

Victoria Epilepsy and Parkinson's Centre Society
Financial Statements
Year Ended March 31, 2020

Independent Practitioner's Review Engagement Report

To the Members of Victoria Epilepsy and Parkinson's Centre Society

We have reviewed the accompanying financial statements of Victoria Epilepsy and Parkinson's Centre Society which comprise the statement of financial position as at March 31, 2020 and the statements of changes in fund balances, revenues and expenditures 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, 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 for the Financial Statements

Our responsibility is to express a conclusion on the accompanying financial statements based on our review. We conducted our review in accordance with Canadian generally accepted standards for review engagements, which require us 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, we do not express an audit opinion on these financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that these financial statements do not present fairly, in all material respects, the financial position of Victoria Epilepsy and Parkinson's Centre Society as at March 31, 2020, 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.

Victoria, British Columbia
June 23, 2020

DUSANJ & WIRK
Chartered Professional Accountants



Victoria Epilepsy and Parkinson's Centre Society
Statement of Financial Position
March 31, 2020

	General Fund \$	Internally Restricted Fund \$	2020 \$	2019 \$
Assets				
Current				
Cash	12,637	-	12,637	7,015
Government remittances receivable	1,182	-	1,182	1,642
Prepaid expenses	8,037	-	8,037	9,784
	21,856	-	21,856	18,441
Investments (Note 3)	-	163,429	163,429	310,926
Equipment (Note 4)	1,850	-	1,850	1,420
	23,706	163,429	187,135	330,787
Liabilities				
Current				
Accounts payable and accrued liabilities	13,783	-	13,783	21,125
Government remittances payable	4,240	-	4,240	-
Deferred contributions (Note 5)	275	-	275	5,275
	18,298	-	18,298	26,400
Fund Balances				
Unrestricted	5,408	-	5,408	(6,539)
Internally restricted (Note 6)	-	163,429	163,429	310,926
	5,408	163,429	168,837	304,387
	23,706	163,429	187,135	330,787

Commitment (Note 7)

On behalf of the Board

Director

Director

The accompanying notes are an integral part of these financial statements

Victoria Epilepsy and Parkinson's Centre Society
Statement of Changes in Fund Balances
Year Ended March 31, 2020

	General Fund \$	Internally Restricted Fund \$	2020 \$	2019 \$
Fund balances - beginning of year	(6,539)	310,926	304,387	417,476
Interfund transfers	137,362	(137,362)	-	-
Deficiency of revenues over expenses	(125,415)	(10,135)	(135,550)	(113,089)
Fund balances - end of year	5,408	163,429	168,837	304,387

The accompanying notes are an integral part of these financial statements

Victoria Epilepsy and Parkinson's Centre Society
Statement of Revenues and Expenditures
Year Ended March 31, 2020

	General Fund	Internally Restricted Fund	2020	2019
	\$	\$	\$	\$
Revenues				
Bequests	-	-	-	54,298
Conference	-	-	-	1,733
Services fees	658	-	658	8,255
Support groups	2,491	-	2,491	-
Interest and investment income	4,983	-	4,983	12,715
Grants - Other	28,148	-	28,148	14,587
Grants - VIHA Parkinson's program	31,093	-	31,093	29,004
Fundraising	50,564	-	50,564	45,518
Donations and memberships	115,761	-	115,761	93,901
	<u>233,698</u>	<u>-</u>	<u>233,698</u>	<u>260,011</u>
Expenses				
Amortization	862	-	862	1,839
Bank charges	3,753	-	3,753	3,684
Fundraising	14,035	-	14,035	11,483
Insurance	10,454	-	10,454	9,968
Investment counsel fees	2,330	-	2,330	3,108
Meetings and events	2,728	-	2,728	2,873
Office and sundry	13,844	-	13,844	12,257
Postage	4,477	-	4,477	6,009
Professional fees	20,916	-	20,916	21,644
Promotion and publicity	2,379	-	2,379	4,187
Rent and occupancy costs	44,207	-	44,207	47,448
Salaries and benefits	233,515	-	233,515	246,528
Telecommunications	3,720	-	3,720	3,542
Travel	1,893	-	1,893	1,959
	<u>359,113</u>	<u>-</u>	<u>359,113</u>	<u>376,529</u>
Other revenues (expenses)				
Gain on sale of marketable securities	-	17,954	17,954	7,140
Unrealized (loss) on marketable securities	-	(28,089)	(28,089)	(3,711)
	<u>-</u>	<u>(10,135)</u>	<u>(10,135)</u>	<u>3,429</u>
Deficiency of revenues over expenses	<u>(125,415)</u>	<u>(10,135)</u>	<u>(135,550)</u>	<u>(113,089)</u>

