

**PARKINSON ASSOCIATION OF ALBERTA**  
**Financial Statements**  
**Year Ended December 31, 2020**



CZECHOWSKY, GRAHAM & HANEVELT  
CHARTERED PROFESSIONAL ACCOUNTANTS  
• AN ASSOCIATION OF PROFESSIONAL PRACTICES •

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## INDEPENDENT AUDITOR'S REPORT

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To the Members of Parkinson Association of Alberta

### *Qualified Opinion*

I have audited the financial statements of Parkinson Association of Alberta (the Society), which comprise the statement of financial position as at December 31, 2020, and the statements of revenues and expenditures, changes in net assets and cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In my opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion* section of my report, the accompanying financial statements present fairly, in all material respects, the financial position of the Society as at December 31, 2020, 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 (ASNPO).

### *Basis for Qualified Opinion*

In common with many not-for-profit organizations, the Society derives revenue from 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, I was not able to determine whether any adjustments might be necessary to fundraising revenue, excess of revenues over expenses, and cash flows from operations for the year ended December 31, 2020, current assets and net assets as at December 31, 2020. My audit opinion on the financial statements for the year ended December 31, 2019 was modified accordingly because of the possible effects of this limitation of scope.

I conducted my audit in accordance with Canadian generally accepted auditing standards. My responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of my report. I am independent of the Society in accordance with ethical requirements that are relevant to my audit of the financial statements in Canada, and I have fulfilled my other ethical responsibilities in accordance with these requirements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified audit 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 ASNPO, 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

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Independent Auditor's Report to the Members of Parkinson Association of Alberta (continued)

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*

My 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 my 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, I exercise professional judgment and maintain professional skepticism throughout the audit. I 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 my 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 I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my 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.

I 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 I identify during my audit.

Calgary, Alberta  
March 18, 2021



LOUIS GRAHAM PROFESSIONAL CORPORATION  
CHARTERED PROFESSIONAL ACCOUNTANT

**PARKINSON ASSOCIATION OF ALBERTA**  
**Statement of Financial Position**  
**December 31, 2020**

	2020	2019
<b>ASSETS</b>		
<b>CURRENT</b>		
Unrestricted cash	\$ 177,412	\$ 64,647
Restricted cash	14,985	2,601
Accounts receivable (Notes 4, 12)	97,846	60,673
Inventory	16,003	19,621
Prepaid expenses	14,767	29,577
	321,013	177,119
PROPERTY AND EQUIPMENT (Note 5)	16,951	29,318
RESTRICTED INVESTMENT ASSETS (Note 6)	558,265	623,404
	\$ 896,229	\$ 829,841
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable (Note 7)	\$ 62,485	\$ 87,804
Deferred revenue (Note 8)	44,186	17,239
	106,671	105,043
LONG TERM DEBT (Note 9)	30,000	-
LEASE RENTAL OBLIGATION (Note 10)	59,675	51,036
	196,346	156,079
NET ASSETS	699,883	673,762
	\$ 896,229	\$ 829,841

**APPROVED BY THE DIRECTORS**

\_\_\_\_\_ Director

\_\_\_\_\_ Director

See notes to financial statements

**PARKINSON ASSOCIATION OF ALBERTA**  
**Statement of Revenues and Expenditures**  
**Year Ended December 31, 2020**

	2020	2019
<b>RESTRICTED REVENUES</b>		
Restricted research revenue	\$ 33,265	\$ 167,748
Interest	22,758	27,710
	<u>56,023</u>	<u>195,458</u>
<b>UNRESTRICTED REVENUES</b>		
General revenue	108,925	205,429
Event fundraising (Note 11)	442,789	745,958
Donations and bequests	434,498	899,758
Grants (Note 12)	780,191	51,700
	<u>1,766,403</u>	<u>1,902,845</u>
<b>EXPENSES</b>		
Amortization	7,373	8,648
Client services (Note 13)	870,136	1,073,453
Fundraising (Notes 11, 13)	354,489	609,663
Communications & Marketing (Note 13)	171,543	201,250
Administration (Note 13)	241,875	323,322
Research (Note 6)	138,000	220,000
	<u>1,783,416</u>	<u>2,436,336</u>
<b>EXCESS (DEFICIENCY) OF RESTRICTED REVENUES OVER EXPENSES FROM OPERATIONS</b>	<u>39,010</u>	<u>(338,033)</u>
<b>OTHER INCOME</b>		
Loss on disposal of property and equipment	(4,992)	-
Gain (loss) on sale of marketable securities	(13,114)	87,813
Unrealized gain (loss) on marketable securities	5,217	(11,462)
	<u>(12,889)</u>	<u>76,351</u>
<b>EXCESS (DEFICIENCY) OF RESTRICTED REVENUES OVER EXPENSES</b>	<u>\$ 26,121</u>	<u>\$ (261,682)</u>

