

Financial Statements of

**Victoria Epilepsy and Parkinson's Centre
Society**

Year Ended March 31, 2017

DICKSON
DUSANJ
& WIRK

CHARTERED
PROFESSIONAL
ACCOUNTANTS



CHARTERED
PROFESSIONAL
ACCOUNTANTS

Independent Auditor's Report

To the Board of Directors of Victoria Epilepsy and Parkinson's Centre Society

We have audited the accompanying financial statements of Victoria Epilepsy and Parkinson's Centre Society (the "Society"), which comprise the statement of financial position as at March 31, 2017 and the statements of operations, changes in fund balances 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.

Auditor's 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 the auditor's 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, the auditor considers 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 is sufficient and appropriate to provide a basis for our qualified audit opinion.

Opinion

In our opinion, these financial statements present fairly, in all material respects, the financial position of Victoria Epilepsy and Parkinson's Centre Society as at March 31, 2017 and the results of its operations, changes in fund balances and cash flows for the year then ended in accordance with Canadian accounting standards for not-for-profit organizations.

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Report on Other Legal and Regulatory Requirements

As required by the Society Act (British Columbia), we report that, in our opinion, the accounting principles in Canadian accounting standards for not-for-profit organizations have been applied on a basis consistent with that of the preceding year.

Dickson Dusanj & Wirk

Chartered Professional Accountants

Victoria, B.C.
June 16, 2017

Victoria Epilepsy and Parkinson's Centre Society

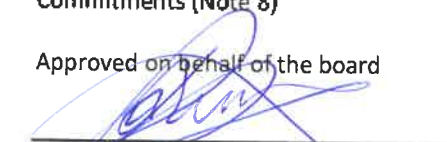
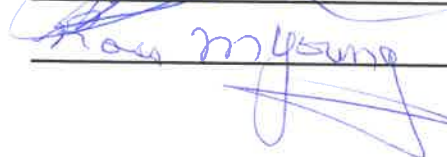
Statement of Financial Position

As at March 31, 2017 with comparative figures for 2016

	General Fund \$	Internally Restricted Fund \$	2017 \$	2016 \$
Assets				
Current				
Cash	94,318	-	94,318	130,110
Accounts receivable	406	-	406	2,090
Government remittances receivable	-	-	-	1,179
Prepaid expenses	10,513	-	10,513	20,877
	<u>105,237</u>	<u>-</u>	<u>105,237</u>	<u>154,256</u>
Investments (Note 3)	-	515,251	515,251	466,366
Equipment (Note 4)	3,148	-	3,148	1,755
	<u>108,385</u>	<u>515,251</u>	<u>623,636</u>	<u>622,377</u>
Liabilities				
Current				
Accounts payable and accrued liabilities	23,602	-	23,602	32,936
Government remittances payable	6,809	-	6,809	
Deferred contributions (Note 5)	26,470	-	26,470	22,025
	<u>56,881</u>	<u>-</u>	<u>56,881</u>	<u>54,961</u>
Fund Balances				
Unrestricted	51,504	-	51,504	101,050
Internally restricted (Note 6)	-	515,251	515,251	466,366
	<u>51,504</u>	<u>515,251</u>	<u>566,755</u>	<u>567,416</u>
	<u>108,385</u>	<u>515,251</u>	<u>623,636</u>	<u>622,377</u>

Commitments (Note 8)

Approved 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, 2017 with comparative figures for 2016

	General Fund \$	Internally Restricted Fund \$	Total 2017 \$	Total 2016 \$
Balance, beginning of year	101,050	466,366	567,416	684,906
Interfund transfers (Note 7)	(28,850)	28,850	-	-
Excess (deficiency) of revenues over expenses	(20,696)	20,035	(661)	(117,490)
Balance, end of year	51,504	515,251	566,755	567,416

The accompanying notes are an integral part of these financial statements

Victoria Epilepsy and Parkinson's Centre Society

Statement of Operations

Year ended March 31, 2017 with comparative figures for 2016

	General Fund \$	Internally Restricted Fund \$	Total 2017 \$	Total 2016 \$
Revenues				
Grants				
United Way	20,383	-	20,383	24,771
Vancouver Island Health Authority - Parkinson's program	28,700	-	28,700	28,700
Vanderkerkhove Family Foundation	22,500	-	22,500	22,500
Other	34,474	-	34,474	22,558
Bequests	101,000	-	101,000	60,360
Donations and memberships	82,219	-	82,219	83,982
Interest and investment income	33,785	-	33,785	39,132
Service fees	11,066	-	11,066	15,555
Fundraising	78,311	-	78,311	79,636
Conference	4,205	-	4,205	4,920
	416,643	-	416,643	382,114
Expenses				
Amortization	2,311	-	2,311	2,449
Bank charges	4,978	-	4,978	3,965
Financial aid	180	-	180	623
Fundraising	37,848	-	37,848	24,764
Insurance	9,838	-	9,838	9,326
Investment counsel fees	4,833	-	4,833	5,120
Library and resource materials	817	-	817	1,571
Meeting and events	1,059	-	1,059	611
Office and sundry	10,848	-	10,848	12,889
Postage	4,920	-	4,920	3,892
Professional fees	10,336	-	10,336	7,615
Promotion and publicity	4,129	-	4,129	5,534
Rent and occupancy costs	51,697	-	51,697	52,275
Salaries and benefits	284,056	-	284,056	310,629
Telecommunications	5,033	-	5,033	4,005
Travel	3,675	-	3,675	2,939
	436,558	-	436,558	448,207
Other Revenues (Expenses)				
Gain on disposal of marketable securities	-	1,994	1,994	15,251
(Loss) on disposal of equipment	(781)	-	(781)	-
Unrealized gain (loss) on marketable securities	-	18,041	18,041	(66,648)
	(781)	20,035	19,254	(51,397)
Excess (deficiency) of revenues over expenses	(20,696)	20,035	(661)	(117,490)

