

PARKINSON SOCIETY CANADA

Consolidated Financial Statements

Year ended May 31, 2009

AUDITORS' REPORT

**To the Directors of
Parkinson Society Canada**

We have audited the consolidated balance sheet of Parkinson Society Canada as at May 31, 2009 and the consolidated statements of operations, changes in net assets and cash flows for the year then ended. These financial statements are the responsibility of the Society's management. Our responsibility is to express an opinion on these consolidated financial statements based on our audit.

Except as explained in the following paragraph, we conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In common with many charitable organizations, the Society derives revenue from donations and fundraising sources the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of these revenues was limited to the amounts recorded in the records of the Society and we were not able to determine whether any adjustments might be necessary to donations and other revenue, excess of revenues over expenses, assets and fund balances.

In our opinion, except for the effect of adjustments, if any, which we might have determined to be necessary had we been able to satisfy ourselves concerning the completeness of the revenues referred to in the preceding paragraph, these consolidated financial statements present fairly, in all material respects, the financial position of the Society as at May 31, 2009 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.



Licensed Public Accountants
Chartered Accountants
Toronto, Ontario
July 30, 2009

**PARKINSON SOCIETY CANADA
CONSOLIDATED BALANCE SHEET**

As at May 31,	National	Regions	2009 Total	2008 Total
ASSETS				
Current assets				
Cash	\$ 183,355	\$ 325,851	\$ 509,206	\$ 676,320
Investments (note 6)	2,514,657	949,239	3,463,896	3,412,992
Accounts receivable	191,887	64,513	256,400	260,475
Prepaid expenses	187,295	27,688	214,983	128,406
	3,077,194	1,367,291	4,444,485	4,478,193
Capital assets (note 7)	198,509	36,642	235,151	269,215
	\$ 3,275,703	\$ 1,403,933	\$ 4,679,636	\$ 4,747,408
LIABILITIES				
Current liabilities				
Accounts payable and accrued liabilities	\$ 586,780	\$ 152,892	\$ 739,672	\$ 960,525
DEFERRED CONTRIBUTIONS (note 8)	1,451,989	225,499	1,677,488	1,758,920
	2,038,769	378,391	2,417,160	2,719,445
NET ASSETS				
Unrestricted net assets	1,038,425	837,313	1,875,738	1,437,533
Net assets internally restricted for the Research Stability Reserve	-	-	-	169,628
Net assets invested in capital assets	198,509	36,642	235,151	269,215
Net assets internally restricted for the regions	-	136,269	136,269	136,269
Ian Davidson Endowment Fund	-	15,318	15,318	15,318
	1,236,934	1,025,542	2,262,476	2,027,963
	\$ 3,275,703	\$ 1,403,933	\$ 4,679,636	\$ 4,747,408

Commitments and contingencies (notes 11 and 12)

See accompanying notes to financial statements

Approved by the board of directors


Director


Director

PARKINSON SOCIETY CANADA
CONSOLIDATED STATEMENT OF CHANGES IN NET ASSETS

Year ended May 31,	2009				2008						
	National				Regions						
	Unrestricted	Research Stability	Capital Assets	Total	Unrestricted	Capital Assets	Internally Restricted	Ian Davidson Endowment Fund	Total	Total	Total
Net assets, beginning of year	\$ 622,411	\$ 169,628	\$ 234,003	\$ 1,026,042	\$ 815,122	\$ 35,212	\$ 136,269	\$ 15,318	\$ 1,001,921	\$ 2,027,963	\$ 2,823,062
Excess (deficiency) of revenues over expenses	286,538	-	(75,646) (a)	210,892	43,333	(19,712) (a)	-	-	23,621	234,513	(796,078)
	908,949	169,628	158,357	1,236,934	858,455	15,500	136,269	15,318	1,025,542	2,262,476	2,026,984
Interfund transfers (note 9)	169,628	(169,628)	-	-	-	-	-	-	-	-	-
Contributions to Endowment Fund	-	-	-	-	-	-	-	-	-	-	1,500
Change in accounting policy	-	-	-	-	-	-	-	-	-	-	(521)
Net investment in capital assets	(40,152)	-	40,152 (b)	-	(21,142)	21,142 (b)	-	-	-	-	-
	129,476	(169,628)	40,152	-	(21,142)	21,142	-	-	-	-	979
Net assets, end of year	\$ 1,038,425	\$ -	\$ 198,509	\$ 1,236,934	\$ 837,313	\$ 36,642	\$ 136,269	\$ 15,318	\$ 1,025,542	\$ 2,262,476	\$ 2,027,963