See notes to financial statements

**PARKINSON ASSOCIATION OF ALBERTA**  
**Statement of Changes in Net Assets**  
**Year Ended December 31, 2020**

	<u>2020</u>	<u>2019</u>
<b>NET ASSETS - BEGINNING OF YEAR</b>	<b>\$ 673,762</b>	<b>\$ 935,444</b>
<b>EXCESS OF RESTRICTED REVENUES OVER EXPENSES</b>	<u><b>26,121</b></u>	<u><b>(261,682)</b></u>
<b>NET ASSETS - END OF YEAR</b>	<u><b>\$ 699,883</b></u>	<u><b>\$ 673,762</b></u>

See notes to financial statements

**PARKINSON ASSOCIATION OF ALBERTA**  
**Statement of Cash Flows**  
**Year Ended December 31, 2020**

	2020	2019
<b>OPERATING ACTIVITIES</b>		
Cash receipts from customers	\$ 1,788,081	\$ 2,084,607
Cash paid to suppliers and employees	(1,782,932)	(2,446,805)
Interest received	22,758	27,710
	<u>27,907</u>	<u>(334,488)</u>
<b>INVESTING ACTIVITIES</b>		
Proceeds from sale of marketable securities	80,000	300,000
Purchase of marketable securities	(22,758)	(27,710)
	<u>57,242</u>	<u>272,290</u>
<b>FINANCING ACTIVITY</b>		
Proceeds from long term financing	40,000	-
	<u>125,149</u>	<u>(62,198)</u>
<b>INCREASE (DECREASE) IN CASH FLOW</b>	<b>125,149</b>	<b>(62,198)</b>
Cash - beginning of year	67,248	129,446
	<u>192,397</u>	<u>67,248</u>
<b>CASH - END OF YEAR</b>	<b>\$ 192,397</b>	<b>\$ 67,248</b>
<b>CASH CONSISTS OF:</b>		
Unrestricted cash	\$ 177,412	\$ 64,647
Restricted cash	14,985	2,601
	<u>\$ 192,397</u>	<u>\$ 67,248</u>

See notes to financial statements

**PARKINSON ASSOCIATION OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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1. PURPOSE OF THE SOCIETY

Parkinson Association of Alberta is a non-profit organization dedicated to assisting people and families who live with Parkinson Disease or related disorders. The Society provides information, education and support services unique to the needs of those coping with Parkinson Disease and supports research efforts into the cause, treatments, and a cure for the disorder.

The intended community of service is all those who have Parkinson Disease and related disorders, or assist in the care of those with the disease throughout the province of Alberta.

2. BASIS OF PRESENTATION

The financial statements were prepared in accordance with Canadian accounting standards for not-for-profit organizations (ASNFPO).

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial instruments

Financial instruments are recorded at fair value when acquired or issued. In subsequent periods, financial assets with actively traded markets are reported at fair value, with any unrealized gains and losses reported in income. All other financial instruments are reported at amortized cost, and tested for impairment at each reporting date. Transaction costs on the acquisition, sale, or issue of financial instruments are expensed when incurred.

Financial assets measured at amortized cost include restricted and unrestricted cash and accounts receivable.

Financial liabilities measured at amortized cost include accounts payable and long term debt.

At the end of each reporting period the Society assesses whether there are any indications that a financial asset measured at amortized cost may be impaired. Objective evidence of impairment might include significant financial difficulty of the issuer, default or delinquency in interest payments, or bankruptcy. When there is an indication of impairment, the Society determines whether a significant adverse change has occurred during the period in the expected timing or amount of future cash flows from the financial asset. Any impairment loss is recognized in the statement of revenues and expenditures in the current period. Impairment losses can be reversed to the extent of the improvement. The amount of the reversal is recognized in the statement of revenues and expenditures in the period the reversal occurs.

Cash and cash equivalents

Cash includes cash, cheque's issued and outstanding, and cash equivalents. Cash equivalents are investments in highly liquid investments with maturities of one year or less at date of purchase are classified as cash equivalents.

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**PARKINSON ASSOCIATION OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Investments

Investments for which there are quoted prices in an active market are carried at fair value. Unrealized gains or losses are reported as part of net income. Investments for which there is not an active market are carried at amortized cost except when it is established that their value is impaired. Impairment losses, or reversal of previously recognized impairment losses, are reported as part of net income.

