>

**PARKINSON SOCIETY BRITISH COLUMBIA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

	2019	2018
<b>OPERATING ACTIVITIES</b>		
Excess of revenue over expenses for the year	\$ 125,074	\$ 393,294
Item not affecting cash:		
Amortization of capital assets	22,797	41,668
	<b>147,871</b>	<b>434,962</b>
Changes in non-cash working capital:		
Accounts receivable	(24,048)	15,899
Accrued interest receivable	(22,252)	(542)
Prepaid expenses	(14,675)	(4,461)
Accounts payable and accrued liabilities	4,304	(4,994)
	<b>(56,671)</b>	<b>5,902</b>
	<b>91,200</b>	<b>440,864</b>
<b>INVESTING ACTIVITIES</b>		
Net proceeds from sale of investments	900,000	452,902
Purchase of investments	(1,126,661)	(735,994)
Purchase of capital assets	(37,766)	(47,844)
	<b>(264,427)</b>	<b>(330,936)</b>
<b>CHANGE IN CASH DURING THE YEAR</b>	<b>(173,227)</b>	<b>109,928</b>
<b>CASH - BEGINNING OF YEAR</b>	<b>398,670</b>	<b>288,742</b>
<b>CASH - END OF YEAR</b>	<b>\$ 225,443</b>	<b>\$ 398,670</b>



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**PARKINSON SOCIETY BRITISH COLUMBIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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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. 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.

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**PARKINSON SOCIETY BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(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.

(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 capital assets used for calculating amortization 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.

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**PARKINSON SOCIETY BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

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**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 credit, liquidity, market, interest, 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 from the prior year.

(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.

(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.

(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. The Society is mainly exposed to interest rate risk.

(d) 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.

Unless otherwise noted, it is management's opinion that the Society is not exposed to currency risk or other price risk arising from these financial instruments.

**3. INVESTMENTS**

The fair value of investments at December 31, 2019 is \$1,666,376 (2018 - \$1,417,954) which includes accrued interest. The investments are comprised of:

- Guaranteed investment certificates totalling \$940,408 (2018 - \$618,647) with maturity dates ranging from November 2020 to March 2023, bearing interest from 2.32% to 3.08%
- An investment savings account in the amount of \$725,458 (2018 - \$799,307)
- Common shares in the amount of \$510 (2018 - Nil)

**PARKINSON SOCIETY BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

4. CAPITAL ASSETS

	Cost	Accumulated amortization	2019 Net book value	2018 Net book value
Computer hardware	\$ 132,318	\$ 78,421	\$ 53,897	\$ 38,928
Computer software	50,152	50,152	-	-
	<b>\$ 182,470</b>	<b>\$ 128,573</b>	<b>\$ 53,897</b>	<b>\$ 38,928</b>

Amortization of \$22,797 (2018 - \$41,668) is included in governance and administration expenses

5. SUPPORT SERVICES AND OUTREACH

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

	2019	2018
Salaries and benefits	\$ 345,538	\$ 286,357
Office	139,184	109,720
Conferences and meetings	118,597	40,732
Resource and library materials	31,445	36,663
Support group services and programs	28,754	26,274
Newsletter publications	16,962	22,921
Exercise programs	2,088	2,313
Website and services	779	769
	<b>\$ 683,347</b>	<b>\$ 525,749</b>

6. FUNDRAISING ACTIVITIES

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

	Revenue	Expenses	2019 Net	2018 Net
Special events				
Superwalk	\$ 447,586	\$ 262,343	\$ 185,243	\$ 141,155
Third party events	89,421	65,004	24,417	44,872
	537,007	327,347	209,660	186,027
Donations and bequests	1,019,780	90,572	929,208	1,114,145
	<b>\$ 1,556,787</b>	<b>\$ 417,919</b>	<b>\$ 1,138,868</b>	<b>\$ 1,300,172</b>

**PARKINSON SOCIETY BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2019**

7. ALLOCATION OF SALARIES AND EMPLOYEE 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:

	<b>2019</b>	<b>2018</b>
Support services and outreach	\$ 345,538	\$ 286,357
Fundraising - special events	144,293	174,545
Public awareness, communication and advocacy	116,266	123,691
Fundraising - general	48,120	52,319
Governance and administration	47,491	40,631
	<b>\$ 701,708</b>	<b>\$ 677,543</b>

8. DONATIONS IN-KIND

In addition to monetary donations, the Society receives donations in-kind. During the year ended December 31, 2019, 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 \$19,368 (2018 - \$10,847) from those donations in-kind was included in general donations in the statement of revenue and expenses.

9. COMMITMENTS

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

2020	\$ 117,799
2021	5,038
2022	5,038
2023	5,038

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

2020	\$ 203,250
2021	123,458
2022	45,000
2023	22,500

c) During the year, the Board of Directors approved the allocation of \$949,674 from its investment account to the Interior Health and Island Health Authorities to fund the expansion of staffing for the Kelowna and Victoria Movement Disorder Clinics. This amount will be paid over a period of five years (2020 to 2024), as follows:

2020	\$ 233,541
2021	235,952
2022	238,410
2023	160,612
2024	81,159

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**PARKINSON SOCIETY BRITISH COLUMBIA  
NOTES TO FINANCIAL STATEMENTS  
FOR THE YEAR ENDED DECEMBER 31, 2019**

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10. SALARIES AND EMPLOYEE BENEFITS

Salaries and employee benefits include two employees who earned over \$75,000 during the year ended December 31, 2019 (2018 - two employees).