



Consolidated Financial Statements (note 1)

Parkinson Society Canada

December 31, 2011

PARKINSON SOCIETY CANADA
2011 Consolidated Financial Statements (note 1)

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Independent Auditor's Report

To the Directors of
Parkinson Society Canada

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We have audited the accompanying consolidated financial statements of Parkinson Society Canada, which comprise the consolidated statement of financial position as at December 31, 2011 (note 1), and the consolidated statements of operations, changes in net assets and cash flows for the seven months then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the consolidated financial statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Canadian generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated 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 consolidated 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 consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for qualified opinion

In common with many charitable organizations, Parkinson Society Canada derives revenue from donations from the public, the completeness of which is not susceptible to satisfactory audit verification. Accordingly, our verification of this revenue was limited to the amounts recorded in the records of Parkinson Society Canada and we were not able to determine whether any adjustments might be necessary to revenue, excess of revenue over expenses, assets and net assets.



Qualified opinion

In our opinion, except for the possible effects of the matter described in the *basis for qualified opinion* paragraph, the consolidated financial statements present fairly, in all material respects, the financial position of Parkinson Society Canada as at December 31, 2011 (note 1), and the consolidated results of its operations and its cash flows for the seven months then ended in accordance with Canadian generally accepted accounting principles.

Grant Thornton LLP

Chartered Accountants, Licensed Public Accountants
Toronto, Canada
May 25, 2012

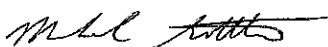
PARKINSON SOCIETY CANADA
Consolidated Statement of Financial Position

	As at December 31, 2011 (note 1)			As at May 31, 2011 (note 1)
	National	Regions	Total	Total
ASSETS				
Current assets				
Cash	\$ 279,037	\$ 441,190	\$ 720,227	\$ 704,997
Short-term investments (note 5)	2,077,335	660,143	2,737,478	1,805,076
Accounts receivable (note 9(c))	495,938	46,451	542,389	780,479
Current portion of loan receivable (note 9(d))	33,729	-	33,729	33,334
Prepaid expenses	45,518	9,387	54,905	248,129
	2,931,557	1,157,171	4,088,728	3,572,015
Investments (note 5)	1,894,189	167,193	2,061,382	2,034,855
Loan receivable (note 9(d))	33,333	-	33,333	49,999
Property and equipment (note 6)	106,791	37,885	144,676	133,843
	\$ 4,965,870	\$ 1,362,249	\$ 6,328,119	\$ 5,790,712
LIABILITIES AND NET ASSETS				
Current liabilities				
Accounts payable and accrued liabilities (note 9(c))	\$ 568,534	\$ 47,523	\$ 616,057	\$ 591,706
Deferred contributions and deferred research contributions (note 7)	1,441,841	75,702	1,517,543	1,576,614
Due from National to Regions	202,121	(202,121)	-	-
	2,212,496	(78,896)	2,133,600	2,168,320
Net assets				
Unrestricted	2,592,120	1,391,260	3,983,380	3,422,835
Invested in property and equipment	106,791	37,885	144,676	133,843
Internally restricted research stability reserve	54,463	-	54,463	53,714
Ian Davidson Endowment Fund	-	12,000	12,000	12,000
	2,753,374	1,441,145	4,194,519	3,622,392
	\$ 4,965,870	\$ 1,362,249	\$ 6,328,119	\$ 5,790,712

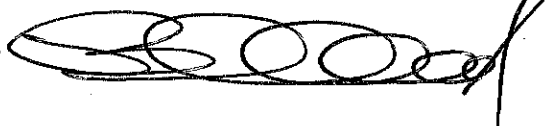
See accompanying notes

On behalf of the Board:

Director



Director



PARKINSON SOCIETY CANADA
Consolidated Statement of Operations

	7 months ended December 31, 2011 (note 1)			12 months ended May 31, 2011 (note 1)
	National	Regions	Total	Total
Revenue				
Individual giving	\$ 986,789	\$ 699,077	\$ 1,685,866	\$ 2,640,776
Events	29,650	1,848,691	1,878,341	2,335,228
Planned giving	588,174	115,366	703,540	961,858
Corporate donations	317,757	156,110	473,867	818,724
Other	241,540	104,129	345,669	767,373
	2,163,910	2,923,373	5,087,283	7,523,959
Expenses				
Research, services and education	1,759,859	835,379	2,595,238	4,384,677
Fundraising	634,167	747,176	1,381,343	2,145,537
Operating and administration	394,034	236,393	630,427	1,096,400
	2,788,060	1,818,948	4,607,008	7,626,614
Excess (deficiency) of revenue over expenses before Regional Partners support	(624,150)	1,104,425	480,275	(102,655)
Support to National from Regions (note 9(a))	748,021	(748,021)	-	-
Support from Incorporated Regional Partners (note 9(a))	306,614	3,051	309,665	592,563
Support to Incorporated Regional Partners (note 9(b))	(109,371)	(1,000)	(110,371)	(199,246)
	945,264	(745,970)	199,294	393,317
Excess of revenue over expenses	\$ 321,114	\$ 358,455	\$ 679,569	\$ 290,662