The accompanying notes are an integral part of these financial statements

Victoria Epilepsy and Parkinson's Centre Society
Statement of Cash Flows
Year Ended March 31, 2020

	2020 \$	2019 \$
Cash flows from operating activities		
Deficiency of revenues over expenses	(135,550)	(113,089)
Items not affecting cash:		
Amortization of equipment	862	1,839
Write-down of marketable securities	28,089	3,711
	<u>(106,599)</u>	<u>(107,539)</u>
Changes in non-cash working capital:		
Accounts receivable	-	1,951
Government remittances receivable	460	(1,642)
Prepaid expenses	1,747	2,489
Accounts payable and accrued liabilities	(7,343)	(12,475)
Government remittances payable	4,240	(4,093)
Deferred contributions	(5,000)	(9,000)
	<u>(5,896)</u>	<u>(22,770)</u>
Cash flows from operating activities	<u>(112,495)</u>	<u>(130,309)</u>
Cash flows from investing activities		
Purchase of equipment	(1,291)	-
Proceeds from sale of marketable securities	119,408	71,919
Cash flows from investing activities	<u>118,117</u>	<u>71,919</u>
Increase (decrease) in cash flow	5,622	(58,390)
Cash - beginning of year	<u>7,015</u>	<u>65,405</u>
Cash - end of year	<u><u>12,637</u></u>	<u><u>7,015</u></u>

The accompanying notes are an integral part of these financial statements

Victoria Epilepsy and Parkinson's Centre Society

Notes to Financial Statements

Year Ended March 31, 2020

1. Purpose of the organization

Victoria Epilepsy and Parkinson's Centre Society (the "Society") is a not-for-profit organization incorporated provincially under the Societies Act of British Columbia. The organization is a registered charity and is exempt from the payment of income taxes under the Income Tax Act.

The purpose of the Society is to promote health by:

- a) Providing education and other professional services to people with epilepsy or Parkinson's and their families;
- b) Increasing public understanding of these conditions;
- c) Collaborating with health and social service providers;
- d) Expanding awareness of the agency and its services.

2. Significant accounting policies

Basis of presentation

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

Fund accounting

The General Fund accounts for the Society's program delivery, administrative activities, and all transactions which are capital in nature. This fund reports unrestricted resources and restricted operating grants.

The Internally Restricted Fund reports resources contributed for endowment. Investment income earned on resources of the Internally Restricted Fund is reported in the General Fund.

Revenue recognition

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

Restricted contributions related to general operations are recognized as revenue of the General Fund in the year in which the related expenses are incurred.

Unrestricted contributions are recognized as revenue of the General Fund in the year received or receivable if the amount to be received can be reliably estimated and collection is reasonably assured.

Contributed services

Donated or sponsored services, supplies and equipment are recorded as both revenue and expense at fair value when received for the goods and services the Society would have ordinarily purchased.

The Society makes use of volunteers in the delivery of certain programs and administration services. The Society chooses not to recognize the fair value of contributed services of volunteers within financial statements.

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Victoria Epilepsy and Parkinson's Centre Society
Notes to Financial Statements
Year Ended March 31, 2020

2. Significant accounting policies (continued)

Equipment

Equipment is stated at cost or deemed cost less accumulated amortization and is amortized over its estimated useful life on a straight-line basis at the following rates:

Computer software	5 years
Office furniture and equipment	3 years

A full year of amortization is taken in the year of acquisition, if the equipment is in use, while none is taken in the year of disposition.

Use of estimates

The preparation of these financial statements in conformity with Canadian accounting standards for not-for-profit organizations requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. These estimates are reviewed periodically and adjustments are made to income as appropriate in the year they become known. Actual results could differ from those estimates.

Financial instruments policy

The Society initially measures its financial assets and financial liabilities at fair value. The Society subsequently measures all its financial assets and financial 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 are recognized in the statement of operations.

The carrying values of cash, accounts receivable, accounts payable and accrued liabilities approximate their fair values due to the short-term nature of these assets and liabilities.

Investments are comprised of bonds, money market investments, exchange traded funds and segregated mutual funds. These are initially recorded at fair value based on quoted market prices and are subsequently measured at fair value at each year end. Net gains and losses arising from changes in fair value are recognized in the Statement of Operations. For the year ended March 31, 2020, the net unrealized loss was \$28,089 (2019: \$3,711 unrealized loss).

