

PARKINSON ASSOCIATION OF ALBERTA
Financial Statements
Year Ended December 31, 2023



INDEPENDENT PRACTITIONER'S REVIEW ENGAGEMENT REPORT

To the Members of Parkinson Association of Alberta

I have reviewed the accompanying financial statements of Parkinson Association of Alberta (the Society) that comprise the statement of financial position as at December 31, 2023, and the statements of operations, changes in net assets and cash flows for the year then ended, and 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 (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.

Practitioner's Responsibility

My responsibility is to express a conclusion on the accompanying financial statements based on my review. I conducted my review in accordance with Canadian generally accepted standards for review engagements, which require me to comply with relevant ethical requirements.

A review of financial statements in accordance with Canadian generally accepted standards for review engagements is a limited assurance engagement. The practitioner performs procedures, primarily consisting of making inquiries of management and others within the entity, as appropriate, and applying analytical procedures, and evaluates the evidence obtained.

The procedures performed in a review are substantially less in extent than, and vary in nature from, those performed in an audit conducted in accordance with Canadian generally accepted auditing standards. Accordingly, I do not express an audit opinion on these financial statements.

Conclusion

Based on my review, nothing has come to my attention that causes me to believe that the financial statements do not present fairly, in all material respects, the financial position of Parkinson Association of Alberta as at December 31, 2023, and the results of its operations and its cash flows for the year then ended in accordance with ASNPO.

Calgary, Alberta
May 29, 2024

STEVEN POTTER PROFESSIONAL CORPORATION
CHARTERED PROFESSIONAL ACCOUNTANT

PARKINSON ASSOCIATION OF ALBERTA
Statement of Financial Position
December 31, 2023

	General Fund	Restricted Fund	Invested in Property and Equipment	TOTAL 2023	TOTAL 2022
ASSETS					
CURRENT					
Cash and cash equivalents	\$ 51,427	\$ -	\$ 45,568	\$ 96,995	
Restricted casino cash (Note 4)	7,920	-	-	7,920	100,177
Accounts receivable (Note 5)	30,186	-	-	30,186	40,649
Prepaid expenses	19,858	-	-	19,858	12,833
	<u>109,391</u>	<u>-</u>	<u>45,568</u>	154,959	153,659
PROPERTY AND EQUIPMENT (Note 6)	-	-	14,098	14,098	10,350
RESTRICTED INVESTMENT ASSETS (Note 7)	326,557	117,272	-	443,829	497,041
RESTRICTED CASH (Note 8)	-	154,957	-	154,957	179,226
	<u>\$ 435,948</u>	<u>\$ 272,229</u>	<u>\$ 59,666</u>	\$ 767,843	<u>\$ 840,276</u>
LIABILITIES					
CURRENT					
Bank indebtedness	\$ -	\$ -	\$ -	\$ -	\$ 57,553
Accounts payable (Notes 9, 10)	48,303	-	-	48,303	71,255
Deposits received	6,972	-	-	6,972	6,972
Short-term debt (Note 11)	40,000	-	-	40,000	40,000
Deferred contributions (Note 12)	34,949	-	-	34,949	-
Deferred casino revenue (Note 13)	28,443	-	-	28,443	132,094
	<u>158,667</u>	<u>-</u>	<u>-</u>	158,667	307,874
LEASE RENTAL OBLIGATION (Note 14)	68,967	-	-	68,967	75,674
	<u>227,634</u>	<u>-</u>	<u>-</u>	227,634	383,548
NET ASSETS					
NET FUNDS	208,314	272,229	59,666	540,209	456,728
	<u>\$ 435,948</u>	<u>\$ 272,229</u>	<u>\$ 59,666</u>	\$ 767,843	<u>\$ 840,276</u>

CONTRACTUAL OBLIGATIONS (Note 14)

On behalf of the Board:

_____ Director

_____ Director

PARKINSON ASSOCIATION OF ALBERTA
Statement of Operations
Year Ended December 31, 2023