See accompanying notes

PARKINSON SOCIETY CANADA
Consolidated Statement of Changes in Net Assets

	7 months ended December 31, 2011 (note 1)				12 months ended May 31, 2011 (note 1)					
	National		Regions		National		Regions			
	Unrestricted	Invested in Property and Equipment	Internally Restricted Research Stability Reserve	Total	Unrestricted	Invested in Property and Equipment	Ian Davidson Endowment Fund	Total		
Net assets, beginning of period	\$ 2,265,128	\$ 113,418	\$ 53,714	\$ 2,432,260	\$ 1,157,707	\$ 20,425	\$ 12,000	\$ 1,190,132	\$ 3,622,392	\$ 3,331,730
Excess (deficiency) of revenue over expenses	343,291	(22,926) (a)	749	321,114	364,479	(6,024) (e)	-	358,455	679,569	290,662
	2,608,419	90,492	54,463	2,753,374	1,522,186	14,401	12,000	1,548,587	4,301,961	3,622,392
Net assets transferred to Parkinson Society Newfoundland and Labrador (note 2)	1,834	(1,834) (b)	-	-	(106,483)	(959) (b)	-	(107,442)	(107,442)	-
Net investment in property and equipment	(18,133)	18,133 (b)	-	-	(24,443)	24,443 (b)	-	-	-	-
	(16,299)	16,299	-	-	(130,926)	23,484	-	(107,442)	(107,442)	-
Net assets, end of period	\$ 2,592,120	\$ 106,791	\$ 54,463	\$ 2,753,374	\$ 1,391,260	\$ 37,885	\$ 12,000	\$ 1,441,145	\$ 4,194,519	\$ 3,622,392

See accompanying notes

(a) Amortization and loss on disposal of property and equipment

National Regions	\$ 22,926
	6,024
	<u>\$ 28,950</u>

(b) Purchase of property and equipment

National Regions Transferred	\$ 18,133
	24,443
	<u>(2,793)</u>
	<u>\$ 39,783</u>

PARKINSON SOCIETY CANADA
Consolidated Statement of Cash Flows

	7 months ended December 31, 2011 (note 1)	12 months ended May 31, 2011 (note 1)
Operating activities		
Excess of revenue over expenses	\$ 679,569	\$ 290,662
Items not involving cash		
Amortization of property and equipment	26,265	56,882
Loss on disposal of property and equipment	2,685	819
Deferred contributions recognized during the year	(625,676)	(933,469)
Unrealized loss (gain) on investments	21,887	(19,577)
	<u>104,730</u>	<u>(604,683)</u>
Net change in non-cash working capital items		
Accounts receivable	238,090	(408,125)
Prepaid expenses	193,224	36,109
Accounts payable and accrued liabilities	24,351	(96,191)
Deferred contributions received during the year	566,605	940,606
	<u>1,022,270</u>	<u>472,399</u>
Cash flows from operating activities	<u>1,127,000</u>	<u>(132,284)</u>
Investing activities		
Net assets transferred to Parkinson Society Newfoundland and Labrador (note 2)	(107,442)	-
Net change in investments	(980,816)	339,341
Loan advance	-	(100,000)
Collection of loan receivable payments	16,271	16,667
Purchase of property and equipment	(39,783)	(18,642)
Cash flows from investing activities	<u>(1,111,770)</u>	<u>237,366</u>
Net change in cash during the period	15,230	105,082
Cash, beginning of period	704,997	599,915
Cash, end of year	<u>\$ 720,227</u>	<u>\$ 704,997</u>

See accompanying notes

PARKINSON SOCIETY CANADA
Notes to Consolidated Financial Statements
Seven months ended December 31, 2011

1. Nature of organization and change in fiscal year end

Parkinson Society Canada (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. Through advocacy, education, research and support services, the Society's goal is to ease the burden of Parkinson's and to find a cure. The Society is a registered charity within the meaning of the Income Tax Act (Canada) and accordingly is exempt from income taxes.

The Society changed its fiscal year end from May 31 to December 31. Accordingly, these consolidated financial statements reflect the consolidated financial position as at December 31, 2011 and the consolidated results of operations and changes in cash flows for the seven month period from June 1, 2011 to December 31, 2011. The comparative figures in the consolidated financial statements reflect the consolidated financial position as at May 31, 2011 and results of operations for the twelve month period then ended.

2. Basis of presentation

The consolidated financial statements include the accounts of the National (National) and Regional (Regions) offices which include:

Southwestern Ontario Region
Central & Northern Ontario Region
Manitoba Region

All significant inter-corporate transactions and balances have been eliminated.