Inventory

Inventory is valued at the lower of cost and net realizable value with the cost being determined on a first-in, first-out basis.

Inventory consists of Aware in Care Kits, which are given to members free of charge, or sold to non members. During the year \$3,617 (2019 - \$2,951) was expensed under client services that related to the Aware in Care Kits distributed.

Government grants

Government grants are recorded when there is a reasonable assurance that the Society had complied with and will continue to comply with, all the necessary conditions to obtain the grants.

Donated goods

Due to the difficulty in determining the fair value of donated goods and services, these financial statements do not account for the value of such goods and services.

Property and equipment

Property and equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a declining balance basis at the following rates and methods:

Computer equipment	30% to 100%	declining balance method
Furniture and fixtures	20%	declining balance method
Website	20%	declining balance method

The Society regularly reviews its property and equipment to eliminate obsolete items. Government grants are treated as a reduction of property and equipment cost.

Property and equipment acquired during the year but not placed into use are not amortized until they are placed into use.

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**PARKINSON ASSOCIATION OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES *(continued)*

Impairment of Long Lived Assets

The Society tests for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. Recoverability is assessed by comparing the carrying amount to the projected future net cash flows the long-lived assets are expected to generate through their direct use and eventual disposition. When a test for impairment indicates that the carrying amount of an asset is not recoverable, an impairment loss is recognized to the extent the carrying value exceeds its fair value.

Revenue recognition

The Society follows the restricted fund method of accounting for contributions. Contributions, including operating grants, are included in revenue in the year in which they are received or receivable, with the exception that contributions to fund a specific future period's operating expenses are included in revenue in the later period.

Allocation of expenses

The Society engages in client services, fundraising and marketing programs. The costs of each program include the costs of personnel, premises and other expenses that are directly related to providing the program. The Society also incurs a number of general support expenses that are common to the administration of the organization and each of its programs.

The Society allocates certain general support expenses by identifying the appropriate basis of allocating each component expense, and applies that basis consistently each year. Administration staff costs are allocated proportionately on the same percentage as the salaries of the program. Occupancy costs are allocated proportionately on the basis of the number of staff in each program.

Measurement uncertainty

The preparation of financial statements in conformity 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, disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the period. Such estimates are periodically reviewed and any adjustments necessary are reported in earnings in the period in which they become known. The Society is subject to uncertainty through its estimates of remaining useful life on its property and equipment. Actual results could differ from these estimates.

**PARKINSON ASSOCIATION OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

4. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2020	2019
<u>Accounts receivable</u>		
Accounts receivable	\$ 53,246	\$ 33,908
Casino receivable	29,201	15,934
Government subsidies	10,640	-
GST receivable	4,759	10,831
	\$ 97,846	\$ 60,673

5. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2020 Net book value	2019 Net book value
Computer equipment	\$ 22,759	\$ 14,067	\$ 8,692	\$ 10,051
Furniture and fixtures	46,205	37,946	8,259	18,290
Website	-	-	-	977
	\$ 68,964	\$ 52,013	\$ 16,951	\$ 29,318

During the current year the Society received \$nil (2019 - \$nil) of funds to assist with the purchase of capital assets.

6. RESTRICTED INVESTMENT ASSETS

Restricted investment assets consist of investments in cash, government bonds, short-term money market funds and short-term mortgage funds which are restricted as follows:

	2020	2019
Internally restricted funds to be expended on items so designated as approved by the Directors	\$ 558,265	\$ 623,404

Internally restricted funds:

Internally restricted funds consist of designated donations, bequests, memorial funds and interest earned.

Funds restricted by the donor are funds that are received by the Society and designated to be used for research purposes. In 2020 \$138,000 (2019 - \$220,000) was donated from restricted funds for research purposes, allowing the Society to continue its commitment to the University of Calgary, University of Alberta and other chosen programs.

**PARKINSON ASSOCIATION OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

**7. GOVERNMENT REMITTANCES PAYABLE OTHER THAN INCOME TAX**

Government remittances (other than income taxes) include, for example, federal and provincial sales taxes, payroll taxes, health taxes, and workers' safety insurance premiums. The following government remittances were payable at year end:

	2020	2019
Receiver General Payroll	<b>\$ 19,001</b>	<b>\$ 19,001</b>

**8. DEFERRED REVENUE**

	2020	2019
Balance, beginning of year	<b>\$ 17,239</b>	<b>\$ 44,092</b>
Contributions during the year	<b>103,480</b>	103,875
Amounts spent during the year	<b>(76,533)</b>	(130,728)
	<b>\$ 44,186</b>	<b>\$ 17,239</b>

Contributions during the year include proceeds from casinos held in Calgary, and Grande Prairie, as well as donations received for events not yet held. By December 31, 2020, \$29,201 was not yet received from the Grande Prairie casino. These funds were received in February 2021.

