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**PARKINSON SOCIETY BRITISH COLUMBIA**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**DECEMBER 31, 2015**

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## **INDEPENDENT AUDITORS' REPORT**

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To the Members of:  
Parkinson Society British Columbia

### **Report on the Financial Statements**

We have audited the accompanying financial statements of Parkinson Society British Columbia (the "Society") which comprise the statement of financial position as at December 31, 2015 and the statements of operations, changes in net assets and cash flows for the year then ended, and the related notes comprising a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these 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.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audit is sufficient and appropriate to provide a basis for our qualified audit opinion.

### **Basis for Qualified Opinion**

In common with many charitable organizations, the Society derives revenue from donations, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were unable to determine whether any adjustments might be necessary to donation revenue, excess (deficiency) of revenue over expenses, and cash flows from operations for the years ended December 31, 2015 and 2014, total assets as at December 31, 2015 and 2014 and net assets at both the beginning and end of the December 31, 2015 and 2014 years. Our audit opinion on the financial statements for the year ended December 31, 2014 also contained a qualification because of the possible effects of this limitation in scope.



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## **INDEPENDENT AUDITORS' REPORT**

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### **Qualified Opinion**

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, the financial statements present fairly, in all material respects, the financial position of Parkinson Society British Columbia as at December 31, 2015 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.

### **Report on Other Legal and Regulatory Requirements**

As required by the British Columbia Society 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 22, 2016

**PARKINSON SOCIETY BRITISH COLUMBIA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT DECEMBER 31, 2015**

	2015	2014
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	\$ 218,593	\$ 145,688
Accounts receivable	24,975	84,802
Accrued interest receivable	11,509	17,195
Prepaid expenses	26,810	43,186
	281,887	290,871
INVESTMENTS (Note 3)	1,024,286	1,000,350
CAPITAL ASSETS (Note 4)	25,443	8,227
	\$ 1,331,616	\$ 1,299,448
<b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Accounts payable and accrued liabilities	\$ 25,254	\$ 36,607
Government remittances payable	-	5,346
Deferred revenue	1,445	-
	26,699	41,953
<b>NET ASSETS</b>		
INVESTED IN CAPITAL ASSETS	25,443	8,227
UNRESTRICTED	1,279,474	1,249,268
	1,304,917	1,257,495
	\$ 1,331,616	\$ 1,299,448

COMMITMENTS (Note 10)

Approved by the Board:

*C. M. B. G. M.* Director  
*Anna Mack* Director



PARKINSON SOCIETY BRITISH COLUMBIA  
 STATEMENT OF CHANGES IN NET ASSETS  
 FOR THE YEAR ENDED DECEMBER 31, 2015

	2015		2014	
	Invested in capital assets	Unrestricted	Total	Total
BALANCE AT BEGINNING OF YEAR	\$ 8,227	\$ 1,249,268	\$ 1,257,495	\$ 1,492,113
Excess (deficiency) of revenue over expenses for the year	-	47,422	47,422	(234,618)
Capital asset additions	23,678	(23,678)	-	-
Amortization of capital assets	(6,462)	6,462	-	-
BALANCE AT END OF YEAR	\$ 25,443	\$ 1,279,474	\$ 1,304,917	\$ 1,257,495



**PARKINSON SOCIETY BRITISH COLUMBIA**  
**STATEMENT OF OPERATIONS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
<b>REVENUE</b>		
Fundraising (Note 5)		
Special events	\$ 508,931	\$ 573,820
Bequests	385,156	171,343
General donations	255,588	274,450
Donations - in memoriam	50,825	45,612
Research	33,542	25,330
Donations - corporate	11,238	8,340
	1,245,280	1,098,895
Support services		
Conference fees	54,900	10,521
Resource material cost recovery	1,099	8,716
	55,999	19,237
Other income		
Investment income	20,657	27,703
	1,321,936	1,145,835
<b>EXPENSES</b>		
Support services and outreach (Note 6)	498,115	484,436
Fundraising (Note 5)	401,346	402,151
Federation assessment (Note 7)	152,220	256,996
Public awareness and communication	149,280	137,331
Governance and administration	73,553	77,039
Additional research contribution	-	22,500
	1,274,514	1,380,453
<b>EXCESS (DEFICIENCY) OF REVENUE OVER EXPENSES FOR THE YEAR</b>	<b>\$ 47,422</b>	<b>\$ (234,618)</b>



