

**Parkinson Society
Southwestern Ontario**

Financial Statements

Year ended December 31, 2023



Independent Auditor's Report

To the Board of Directors of Parkinson Society Southwestern Ontario

Qualified Opinion

We have audited the financial statements of Parkinson Society Southwestern Ontario ("the Society"), which comprise the Statement of Financial Position as at December 31, 2023, and the Statements of Changes in Net Assets, Operations and Cash Flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, except for the possible effects of the matter described in the Basis for Qualified Opinion section of our report, 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 its cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

Basis for Qualified Opinion

In common with many charitable organizations, the Society derives revenue from donations and fundraising activities, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, verification of these revenues was limited to the amounts recorded in the records of the Society. Therefore, we were not able to determine whether any adjustments might be necessary to revenue, net revenue, and cash flows from operations for the years ended December 31, 2023 and December 31, 2022, current assets and net assets for the years then ended. Our audit opinion on the financial statements was modified accordingly because of the possible effects of this limitation in scope.

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

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 Society'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 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 achieve 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.



London, Ontario
April 24, 2024

**Chartered Professional Accountants
Licensed Public Accountants**

Parkinson Society Southwestern Ontario

Statement of Financial Position as at December 31, 2023

	2023	2022
Assets		
Current		
Cash	\$ 481,971	\$ 540,703
Marketable securities (Note 3)	1,449,793	1,251,972
Accounts receivable	27,515	14,357
Government remittances recoverable	21,935	18,169
Prepaid expenses	8,970	12,042
	1,990,184	1,837,243
Capital assets (Note 4)	18,174	21,593
	\$ 2,008,358	\$ 1,858,836
Liabilities		
Current		
Accounts payable and accrued liabilities	\$ 32,534	\$ 25,901
Deferred contributions (Note 5)	170,625	198,493
	203,159	224,394
Net Assets		
Net assets	1,805,199	1,634,442
	\$ 2,008,358	\$ 1,858,836

Approved by the Board of Directors:



Director



Director

Parkinson Society Southwestern Ontario

Statement of Changes in Net Assets

Year ended December 31, 2023

	2023	2022
Net assets, beginning of year	\$ 1,634,442	\$ 1,532,231
Net revenue	170,757	102,211
Net assets, end of year	\$ 1,805,199	\$ 1,634,442

Parkinson Society Southwestern Ontario

Statement of Operations

Year ended December 31, 2023

	2023	2022
Revenue		
WALK-IT	\$ 544,954	\$ 410,834
Donations	380,412	313,019
Fundraising	197,826	166,501
Bequests	105,124	167,380
Investment income	67,024	2,727
Conference and other	53,360	41,233
Deferred contributions related to capital assets	-	1,224
	<u>1,348,700</u>	<u>1,102,918</u>
Expenses		
Wages and benefits	635,912	506,486
Client support	235,631	157,310
WALK-IT	72,176	55,151
Operating	68,301	49,137
Research	66,517	95,474
Property	44,988	43,508
Fundraising	44,930	40,103
Communication	21,893	22,758
Professional fees	10,884	10,020
Amortization	7,018	5,556
	<u>1,208,250</u>	<u>985,503</u>
Net revenue before the following	140,450	117,415
Unrealized gain (loss) on investments	31,616	24,439
Unrealized foreign exchange gain (loss)	<u>(1,309)</u>	<u>(39,643)</u>
Net revenue	\$ 170,757	\$ 102,211

Parkinson Society Southwestern Ontario

Statement of Cash Flows

Year ended December 31, 2023

	2023	2022
Cash provided by (used in):		
Operating activities		
Net revenue	\$ 170,757	\$ 102,211
Add (deduct) non-cash items:		
Amortization	7,018	5,556
Amortization - deferred contributions related to capital assets	-	(1,224)
Unrealized loss (gain) on investments	(31,616)	(24,439)
Unrealized foreign exchange (gain) loss	(1,309)	39,643
Change in non-cash working capital items:		
Accounts receivable	(13,158)	69,430
Government remittances recoverable	(3,766)	(2,623)
Prepaid expenses	3,072	3,693
Accounts payable and accrued liabilities	6,633	(5,912)
Deferred contributions	(27,868)	165,493
	<u>109,763</u>	<u>351,828</u>
Investing activities		
Acquisition of capital assets	(3,599)	(17,261)
Acquisition of marketable securities	(164,896)	(192,138)
	<u>(168,495)</u>	<u>(209,399)</u>
Increase (decrease) in cash during the year	(58,732)	142,429
Cash, beginning of year	<u>540,703</u>	<u>398,274</u>
Cash, end of year	\$ 481,971	\$ 540,703

Parkinson Society Southwestern Ontario

Notes to Financial Statements
December 31, 2023

1. Purpose of the Organization

Parkinson Society Southwestern Ontario ("the Society") was incorporated without share capital in March 2012 as a registered charity, and as such is exempt from income taxes under section 149(1)(f) of the Income Tax Act (Canada). The Society is the voice of people living with Parkinson's in Southwestern Ontario. The purpose of the Society is to ease the burden and find a cure through support services, education, advocacy and research.