See accompanying notes to financial statements

(a) Amortization expense and loss on disposal of capital assets	National	\$ 75,646
	Regions	19,712
		<u>\$ 95,358</u>
(b) Purchase of capital assets	National	\$ 40,152
	Regions	21,142
		<u>\$ 61,294</u>

**PARKINSON SOCIETY CANADA
CONSOLIDATED STATEMENT OF OPERATIONS**

Year ended May 31,	National	Regions	2009 Total	2008 Total
Revenues				
Individual giving	\$ 1,530,104	\$ 829,480	\$ 2,359,584	\$ 2,508,130
Events revenue	123,690	1,765,213	1,888,903	1,827,131
Bequests	1,683,603	65,584	1,749,187	764,450
Corporate donations	466,184	379,597	845,781	677,779
Other revenue	193,485	175,924	369,409	351,143
	3,997,066	3,215,798	7,212,864	6,128,633
Expenses				
Research, services and education	2,782,263	1,257,940	4,040,203	4,180,039
Fundraising and awareness	1,156,591	902,509	2,059,100	2,009,573
Operating and administration	612,965	276,281	889,246	915,097
	4,551,819	2,436,730	6,988,549	7,104,709
Excess (deficiency) of revenue over expenses before regional partners support				
	(554,753)	779,068	224,315	(976,076)
Support to National (note 10(a))	804,261	(804,261)	-	-
Support to Regions and Regional Partners (note 10(b))	(48,814)	48,814	-	-
Support from Incorporated Regional Partners (note 10(a))	189,267	-	189,267	292,044
Support to Incorporated Regional Partners (note 10(b))	(179,069)	-	(179,069)	(112,046)
Excess (deficiency) of revenues over expenses				
	\$ 210,892	\$ 23,621	\$ 234,513	\$ (796,078)

See accompanying notes to financial statements

**PARKINSON SOCIETY CANADA
CONSOLIDATED STATEMENT OF CASH FLOWS**

Year ended May 31,	2009	2008
Cash provided by (used in)		
Operations		
Excess (deficiency) of revenues over expenses	\$ 234,513	\$ (796,078)
Items not involving cash		
Amortization	95,197	100,235
Loss on disposal of capital assets	161	-
Deficiency of revenues and grants received over that recognized (note 8)	(81,432)	(506)
Donated investments	(199,556)	(65,668)
Gain on disposal of investment	(769)	-
Unrealized loss on investment	39,575	-
	87,689	(762,017)
Net change in non-cash working capital		
Accounts receivable	4,075	22,991
Prepaid expenses	(86,577)	44,458
Accounts payable and accrued liabilities	(220,851)	456,609
	(303,353)	524,058
Investing		
Ian Davidson endowment fund contribution	-	1,500
Purchase of capital assets	(61,294)	(63,451)
Purchase of investments	(1,255,874)	(110,035)
Proceeds from disposal of investments	1,365,718	428,773
	48,550	256,787
Net change in cash	(167,114)	18,828
Cash, beginning of year	676,320	657,492
Cash, end of year	\$ 509,206	\$ 676,320

See accompanying notes to financial statements

PARKINSON SOCIETY CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended May 31, 2009

1. INTRODUCTION

Parkinson Society Canada ("the Society") is a registered charity within the meaning of the Income Tax Act (Canada) and accordingly is exempt from income taxes. The Society was incorporated in 1965 under the laws of Canada, without share capital. The Society is the national voice of Canadians living with Parkinson's disease. The purpose is to ease the burden and find a cure through advocacy, education, research and support services.