**PARKINSON SOCIETY BRITISH COLUMBIA**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

	2015	2014
CASH FROM (USED IN):		
OPERATING ACTIVITIES		
Excess (deficiency) of revenue over expenses for the year	\$ 47,422	\$ (234,618)
Items not involving cash:		
Amortization of capital assets	6,462	4,126
	53,884	(230,492)
Change in non-cash working capital items:		
Accounts receivable	59,827	52,356
Accrued interest receivable	5,686	5,392
Prepaid expenses	16,376	(4,563)
Accounts payable and accrued liabilities	(11,353)	1,682
Government remittances payable	(5,346)	(443)
Deferred revenue	1,445	-
	120,519	(176,068)
INVESTING ACTIVITIES		
Purchase of investments	(218,765)	-
Proceeds from sales of investments	194,829	102,313
Purchase of capital assets	(23,678)	-
	(47,614)	102,313
INCREASE (DECREASE) IN CASH DURING THE YEAR	72,905	(73,755)
CASH, BEGINNING OF YEAR	145,688	219,443
CASH, END OF YEAR	\$ 218,593	\$ 145,688



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**PARKINSON SOCIETY BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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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 Society Act (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 purpose of the Society is to ease the burden and find a cure for Parkinson's disease through advocacy, education, research and support services.

**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, except for investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value of equity instruments carried at fair value are recognized in the statement of revenue and expenses.

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 operations. 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 operations 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 at 20% per annum, with a half year's provision in the year of acquisition.

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, 2015**

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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.

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, funding of research, fundraising, public awareness and communication 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 8. 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 government, 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 spanning a five year time horizon. 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, 2015**

3. INVESTMENTS

The fair value of investments at December 31, 2015 is \$1,035,795 (2014 - \$1,017,545) and includes accrued interest.

4. CAPITAL ASSETS

			2015		2014
	Cost	Accumulated Amortization	Net Book Value		Net Book Value
Computer equipment	\$ 61,349	\$ 35,906	\$ 25,443	\$	8,227

Amortization of \$6,462 is included in governance and administration expenses (2014 - \$4,126).

5. FUNDRAISING ACTIVITIES

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

	Revenue	Expenses	2015 Net	2014 Net
Special events				
Superwalk	\$ 411,216	\$ 257,107	\$ 154,109	\$ 214,148
Parkinson Movement	47,816	30,325	17,491	34,417
Third party events	49,899	14,319	35,580	25,208
Gala (2015 - none, 2014 - virtual)	-	-	-	7,212
	508,931	301,751	207,180	280,985
Donations and bequests	736,349	-	736,349	525,075
General fundraising expenses	-	99,595	(99,595)	(109,316)
	\$ 1,245,280	\$ 401,346	\$ 843,934	\$ 696,744

6. SUPPORT SERVICES AND OUTREACH

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

	2015	2014
Salaries and benefits	\$ 250,015	\$ 269,147
Office	81,079	90,288
Conferences and meetings	52,205	28,309
Exercise programs	47,429	7,875
Newsletter publications	24,697	25,715
Support group services and programs	24,569	26,423
Resource and library materials	10,089	21,442
Website and services	8,032	9,102
Production of documentary	-	6,135
	\$ 498,115	\$ 484,436



**PARKINSON SOCIETY BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

7. PARKINSON SOCIETY FEDERATION ASSESSMENT

During the year, the Society was a party to the Parkinson Society Federation Agreement (the "Agreement"). Pursuant to the Agreement, the Society paid assessment contributions to Parkinson Society Canada of \$152,220 (2014 - \$256,996) as follows:

	2015	2014
Federation assessment - research	\$ 60,888	\$ 97,932
Federation assessment - programs and services	22,833	36,724
Federation assessment - communication and marketing	22,833	36,724
Federation assessment - advocacy	15,222	24,484
Federation assessment - member services	15,222	24,483
Federation assessment - operations	15,222	24,483
	<u>152,220</u>	<u>244,830</u>
Federation special assessment - Federation review	-	12,166
	<u>\$ 152,220</u>	<u>\$ 256,996</u>

The Agreement was terminated on December 30, 2015 by unanimous consent.

8. 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:

	2015	2014
Support services and outreach	\$ 250,015	\$ 269,147
Fundraising – special events	128,481	130,295
Public awareness and communication	87,789	80,071
Fundraising – general	57,122	62,315
Governance and administration	55,536	57,690
	<u>\$ 578,943</u>	<u>\$ 599,518</u>

9. DONATIONS IN-KIND

In addition to monetary donations, the Society receives donations in-kind. During the year ended December 31, 2015, 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 \$5,183 (2014 - \$39,912) from those donations in-kind was included in general donations in the statement of operations.



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**PARKINSON SOCIETY BRITISH COLUMBIA**  
**NOTES TO FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED DECEMBER 31, 2015**

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10. 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:

2016	\$	114,991
2017		116,882
2018		119,402
2019		4,868

b) The Society pledged \$30,000 to match Parkinson Quebec's contribution to fund research through the National Peer Review Research program. An amount of \$15,000 was paid in January 2016 to fund the Graduate Student Award to Charles Ducrot at the University of Montreal. A further amount of \$15,000 will be paid in August 2016 for a second award to be determined.

11. COMPARATIVE FIGURES

Certain figures for 2014 have been reclassified to make their presentation consistent with that adopted in 2015.