2. Accounting Policies

The accompanying financial statements are prepared in accordance with Canadian accounting standards for not-for-profit organizations. The significant accounting policies are summarized below.

Revenue Recognition

The Society follows the deferral method of accounting for contributions. Under the deferral method, externally restricted contributions are recognized as revenues 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, fundraising, conference and all other revenue is recognized as it is earned.

Capital Assets

Capital assets are amortized on the declining balance method at the following rate per annum; subject to the half year rule in the year of acquisition:

Office and computer equipment	30%
-------------------------------	-----

Cash and Cash Equivalents

Cash as disclosed on the Statement of Financial Position consists of cash on hand and balances with banks.

Contributed Services

Extensive volunteer hours are contributed each year in the operations of the Society. These services are not recognized in these financial statements due to the difficulty in determining their fair market value.

Use of Estimates

The preparation of financial statements in accordance with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenues and expenses during the reported period. Specific management estimates include useful lives of capital assets and amortization methods and rates. These estimates are reviewed periodically, and, as adjustments become necessary, they are reported in net revenue in the period in which they become known.

Parkinson Society Southwestern Ontario

Notes to Financial Statements
December 31, 2023

2. Accounting Policies (continued)

Financial Instruments

Measurement of Financial Instruments:

The Society initially measures its financial assets and financial liabilities at fair value, except for certain non-arm's length transactions.

The Society subsequently measures all its financial assets and financial liabilities at amortized cost, except the investments in equity instruments that are quoted in an active market, which are measured at fair value. Changes in fair value are recognized in net revenue.

Impairment:

Financial assets measured at cost are tested for impairment when there are indicators of impairment. The amount of the write-down and any subsequent reversal are recognized in net revenue.

Transaction Costs:

The Society recognizes its transactions costs in net revenue in the year incurred.

3. Marketable Securities

The marketable securities are recorded at fair market value based on published market quotations provided by a security dealer.

	2023	2022
GICs & Cash Equivalents (book value - \$1,180,330; 2022 - \$1,037,135)	\$ 1,180,330	\$ 1,044,537
Equity investments (book value - \$204,208; 2022- \$190,398)	269,463	207,435
Investment portfolio	<u>\$ 1,449,793</u>	<u>\$ 1,251,972</u>

Investment portfolio is comprised of shares in publicly traded US companies, guaranteed investment certificates, money market funds and investment savings accounts.

4. Capital Assets

	Cost	Accumulated Amortization	Net	
			2023	2022
Office and computer equipment	\$ 77,864	\$ 59,690	\$ 18,174	\$ 21,593

Parkinson Society Southwestern Ontario

Notes to Financial Statements
December 31, 2023

5. Deferred Contributions

Deferred contributions represent contributions received and designated for projects extending beyond the fiscal year. The deferred contributions balance are as follows:

	2023	2022
Balance, beginning of year	\$ 198,493	\$ 33,000
Add: amounts received in year	192,493	309,522
Less: amounts recognized as revenue in the year	(220,361)	(144,029)
Balance, end of year	<u>\$ 170,625</u>	<u>\$ 198,493</u>

The deferred contributions balance includes amounts designated for the following programs:

	2023	2022
Research	\$ 100,829	\$ 156,771
Program, event and client services revenues	69,796	41,722
	<u>\$ 170,625</u>	<u>\$ 198,493</u>

6. Commitments

The Society has contractual obligations for office space, equipment and software support with estimated annual costs for the next five years as follows:

2024	\$ 39,270
2025	39,383
2026	39,383
2027	39,947
2028	38,022

7. Financial Instrument Risk Management

Transactions in financial instruments may result in financial risks being assumed by the Society or transferring to another party. The risks identified by the Society are as follows:

Credit Risk

Credit risk is the risk that one party to a financial instrument will cause a financial loss to the Society by failing to discharge its obligation or make repayment. The Society does not provide credit in the normal course of its operations; however, it does have receivables from various programs and donors. The Society does not have any credit risk concentration.

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Society in 2023 held US dollar based marketable securities held in US dollar currency of \$203,369 (2022 - \$169,229) which has been converted to Canadian dollar currency at the year end in the amount of \$269,463 (2022 - \$228,967). As such, the Society is exposed to currency risk on these investments.

Parkinson Society Southwestern Ontario

Notes to Financial Statements
December 31, 2023

7. Financial Instrument Risk Management (continued)

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Society's high interest savings accounts and GICs are at market interest rates. Accordingly, the Society's exposure to interest rate risk is dependent upon future market rates compared to rates currently established.

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. The Society is exposed to market risk through its investments in marketable securities.

Other Risks

It is management's belief that the Society is not exposed to significant liquidity risk.

The nature, concentration and extent of the Society's exposure to the above risks did not change during the fiscal year, other than the currency risk as noted above.