2. BASIS OF PRESENTATION

These financial statements include the accounts of the National and Regional offices referred to as the "National" fund and the "Regions" fund respectively. All significant inter-corporate transactions and balances have been eliminated.

These financial statements do not include the financial activities of the Society's "Incorporated Regional Partners": Parkinson Society British Columbia, Victoria Epilepsy and Parkinson's Centre Society, Parkinson's Society of Alberta, Parkinson Society of Southern Alberta, Saskatchewan Parkinson's Disease Foundation, Parkinson Society Ottawa, Parkinson Society Maritime Region and Société Parkinson du Quebec.

3. SIGNIFICANT ACCOUNTING POLICIES

Management's estimates

The preparation of financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Significant estimates included in these financial statements are with respect to the amortization rates of capital assets and to the allocation of indirect operating expenses to the fundraising, research, services and education expense accounts. Management believes that the estimates utilized in preparing its financial statements are reasonable and prudent. Actual results could differ from these estimates.

Revenue recognition

The Society has adopted the deferral method of recognizing contributions.

Under the deferral method, externally restricted contributions are recognized as revenue in the year in which the related expenses are incurred. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Endowment contributions are recognized as direct increases in net assets in the period received.

National fund

The National fund includes the operating results of the unrestricted and capital assets funds, and the internally restricted Research Stability Reserve fund.

The unrestricted fund is charged with expenditures relating to the mission of the Society. These expenditures are financed by individual giving, bequests, grants as well as other donations and fundraising activities.

PARKINSON SOCIETY CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended May 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Regions fund

The Regions fund includes the operating results of the unrestricted fund, capital assets fund, the Ian Davidson endowment fund, and the internally restricted fund for the Regions.

The Regions unrestricted fund includes the financial activities of the following regions:

- South Western Ontario Region
- Central & Northern Ontario Region
- Manitoba Region
- Newfoundland and Labrador Region
- Ontario Coordinating Council

Financial instruments

All financial instruments are classified into one of the following five categories: held-for-trading assets or liabilities, held-to-maturity investments, loans and receivables, available-for-sale financial assets or other financial liabilities. Held-for-trading financial instruments are measured at fair value and all gains and losses are included in revenue and expenses in the period in which they arise. Available-for-sale financial instruments are measured at fair value with revaluation gains and losses included in the statement of net assets until the instruments are derecognized or impaired. Loans and receivables, investments held-to-maturity and other financial liabilities are measured at amortized cost using the effective interest method.

Transaction costs are expensed as incurred for financial instruments classified as held-for-trading.

The Society accounts for regular purchases and sales of financial assets using trade-date accounting.

The Society has made the following classifications:

Cash	Held-for-trading
Investments	Held-for-trading
Accounts receivable	Loans and receivables
Accounts payable and accrued liabilities	Other liabilities

Capital assets

Capital assets, other than leasehold improvements, are amortized on the diminishing balance method at the following rates per annum:

Computer equipment and system software	-	30%
Office equipment	-	30%
Communications equipment	-	20%

Leasehold improvements are amortized on a straight-line basis, over the life of the lease.

Artwork

The Society is in receipt of donated artwork which is not reflected in the financial statements as the fair market value of this donated artwork is not reasonably determinable.

PARKINSON SOCIETY CANADA

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended May 31, 2009

3. SIGNIFICANT ACCOUNTING POLICIES (continued)

Donations in kind

The Society receives donated materials such as capital assets and investments. These items are recorded in the financial statements when the fair market value is reasonably determinable and when the materials would have been purchased if not contributed.

