
PARKINSON SOCIETY BRITISH COLUMBIA
FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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, 2023, 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, 2023, 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 Societies Act of 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.

Manning Elliott LLP

Chartered Professional Accountants
Vancouver, British Columbia
March 19, 2024

PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF FINANCIAL POSITION
AS AT DECEMBER 31, 2023

| | 2023 | 2022 |
|--|---------------------|--------------|
| ASSETS | | |
| CURRENT | | |
| Cash | \$ 350,709 | \$ 2,737 |
| Short-term investments (Note 3) | 394,894 | 270,000 |
| Accounts receivable | 148,203 | 68,636 |
| Accrued interest receivable (Note 3) | 35,402 | 41,652 |
| Prepaid expenses | 22,327 | 22,708 |
| | 951,535 | 405,733 |
| LONG-TERM INVESTMENTS (Note 3) | 3,000,446 | 3,257,603 |
| CAPITAL ASSETS (Note 4) | 31,319 | 38,339 |
| | \$ 3,983,300 | \$ 3,701,675 |
| LIABILITIES | | |
| CURRENT | | |
| Accounts payable and accrued liabilities | \$ 74,420 | \$ 176,576 |
| Government remittance payable | 1,471 | 1,410 |
| Deferred revenue (Note 5) | 8,147 | 16,182 |
| | 84,038 | 194,168 |
| NET ASSETS | | |
| INVESTED IN CAPITAL ASSETS | 31,319 | 38,339 |
| UNRESTRICTED | 3,867,943 | 3,469,168 |
| | 3,899,262 | 3,507,507 |
| | \$ 3,983,300 | \$ 3,701,675 |

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, 2023**

| | Unrestricted | Invested in capital assets | 2023 | 2022 |
|--|--------------|-------------------------------|---------------------|--------------|
| NET ASSETS - BEGINNING OF YEAR | \$ 3,469,168 | \$ 38,339 | \$ 3,507,507 | \$ 4,761,338 |
| Excess (deficiency) of revenue over expenses for the year | 391,755 | - | 391,755 | (1,253,831) |
| Purchase of capital assets | (11,794) | 11,794 | - | - |
| Amortization of capital assets | 18,814 | (18,814) | - | - |
| NET ASSETS - BALANCE AT END OF YEAR | \$ 3,867,943 | \$ 31,319 | \$ 3,899,262 | \$ 3,507,507 |
| | Unrestricted | Invested in capital assets | 2022 | 2021 |
| NET ASSETS - BEGINNING OF YEAR | \$ 4,705,053 | \$ 56,285 | \$ 4,761,338 | \$ 4,254,712 |
| (Deficiency) excess of revenue over expenses for the year | (1,253,831) | - | (1,253,831) | 506,626 |
| Purchase of capital assets | (1,850) | 1,850 | - | - |
| Amortization of capital assets | 19,796 | (19,796) | - | - |
| NET ASSETS - BALANCE AT END OF YEAR | \$ 3,469,168 | \$ 38,339 | \$ 3,507,507 | \$ 4,761,338 |

**PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF REVENUE AND EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2023**

| | 2023 | 2022 |
|---|-------------------|-----------------------|
| REVENUE | | |
| Fundraising (<i>Notes 6 & 7</i>) | | |
| Bequests | \$ 906,250 | \$ 232,169 |
| General donations | 476,917 | 555,593 |
| Special events | 424,668 | 470,560 |
| Donations - research | 256,973 | 28,461 |
| Donations - in memoriam | 83,993 | 64,669 |
| Donations - corporate | 10,028 | 8,220 |
| | 2,158,829 | 1,359,672 |
| Support services | | |
| Conference fees | 15,180 | 19,206 |
| Conference sponsorship | - | 28,000 |
| | 15,180 | 47,206 |
| Investments income (expense) | | |
| Unrealized gain (loss) on investments | 424,698 | (465,275) |
| Dividend income | 20,935 | 18,100 |
| Interest income | 63,054 | 35,577 |
| Realized gain (loss) on sale of investments | 36,975 | (78,539) |
| | 545,662 | (490,137) |
| | 2,719,671 | 916,741 |
| EXPENSES | | |
| Support services and outreach (<i>Note 8</i>) | 1,210,259 | 1,254,195 |
| Research | 613,208 | 427,500 |
| Fundraising (<i>Note 6</i>) | 314,874 | 315,938 |
| Public awareness, communication and advocacy | 113,110 | 95,132 |
| Governance and administration | 76,465 | 77,807 |
| | 2,327,916 | 2,170,572 |
| EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES | | |
| FOR THE YEAR | \$ 391,755 | \$ (1,253,831) |