Amounts spent include regular and occasional facility rental costs in Calgary, Edmonton, Red Deer, Lethbridge and Medicine Hat, and Grande Prairie. They also include amounts paid for casino expenses, in accordance with Alberta Gaming and Liquor Commission regulations.

**9. LONG TERM DEBT**

Canada Emergence Business Account (CEBA) is a loan program up to \$40,000 for which 25% of the loan is forgivable if 75% of the loan is repaid on or before December 31, 2022. On January 1, 2021 the outstanding balance of the account as at December 31, 2020 will automatically convert to a 'Non-Revolver Term Loan' with a maturity date of December 31, 2025. Interest of 5% per annum will be charged beginning on January 1, 2023, calculated and payable monthly.

During the year, \$10,000 was recognized as grant revenue for the forgivable loan portion as it was determined that the Society intends to pay the loan back in full by December 31, 2022.

**10. CONTRACTUAL OBLIGATIONS**

The Society entered into a lease agreement for the Calgary premises in December 2017 that included a rent-free period extending until April 1, 2019. In addition, the agreement extends the rent-free period to include an additional 4 months per year, until July 2022. The rent-free incentive is to be amortized straight line over the term of the lease, which expires March 31, 2029. The amount of the incentive included in administration expense in the current period is \$8,639 (2019 - \$16,463).

**PARKINSON ASSOCIATION OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

11. ADDITIONAL INFORMATION TO COMPLY WITH THE DISCLOSURE REQUIREMENT OF THE CHARITABLE FUNDRAISING ACT OF ALBERTA AND REGULATIONS

	2020	2019
Event fundraising	\$ 442,789	\$ 745,958

Expenses incurred for the purposes of soliciting contributions were \$91,571 (2019: \$197,018)

Remuneration paid to employees for fundraising activities were \$120,040 (2019: \$238,137)

12. GOVERNMENT ASSISTANCE

The Society applied for financial assistance under available COVID-19 government assistance programs. During the year ended December 31, 2020 the Society recognized \$602,785 (2019 - \$nil) of government assistance which has been included in grant revenue. The amount of government assistance receivable at May 31, 2020 is \$10,640 (2019 - \$nil), which is included in accounts receivable.

13. ALLOCATION OF EXPENSES

Administration staff and occupancy costs of \$484,299 (2019 - \$456,611) have been allocated as follows:

	2020	2019
Client Services	\$ 305,108	\$ 287,665
Fundraising	130,761	123,285
Communications & Marketing	48,430	45,661
	\$ 484,299	\$ 456,611

14. LEASE COMMITMENTS

The Society has a long term lease with respect to its premises. The lease contains renewal options and provides for payment of utilities, property taxes and maintenance costs. Future minimum lease payments as at December 31, 2020, are as follows:

2021	\$ 48,202
2022	27,802
2023	39,897
2024	42,199
2025	45,268
Thereafter	155,752
	\$ 359,120

**PARKINSON ASSOCIATION OF ALBERTA**  
**Notes to Financial Statements**  
**Year Ended December 31, 2020**

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15. FINANCIAL INSTRUMENTS

The Society is exposed to various risks through its financial instruments and has a comprehensive risk management framework to monitor, evaluate and manage these risks. The following analysis provides information about the Society's risk exposure and concentration as of December 31, 2020.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The Society has placed its cash and investments with major financial institutions, Canadian governments and major corporations, from which management believes the risk of loss to be remote.

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 rate risk, interest rate risk and other price risk. The Society is mainly exposed to interest rate risk. The Society is exposed to fluctuations in the market price of mutual funds. The Society manages its investments based on its cash flow needs and with a view to optimising its investment income.

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. In seeking to minimize the risks from interest rate fluctuations, the Society manages exposure through its normal operating and financing activities. The Society is exposed to interest rate risk primarily through its floating interest rate bank indebtedness and credit facilities.

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

16. SIGNIFICANT EVENT

On March 11, 2020, the World Health Organization declared COVID-19 a global pandemic. As a result, there has been a downturn in many economic and practical factors that have had a negative effect on the ability of Parkinson Association of Alberta (PAA) to generate revenue.

As the result of the COVID-19 pandemic, PAA experienced a 20% drop in revenues beginning in April 2020 through to the date of the review report. PAA was able to reduce its expenditures relating to the drop in revenues. The pandemic is still on going and therefore for the full financial impact is unknown at this time. It is management's expectation that the impacts of the virus will not affect the Society's ability to operate as a going concern.