A substantial number of volunteers have made significant contributions of their time to the Society and its purpose. The value of this contributed time is not reflected in these financial statements.

Deferred contributions

Deferred revenue reported in the National unrestricted and Region unrestricted funds relates to contributions received for specific projects and fundraising events that will occur in subsequent periods.

Deferred research revenue represents externally restricted funds received for research and fellowship grant commitments. These funds are deferred until such time as the commitments are paid out or used for the designated purpose.

4. NEW ACCOUNTING POLICY

CICA Handbook Section 1535, Capital Disclosures, requires disclosure of an entity's objectives, policies and processes for managing capital; quantitative data about what the entity regards as capital; whether the entity has complied with any capital requirements; and, if it has not complied, the consequences of such non-compliance. Section 1535 is effective for the Society as of June 1, 2008. The Society has included these disclosures in note 13 to these financial statements.

5. FUTURE ACCOUNTING PRONOUNCEMENTS

The CICA issued the following new accounting standards which will become effective for fiscal years beginning June 1, 2009.

Section 1000, Financial Statement Concepts has been amended to clarify the criteria for the recognition of an asset, specifically as it relates to the use of the matching principle. Accordingly, certain items that may have been previously recognized as assets may not be able to be reflected as such under the new recommendations. The Society believes there will be no material effect of this new accounting pronouncement on its financial statements.

The Section 4400 series of accounting standards applicable to Not-for-profit organizations ("NPO's") have been amended for years beginning June 1, 2009. Key amendments include the following:

- (i) The elimination of the requirement to present net assets invested in capital assets to be a separate component of net assets;
- (ii) New disclosure requirements for net assets subject to internal restrictions;
- (iii) Application of EIC-123 (Reporting Revenue Gross as a Principal Versus Net as an Agent) to an NPO's revenue recognition policies;
- (iv) Introduction of Section 4470 (Disclosure of allocated expenses by NPO's) which includes the requirement to disclose allocations of fundraising and general support expenditures; and
- (v) Elimination of special considerations for NPO's in the presentation of cash flow statements.

The Society is currently assessing the impact of these new accounting standards on its financial statements

PARKINSON SOCIETY CANADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended May 31, 2009

6. INVESTMENTS

Investments consist of the following amounts:

	National	Regions	2009 Total	2008 Total
Unrestricted investments	\$ 1,274,407	\$ 933,921	\$ 2,208,328	\$ 1,988,172
Restricted investments	1,240,250	15,318	1,255,568	1,424,820
	\$ 2,514,657	\$ 949,239	\$ 3,463,896	\$ 3,412,992

Investments consist primarily of money market investments, mutual funds, and guaranteed investment certificates with original maturities of three months or more.

Included in the Regions restricted investments is \$15,318 from the "Ian Davidson Endowment Fund" which was established to provide support for volunteers with Parkinson's who have made significant contributions to the Toronto Chapter.

Included in National restricted investments is \$1,240,250 from "The Charles Playfair and Dora Burke Playfair Fund for Research" which was established to provide support for social psychological research (note 8).

7. CAPITAL ASSETS

	Cost	Accumulated Amortization	2009 Net	2008 Net
Computer equipment and system software	\$ 673,581	\$ 483,833	\$ 189,748	\$ 220,304
Office equipment	108,119	82,530	25,589	24,235
Communications equipment	20,635	11,995	8,640	1,768
Leasehold improvements	22,441	11,267	11,174	22,908
	\$ 824,776	\$ 589,625	\$ 235,151	\$ 269,215

8. DEFERRED CONTRIBUTIONS

	National	Regions	2009 Total	2008 Total
Deferred revenue				
Balance, beginning of year	\$ 218,522	\$ 250,524	\$ 469,046	\$ 450,150
Additions	258,870	196,010	454,880	303,191
Amount recognized	(265,653)	(221,035)	(486,688)	(284,295)
Balance, end of year	211,739	225,499	437,238	469,046