PARKINSON SOCIETY BRITISH COLUMBIA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2023

| | 2023 | 2022 |
|---|-------------------|------------------|
| OPERATING ACTIVITIES | | |
| Excess (deficiency) of revenue over expenses for the year | \$ 391,755 | \$ (1,253,831) |
| Items not affecting cash: | | |
| Amortization of capital assets | 18,814 | 19,796 |
| Realized (gain) loss on sale of investments | (36,975) | 78,539 |
| Unrealized (gain) loss on investments | (424,698) | 465,275 |
| | (51,104) | (690,221) |
| Changes in non-cash working capital: | | |
| Accounts receivable | (79,567) | (9,717) |
| Accrued interest receivable | 6,250 | (356) |
| Prepaid expenses | 381 | (7,999) |
| Accounts payable and accrued liabilities | (102,156) | 79,167 |
| Government remittance payable | 61 | (11) |
| Deferred revenue | (8,035) | 9,143 |
| | (183,066) | 70,227 |
| | (234,170) | (619,994) |
| INVESTING ACTIVITIES | | |
| Proceeds from sale of investments | 3,302,366 | 1,590,742 |
| Purchase of investments | (2,708,430) | (1,350,613) |
| Purchase of capital assets | (11,794) | (1,850) |
| | 582,142 | 238,279 |
| INCREASE (DECREASE) IN CASH DURING THE YEAR | 347,972 | (381,715) |
| CASH - BEGINNING OF YEAR | 2,737 | 384,452 |
| CASH - END OF YEAR | \$ 350,709 | \$ 2,737 |

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

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 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.

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.

(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 that is not externally restricted is recognized in the period when the investment income is earned if the amount to be received can be reasonably estimated and collection is reasonably assured.

Bequests are recognized as revenue when received.

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(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 valuation of accounts receivable, 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, 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 9. 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.

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.

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

1. SIGNIFICANT ACCOUNTING POLICIES (*continued*)

(g) Financial instruments (continued)

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(f). In management's opinion, the Society is not exposed to significant credit, liquidity, market, currency, interest rate or other price risks arising from these financial instruments, except as described below. In addition, the Society is not exposed to any significant concentrations of risk and there has been no significant change in 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 on its accounts receivable. No allowance for doubtful accounts provision has been deemed necessary as at December 31, 2023 (2022 - no allowance). Management has determined the Society to have low 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 mitigates liquidity risk by managing its working capital and cash flows. The Society's ability to meet obligations depends on the donations and fundraising revenue received from its donors and participants. Management has determined the Society to have low liquidity risk.

(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.

(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 \$1,597,185 (\$1,207,610 USD) (2022 - \$1,846,859 (\$1,363,600 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.

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

2. FINANCIAL INSTRUMENTS RISKS *(continued)*

(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 (Note 3) when it renews them. 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. 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.

(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, 2023 is \$3,430,742 (2022 - \$3,569,255) which includes accrued interest. The investments are comprised of:

- i) guaranteed investment certificates totaling \$1,158,714 (2022 - \$911,652) with maturity dates ranging from March 2024 to April 2032, bearing interest from 0.70% to 5.50% (2022 - 1.18% to 2.86%);
- ii) investment savings accounts and mutual funds totalling \$216,410 (2022 - \$163,018); and
- iii) common shares in the amount of \$2,055,618 (2022 - \$2,494,585).

4. CAPITAL ASSETS

| | Cost | Accumulated amortization | 2023 Net book value | 2022 Net book value |
|-------------------|------------|-----------------------------|------------------------------------|---------------------------|
| Computer hardware | \$ 184,843 | \$ 153,524 | \$ 31,319 | \$ 38,339 |

Amortization of \$18,814 (2022 - \$19,796) is included in governance and administration expenses in the statement of revenue and expenses.