Fair value approximates amounts at which financial instruments could be exchanged between willing parties, based on current markets for instruments of the same risk, principal and remaining maturities. Fair values are based on quoted market values.

3. Investments

	2020 \$	2019 \$
Cash and short-term investments	205	16,543
Fixed income	-	172,717
Canadian equities	31,845	63,090
U.S. equities	131,379	28,271
International equities	-	30,305
	<u>163,429</u>	<u>310,926</u>

Victoria Epilepsy and Parkinson's Centre Society
Notes to Financial Statements
Year Ended March 31, 2020

4. Equipment

	2020		2019	
	Cost \$	Accumulated amortization \$	Cost \$	Accumulated amortization \$
Computer software	2,736	836	1,445	289
Office furniture and equipment	1,601	1,651	6,831	6,567
	4,337	2,487	8,276	6,856
Net book value	1,850		1,420	

5. Deferred contributions

Deferred contributions represent unspent resources externally restricted for special programs. These programs include education and employment for adults with developmental disabilities and research. Changes in deferred contributions balance are as follows:

	2020 \$	2019 \$
Balance, beginning of year	5,275	14,275
Grants received	-	5,000
Amounts recognized as revenue in the year	(5,000)	(14,000)
	275	5,275

6. Internally restricted

The Internally Restricted Fund was established in 1986 for both the Epilepsy and Parkinson's programs.

	Epilepsy \$	Parkinson's \$	Non-specified \$	2020 \$	Total 2019 \$
Fund balance, beginning of year	8,897	259,846	42,183	310,926	388,001
Gain on disposal of marketable securities	514	15,005	2,436	17,955	7,140
Unrealized gain (loss) on marketable securities	(804)	(23,475)	(3,811)	(28,090)	(3,711)
Transfer from (to) General Fund	(3,931)	(114,795)	(18,636)	(137,362)	(80,504)
Fund balance, end of year	4,676	136,581	22,172	163,429	310,926

Victoria Epilepsy and Parkinson's Centre Society

Notes to Financial Statements

Year Ended March 31, 2020

7. Commitments

The Society's lease agreement for office space at 1640 Oak Bay Avenue ends October 31, 2021. Accordingly, the Society is committed to lease payments for the next two years as follows:

	Amount \$
Year	
2021	24,477
2022	14,786
	<u>39,263</u>

8. Financial instruments

The Society actively manages the risks that arise from its use of financial instruments, including liquidity, credit and market risk. The Society adheres to an investment policy that outlines the objectives, constraints, and parameters related to its investing activities. The Society does not utilize derivatives or other off-balance sheet instruments, nor does the Society engage in hedging transactions. The Society's risk exposures have not changed materially during the year.

Liquidity risk

Liquidity risk is the risk that the Society cannot meet a demand for cash or fund its obligations as they come due. Liquidity risk is managed by investing the majority of the Society's assets in investments that are traded in an active market and can be readily liquidated. In addition, the Society aims to retain sufficient cash positions to maintain liquidity. The Society's investments are considered readily realizable and liquid, therefore the Society's exposure to liquidity risk is considered minimal.

Credit risk

Credit risk arises from the potential that a counter party will fail to perform its obligations. The company is potentially exposed to credit risk from its accounts receivable.

Accounts receivable are not concentrated with a single party. In order to reduce its credit risk, the company reviews its customers' credit performance. An allowance for doubtful accounts is established when factors surrounding the credit risk of specific amounts, historical trends and other information indicate that an amount may not be collectible. At year end, no allowance for doubtful accounts has been recorded.

Market risk

Market risk is the potential for financial loss to the Society from changes in the values of its financial instruments due to changes in interest rates, currency exchange rates or equity prices. The investments of the Society are subject to normal market fluctuations and to the risk inherent in investment in capital markets. It is management's opinion that the Society is not exposed to significant interest, currency or equity price risks arising from its financial instruments.

Victoria Epilepsy and Parkinson's Centre Society

Notes to Financial Statements

Year Ended March 31, 2020

9. Remuneration of Employees

Under the Societies Act, societies must disclose remuneration paid to directors, and to employees and contractors whose remuneration was at least \$75,000 for the fiscal year.

During the year, there were no employees or contractors that met this criterion and during the prior year, there were also no employees or contractors who met this criterion. The Board of Directors receive no remuneration for their services other than reimbursement of expenses.

10. Subsequent events

Covid-19 impact

The global economic impact arising from the Covid-19 pandemic may expose the organization to economic and operational risks in the 2021 fiscal period. Management has determined that the impact on the organization's operations due to Covid-19 in 2021 will not be significant.