	General Fund	Restricted Fund	Invested in Property and Equipment	TOTAL 2023	TOTAL 2022 <i>Reclassified</i>
REVENUE					
Event fundraising (Note 15)	\$ 606,473	\$ -	\$ -	\$ 606,473	\$ 503,408
Donations and bequests	450,552	-	25,000	475,552	371,671
Grants (Note 16)	217,188	-	20,568	237,756	207,231
Research revenue	-	180,739	-	180,739	123,888
General revenue	117,838	-	-	117,838	103,545
Client services	102,860	-	-	102,860	51,612
	<u>1,494,911</u>	<u>180,739</u>	<u>45,568</u>	<u>1,721,218</u>	<u>1,361,355</u>
EXPENSES					
Client services (Note 17)	780,651	-	-	780,651	845,115
Fundraising (Notes 15, 17)	352,830	-	-	352,830	360,478
Administration (Note 17)	370,587	-	-	370,587	349,295
Research	-	90,000	-	90,000	33,257
Development and communications (Notes 17)	77,161	-	-	77,161	141,188
Amortization	-	-	3,289	3,289	2,879
	<u>1,581,229</u>	<u>90,000</u>	<u>3,289</u>	<u>1,674,518</u>	<u>1,732,212</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES FROM OPERATIONS	\$ (86,318)	\$ 90,739	\$ 42,279	\$ 46,700	\$ (370,857)
OTHER INCOME					
Gain (loss) on sale of marketable securities	27,607	-	-	27,607	(7,681)
Unrealized gain (loss) on marketable securities	830	-	-	830	(38,510)
Investment income	6,080	2,264	-	8,344	8,174
	<u>34,517</u>	<u>2,264</u>	<u>-</u>	<u>36,781</u>	<u>(38,017)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	\$ (51,801)	\$ 93,003	\$ 42,279	\$ 83,481	\$ (408,874)

See notes to financial statements

PARKINSON ASSOCIATION OF ALBERTA
Statement of Changes in Net Assets
Year Ended December 31, 2023

	General Fund	Restricted Fund	Invested in Property and Equipment	2023	2022
NET ASSETS - BEGINNING OF YEAR	\$ 267,152	\$ 179,226	\$ 10,350	\$ 456,728	\$ 865,603
Excess (deficiency) of revenues over expenses	(51,801)	93,003	42,279	83,481	(408,875)
Inter-fund transfers	(7,037)	-	7,037	-	-
NET ASSETS - END OF YEAR	\$ 208,314	\$ 272,229	\$ 59,666	\$ 540,209	\$ 456,728

See notes to financial statements

PARKINSON ASSOCIATION OF ALBERTA
Statement of Cash Flows
Year Ended December 31, 2023

	2023	2022 <i>Reclassified</i>
OPERATING ACTIVITIES		
Cash receipts from customers	\$ 1,656,272	\$ 1,481,068
Cash paid to suppliers and employees	(1,701,204)	(1,687,947)
Interest received	8,343	8,171
Cash flow used by operating activities	<u>(36,589)</u>	<u>(198,708)</u>
INVESTING ACTIVITIES		
Purchase of property and equipment	(7,037)	-
Proceeds from sale of marketable securities	287,890	100,000
Purchase of marketable securities	(206,240)	(8,174)
Restricted cash	24,268	(90,631)
Restricted casino cash	92,257	(60,677)
Cash flow from (used by) investing activities	<u>191,138</u>	<u>(59,482)</u>
INCREASE (DECREASE) IN CASH FLOW	154,549	(258,190)
Cash (deficiency) - beginning of year	<u>(57,553)</u>	<u>200,637</u>
CASH (DEFICIENCY) - END OF YEAR	\$ 96,996	\$ (57,553)

PARKINSON ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

1. PURPOSE OF THE SOCIETY

Parkinson Association of Alberta (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act (Alberta). As a registered charity, the Society is exempt from the payment of income tax under Section 149(1) of the Income Tax Act.

The Society is 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's 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

Fund accounting

For financial reporting purposes, the accounts of the Society have been classified into funds. The Society ensures, as part of its fiduciary responsibilities, that all funds received with a restricted purpose are expended for the purpose for which they were provided.

The General Fund accounts for the Society's general fundraising, program delivery, granting, administrative activities, and internally restricted investment assets. This fund reports unrestricted resources available for immediate purposes.

The Restricted Fund accounts for resources that are externally restricted for research purposes by the contributor.

Invested in Property and Equipment Fund reports the assets, liabilities, revenues and expenses related to the Society's capital assets.

Revenue recognition

The Society follows the restricted fund method of accounting for contributions.

Contributions, including operating grants, are recognized when received or receivable if the amount is measurable and collection is relatively assured. Unrestricted contributions are recorded as revenue in the General Fund.

Investment income earned is internally restricted and is recognized as revenue in the General Fund.

Contributions received from donors are recorded in the Restricted Fund as revenue provided a specific restricted fund has been established. Restricted contributions for which no related restricted fund is present is recognized as deferred revenue in the General Fund.

Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash deposits held with Canadian chartered banking institutions, and cheques issued and outstanding.

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PARKINSON ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Contributed services

The operations of the Society depend on the contribution of time by volunteers. The fair value of donated services cannot be reasonably determined and are therefore not reflected in these financial statements.

Contributed goods are recognized where their fair values are readily determinable and the goods would have been purchased had they not be contributed.

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:

Computer software	30%
Furniture and fixtures	20%

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.

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.

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 Society 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.

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PARKINSON ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 short-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.

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.