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

5. DEFERRED REVENUE

The continuity of the carrying amount of the Society's deferred revenue which is deferred in accordance with the accounting policy disclosed in Note 1(c) is as follows:

| | 2023 | 2022 |
|------------------------------------|-------------|-----------|
| Balance beginning of year | \$ 16,182 | \$ 7,039 |
| Revenue received during the year | 2,165,974 | 919,647 |
| Revenue recognized during the year | (2,174,009) | (910,504) |
| Balance end of year | \$ 8,147 | \$ 16,182 |

6. FUNDRAISING ACTIVITIES

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

| | Revenue | Expenses | 2023 | 2022 |
|------------------------|--------------|------------|--------------|--------------|
| Special events | | | | |
| Superwalk | \$ 358,940 | \$ 220,306 | \$ 138,634 | \$ 190,269 |
| Third party events | 65,728 | 23,409 | 42,319 | 45,647 |
| | 424,668 | 243,715 | 180,953 | 235,916 |
| Donations and bequests | 1,734,161 | 71,159 | 1,663,002 | 807,818 |
| | \$ 2,158,829 | \$ 314,874 | \$ 1,843,955 | \$ 1,043,734 |

7. DONATIONS IN-KIND

In addition to monetary donations, the Society receives donations in-kind. During the year ended December 31, 2023, 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 \$13,262 (2022 - \$37,144) from donations in-kind is included in general donations.

8. SUPPORT SERVICES AND OUTREACH

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

| | 2023 | 2022 |
|-------------------------------------|--------------|--------------|
| Salaries and benefits | \$ 587,741 | \$ 540,454 |
| Support group services and programs | 272,539 | 363,210 |
| Office | 226,006 | 217,284 |
| Conferences and meetings | 74,697 | 100,172 |
| Newsletter publications | 29,983 | 21,256 |
| Resource and library materials | 14,540 | 9,013 |
| Exercise programs | 2,975 | 1,682 |
| Website and services | 1,778 | 1,124 |
| | \$ 1,210,259 | \$ 1,254,195 |

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

9. ALLOCATION OF SALARIES AND EMPLOYEE BENEFITS EXPENSE

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

| | 2023 | 2022 |
|--|-------------------|-------------------|
| Support services and outreach | \$ 587,741 | \$ 540,454 |
| Fundraising - special events | 138,025 | 103,243 |
| Public awareness, communication and advocacy | 67,503 | 59,183 |
| Governance and administration | 59,229 | 56,347 |
| Fundraising - general | 35,466 | 35,657 |
| | \$ 887,964 | \$ 794,884 |

10. COMMITMENTS

a) The Society leases certain office equipment under a long-term lease expiring on December 31, 2028. Minimum payments under the lease commitment and service contract during the next five years are anticipated to be as follows:

| | |
|------|------------------|
| 2024 | \$ 5,316 |
| 2025 | 5,316 |
| 2026 | 5,316 |
| 2027 | 5,316 |
| 2028 | 1,329 |
| | <u>\$ 22,593</u> |

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

| | |
|------|-------------------|
| 2024 | \$ 360,603 |
| 2025 | 126,000 |
| 2026 | 103,750 |
| | <u>\$ 590,353</u> |

b) 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 remaining period of three years and the payments during the next three years are anticipated to be as follows:

| | |
|------|-------------------|
| 2024 | \$ 194,207 |
| 2025 | 88,203 |
| 2026 | 15,621 |
| | <u>\$ 298,031</u> |

PARKINSON SOCIETY BRITISH COLUMBIA
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2023

11. SOCIETIES ACT OF BRITISH COLUMBIA

In accordance with the Societies Act of British Columbia, the Society is required to provide the total number of directors, employees and/or contractors, including corporations, whose annual remuneration is greater than \$75,000.

Salaries and employee benefits include three employees who earned over \$75,000 during the year ended December 31, 2023 (2022 - two employees).

12. COMPARATIVE FIGURES

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