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, 2017 with comparative figures for 2016

	2017 \$	2016 \$
Cash flows (used in) operating activities		
(Deficiency) of revenues over expenses	(661)	(117,490)
Adjustments for:		
Amortization of equipment	2,311	2,449
Unrealized (gain) loss on marketable securities	(18,041)	66,648
	(16,391)	(48,393)
Changes in non-cash working capital		
Accounts receivable	1,684	2,791
Government remittances receivable	-	(36)
Prepaid expenses	10,364	(2,522)
Accounts payable and accrued liabilities	(9,334)	(11,730)
Government remittances payable	7,988	-
Deferred contributions	4,445	321
Cash flows (used in) operating activities	(1,244)	(59,569)
Cash flows from (used in) investing activities		
Purchase of equipment	(3,705)	(2,184)
(Purchase) sale of marketable securities	(30,843)	51,074
Cash flows from (used in) investing activities	(34,548)	48,890
Net (decrease) in cash	(35,792)	(10,679)
Cash - beginning of year	130,110	140,789
Cash - end of year	94,318	130,110

The accompanying notes are an integral part of these financial statements

Victoria Epilepsy and Parkinson's Centre Society

Notes to the Financial Statements

Year ended March 31, 2017 with comparative figures for 2016

1. Statement of Purpose

The Victoria Epilepsy and Parkinson's Centre Society (the "Society") was incorporated under the Society Act on February 21, 1986 and transitioned to the new Societies Act on January 1, 2017. The Society is a registered charity under the Income Tax Act and accordingly, it is exempt from income taxes and can issue donation receipts for income tax purposes. 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 accounting

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

Fund accounting

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

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

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.

Equipment

Equipment is accounted for at cost. Amortization is based on the estimated useful life of each asset using the following methods and annual rates:

Office furniture and equipment	3 years	Straight-line
Website	3 and 5 years	Straight-line
Computer software	5 years	Straight-line

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.

Victoria Epilepsy and Parkinson's Centre Society

Notes to the Financial Statements

Year ended March 31, 2017 with comparative figures for 2016

2. Significant Accounting Policies (continued)

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

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, 2017, the net unrealized gain was \$18,041 (2016: \$66,648 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

Investments are comprised of the following:

	2017	2016
	\$	\$
Cash and short-term investments	9,069	13,844
Fixed income	273,514	257,393
Canadian equities	110,241	96,964
U.S. equities	64,255	51,523
International equities	58,172	46,642
	<u>515,251</u>	<u>466,366</u>

Victoria Epilepsy and Parkinson's Centre Society

Notes to the Financial Statements

Year ended March 31, 2017 with comparative figures for 2016

4. Equipment

	2017		2016	
	Cost \$	Accumulated Amortization \$	Cost \$	Accumulated Amortization \$
Office furniture and equipment	48,432	45,284	44,727	42,972
Website	11,850	11,850	11,850	11,850
Computer software	2,100	2,100	4,840	4,840
	62,382	59,234	61,417	59,662
Less: Accumulated amortization	59,234		59,662	
Net Book Value	3,148		1,755	

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:

	2017 \$	2016 \$
Balance, beginning of year	22,025	21,704
Grants received	26,470	22,025
Amounts recognized as revenue in the year	(22,025)	(21,704)
Balance, end of year	26,470	22,025

6. Internally Restricted

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

	Epilepsy \$	Parkinson's \$	Non-specified \$	Total 2017 \$	Total 2016 \$
Fund balance, beginning of year	13,345	389,748	63,273	466,366	584,088
Gain on disposal of marketable securities	57	1,667	270	1,994	15,251
Unrealized gain (loss) on marketable securities	516	15,077	2,448	18,041	(66,648)
Transfer from (to) General Fund	826	24,110	3,914	28,850	(66,325)
Fund balance, end of year	14,744	430,602	69,905	515,251	466,366

Victoria Epilepsy and Parkinson's Centre Society

Notes to the Financial Statements

Year ended March 31, 2017 with comparative figures for 2016

7. Interfund Transfers

Interfund transfers to (from) the General Fund are comprised of:

	2017 \$	2016 \$
Transfer authorized by Board of Directors	-	100,000
Interest and investment income	(33,683)	(38,795)
Investment council fees	4,833	5,120
	<u>(28,850)</u>	<u>66,325</u>

8. 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 four years as follows:

Year	\$ Amount
2018	47,088
2019	48,271
2020	49,986
2021	51,211

9. Financial Risks and Concentration of Risks

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.

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. The Society's exposure to and management of liquidity risk has not changed materially during the year.

Credit risk

Credit risk is the potential for financial loss should a counter party in a transaction fail to meet its obligations. The Society's investments in short-term investments are subject to credit risk. The maximum exposure to credit risk on these financial instruments is their carrying value. The Society's exposure to and management of credit risk has not changed materially during the year.

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. There have been no significant changes in the Society's market risk exposure from the prior year.

Victoria Epilepsy and Parkinson's Centre Society

Notes to the Financial Statements

Year ended March 31, 2017 with comparative figures for 2016

10. Remuneration of Employees

Under the new Societies Act, which came into effect November 28, 2016, 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 was one employee who met this criterion, and the total amount of remuneration paid to this person was \$83,059.35. (During the prior year, there was one employee who met this criterion, and the total amount of remuneration paid to this person was \$80,088.24.) The Board of Directors receive no remuneration for their services other than reimbursement of expenses.