4. RESTRICTED CASINO CASH

Restricted casino cash are funds that have been collected through casino proceeds and are therefore externally restricted by the Alberta Gaming, Liquor and Cannabis Commission. The Society must use the gaming proceeds within 24 months after receiving the proceeds. The Society maintains separate bank accounts for casino funds

5. ACCOUNTS RECEIVABLE

Accounts receivable consists of the following:

	2023	2022
Casino receivable	\$ 20,524	\$ 31,917
GST receivable	5,516	5,374
Accounts receivable	4,146	3,358
	\$ 30,186	\$ 40,649

PARKINSON ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

6. PROPERTY AND EQUIPMENT

	Cost	Accumulated amortization	2023 Net book value	2022 Net book value
Computer equipment	\$ 29,796	\$ 22,674	\$ 7,122	\$ 1,629
Furniture and fixtures	46,205	39,229	6,976	8,721
	\$ 76,001	\$ 61,903	\$ 14,098	\$ 10,350

During the current year the Society received \$45,568 (2022- \$nil) of funds to assist with the purchase of capital assets and capital renovations.

7. RESTRICTED INVESTMENT ASSETS

Investment assets are internally and externally restricted funds to be expended on items designated as approved by the Directors. Restricted investment assets consist of investments in cash, government bonds, and marketable securities.

8. RESTRICTED CASH

The Society restricts cash and investments from its donors that are designated to be used for research purposes in the Restricted Fund. The fund allows the Society to continue its commitment to the University of Calgary, University of Alberta, and other chosen programs.

9. 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:

	2023	2022
Receiver general payroll	\$ -	\$ 17,428

10. CREDIT FACILITY

Credit card facility

The Society has access to a corporate credit card facility, up to a maximum of \$10,000 (2022 - \$10,000), bearing interest at 19.90% per annum. The balance for the year ended December 31, 2023 is \$3,113 (2022 - \$9,496), which is included in accounts payable.

Operating line of credit

The Society has an operating line of credit to a maximum of \$50,000 (2022 - \$50,000) with interest payable at bank prime plus 2.00% (2022 - \$2.00%) per annum. This line is secured by a general security agreement. As of December 31, 2023 the loan balance was \$nil (2022 - \$nil).

PARKINSON ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

11. SHORT-TERM DEBT

Canada Emergency Business Account (CEBA) is a loan program that provides up to \$60,000, for which \$20,000 of the loan is forgivable if \$40,000 of the loan is repaid on or before January 18, 2024. In prior years, \$20,000 was recognized as grant revenue for the forgivable loan portion as it was determined that the Society would repay the loan in full by January 18, 2024.

Subsequent to year-end, the Society has repaid \$40,000 of the CEBA loan that was required to be repaid before January 18, 2024.

12. DEFERRED CONTRIBUTIONS

Deferred contributions relate to a grant received for Parkinson's Outreach Expansion Project.

	2023
Opening balance	\$ -
Contributions received	65,959
Funds utilized	(31,010)
	\$ 34,949

13. DEFERRED CASINO REVENUE

	2023	2022
Balance, beginning of year	\$ 132,094	\$ 39,500
Contributions received	32,108	198,969
Contributions receivable	20,523	31,917
Transfer of funds	3,550	-
Funds utilized	(159,832)	(138,292)
	\$ 28,443	\$ 132,094

Contributions during the year include proceeds and donations received to the AGLC account.

Amounts spent are in accordance with Alberta Gaming, Liquor and Cannabis Commission regulations.

PARKINSON ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

14. 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 \$6,706 (2022- \$7,359).

Future minimum lease payments as at December 31, 2022 are as follows:

Contractual obligation repayment schedule:

2024	\$	42,199
2025		45,268
2026		46,035
2027		48,337
2028		49,104
Thereafter		12,275
		<u>\$ 243,218</u>

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

	2023	2022
Event fundraising	<u>\$ 606,473</u>	<u>\$ 503,308</u>

Expenses incurred for the purposes of soliciting contributions were \$106,052 (2022 - \$107,082)

Remuneration paid to employees for fundraising activities were \$221,295 (2022 - \$111,018)

16. GOVERNMENT ASSISTANCE

In prior years, the Society applied for financial assistance under available COVID-19 government assistance programs. During the year ended December 31, 2023 the Society recognized \$nil (2022 - \$50,286) of government assistance which has been included in grant revenue.

17. ALLOCATION OF EXPENSES

Not-for-profit and charitable organizations allocate portions of administrative costs to relevant departments in recognition of the division of time and resources. Administration staff and occupancy costs of \$235,291 (2022 - \$407,259) have been allocated as follows:

	2023	2022
Client Services	\$ 195,880	\$ 241,286
Development and communications	39,412	40,726
Fundraising	-	125,247
	<u>\$ 235,292</u>	<u>\$ 407,259</u>

PARKINSON ASSOCIATION OF ALBERTA
Notes to Financial Statements
Year Ended December 31, 2023

18. COMPARATIVE FIGURES

Some of the comparative figures have been reclassified to conform to the current year's presentation.

19. 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, 2023.

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.