PARKINSON SOCIETY CANADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended May 31, 2009

8. DEFERRED CONTRIBUTIONS (continued)

	National	Regions	2009 Total	2008 Total
Deferred research revenue				
Balance, beginning of year	1,289,874	-	1,289,874	1,309,276
Additions	25,716	-	25,716	75,598
Amount recognized	(75,340)	-	(75,340)	(95,000)
Balance, end of year	1,240,250	-	1,240,250	1,289,874
	\$ 1,451,989	\$ 225,499	\$ 1,677,488	\$ 1,758,920
Deficiency of revenues and grants received over that recognized			\$ (81,432)	\$ (506)

Included in deferred research revenue is "The Charles Playfair and Dora Burke Playfair Fund for Research" in the amount of \$1,240,250 (2008 - \$1,239,874). This balance consists of a bequest received and investment income earned on the bequest. The bequest was restricted by the donor to be used for research. The Board of Directors has further restricted the funds to be used exclusively for social psychological research.

9. INTERFUND TRANSFERS

During the year, the Society transferred \$169,892 from the Research Stability Reserve Fund to the unrestricted net assets of National. These funds were used to finance the current year commitment of research grants.

10. NATIONAL SUPPORT

- (a) During the fiscal year, the Regions contributed \$804,261 (2008 - \$648,457) to National, representing the net proceeds from the annual Superwalk event and other revenue. During the fiscal year, the Incorporated Regional Partners contributed \$189,267 (2008 - \$292,044) to National.
- (b) During the fiscal year, National contributed \$48,814 (2008 - \$222,392) to the Regions, representing expenses paid by National including salaries and benefits on behalf of the Regions. During the fiscal year, National contributed \$179,069 (2008 - \$112,046) to the Incorporated Regional Partners, representing expenses associated with the annual Superwalk event.

PARKINSON SOCIETY CANADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended May 31, 2009

11. COMMITMENTS

(a) At May 31, 2009, the Society is committed to research and fellowship grants as follows:

	2010	\$ 1,011,553
	2011	302,000
		\$ 1,313,553

(b) The Society is committed to total minimum annual lease payments and operating costs for office premises and office equipment as follows:

	2010	\$ 430,176
	2011	390,879
	2012	390,879
	2013	376,795
	2014	370,434
	thereafter	1,423,908
		\$ 3,383,071

12. CONTINGENCIES

The Society has been named beneficiary of various insurance policies which are not reflected in the financial statements. The timing and amount of these future revenues is not reasonably determinable.

13. CAPITAL MANAGEMENT

CICA Handbook Section 1535 requires organizations to disclose information about its objectives, policies and processes for managing its capital. The Society defines its capital as all the components comprising the Society's fund balances. The Society's objective in managing its capital is to maintain basic stability and liquidity for the organization's ongoing operations as a viable charitable organization. Policies and investment strategies are managed by the Board of Directors. There are no externally imposed capital restrictions except for the Ian Davidson Endowment Fund and The Charles Playfair and Dora Burke Playfair Fund for Research as described in note 6.

14. FINANCIAL INSTRUMENTS

Fair Value

The carrying value of cash, investments, accounts receivable, accounts payable and accrued liabilities approximates fair value due to the relatively short-term maturity of these financial instruments. Fair value represents the amount that would be exchanged in an arm's length transaction between willing parties and is best evidenced by a quoted market price, if one exists.

Market Risk

Market risk arises from the possibility that changes in market prices will affect the value of the financial instruments of the Society. The Society is exposed to fair value fluctuations on its equity investments. The fixed income investments bear interest at fixed rates and are not subject to interest risk.

PARKINSON SOCIETY CANADA
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Year ended May 31, 2009

15. COMPARATIVE FIGURES

Certain comparative figures have been reclassified to conform with the current year's presentation. Deficiency of revenues over expenses previously reported have not been affected by this reclassification.