On June 1, 2011, Parkinson Society Canada - Newfoundland Labrador Region became an Incorporated Regional Partner. At that date, the net assets of the region were transferred from the Society to the newly incorporated entity.

Commencing January 1, 2013, the Southwestern Ontario Region will become an Incorporated Regional Partner.

The consolidated financial statements do not include the financial activities of the Society's Incorporated Regional Partners: Parkinson Society British Columbia, Parkinson Alberta Society (formerly Parkinson's Society of Alberta and Parkinson Society of Southern Alberta), Parkinson Society Saskatchewan, Parkinson Society Ottawa, Parkinson Society Maritime Region, Parkinson Society Newfoundland and Labrador (except for the twelve month period ended May 31, 2011), and Société Parkinson du Québec.

3. Summary of significant accounting policies

The consolidated financial statements have been prepared by management in accordance with Canadian generally accepted accounting principles, the more significant of which are outlined below.

Management estimates

The preparation of consolidated financial statements in conformity with Canadian generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. Significant estimates included in these consolidated financial statements are with respect to the collectibility of accounts receivable, valuation of investments not traded on an active market, impairment of tangible assets, amortization of property and equipment and accrued liabilities. Management believes that the estimates utilized in preparing its consolidated financial statements are reasonable and prudent. Actual results could differ from these estimates.

PARKINSON SOCIETY CANADA
Notes to Consolidated Financial Statements
Seven months ended December 31, 2011

3. Summary of significant accounting policies - continued

Financial statement presentation

The Society presents its consolidated financial statements and segregates the resources and accounts of the Society between National and Regional offices as follows:

National

National includes the unrestricted net assets, net assets invested in property and equipment and internally restricted amounts of the National Office.

The unrestricted balance 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.

Regions

Regions includes the operating results, net assets invested in property and equipment and endowment fund amounts of the Regions.

Interfund transfers

Transfers between National and Regions are required when resources of one have been used to finance activities and acquisitions in the other.

Financial instruments

The Society's financial instruments are comprised of cash, investments, accounts receivable, loan receivable and accounts payable. Cash, accounts receivable, and accounts payable approximate fair value due to their short-term maturities. The loan receivable is recorded at amortized cost. Investments have been classified as held-for-trading financial instruments and, as such, are measured at fair value with all realized and unrealized gains and losses recognized as revenue or expenses in the period in which they arise.

The Canadian Institute of Chartered Accountants provides a temporary choice for the presentation and disclosure of financial instruments. As such, the Society has decided to continue to apply Section 3861, Financial Instruments - Disclosure and Presentation, in place of Section 3862, Financial Instruments - Disclosure and Section 3863, Financial Instruments - Presentation.

Property and equipment

Property and equipment is recorded at cost and, other than leasehold improvements, is amortized over the asset's estimated useful life on a diminishing balance basis 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 consolidated financial statements as the fair market value of this donated artwork is not reasonably determinable.

PARKINSON SOCIETY CANADA
Notes to Consolidated Financial Statements
Seven months ended December 31, 2011

3. Summary of significant accounting policies - continued

Revenue recognition

The Society has adopted the deferral method of recognizing externally restricted contributions. Under the deferral method, externally restricted contributions, other than endowments, are recognized as revenue in the year in which the related expenses are incurred. Endowments are recognized as a direct increase to net assets. Unrestricted contributions are recognized when received or receivable if the amount to be received can be reasonably estimated and collection is reasonably assured.

Deferred contributions and deferred research contributions

Deferred contributions relate to contributions received for specific projects and fundraising events that will occur in subsequent periods.

Deferred research contributions represent 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.

Allocation of expenses

The Society allocates staff costs, property expenditures, office expenses and information technology expenses to research, services and education, fundraising, and operating and administration. Allocations are based on the time spent by the employees on each function. The basis of expense allocation is consistent with the prior period. The details of the allocation are disclosed in note 8.

Donations in kind

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

The work of the Society benefits from a substantial number of volunteers who have made significant contributions of their time to the Society and its purpose. Since these services are not normally purchased by the Society and because of the difficulty of determining their fair value, the value of this contributed time is not reflected in these consolidated financial statements.

4. Future accounting changes

The Accounting Standards Board has issued new accounting standards for not-for-profit organizations effective for fiscal years beginning on or after January 1, 2012. The Society has not yet determined the impact of the new standards on its consolidated financial statements.

PARKINSON SOCIETY CANADA
Notes to Consolidated Financial Statements
Seven months ended December 31, 2011

5. Investments

	As at December 31, 2011			As at May 31, 2011
	National	Regions	Total	Total
Unrestricted	\$ 2,940,155	\$ 812,753	\$ 3,752,908	\$ 2,705,716
Restricted	1,031,369	14,583	1,045,952	1,134,215
	3,971,524	827,336	4,798,860	3,839,931
Less: current portion	2,077,335	660,143	2,737,478	1,805,076
	<u>\$ 1,894,189</u>	<u>\$ 167,193</u>	<u>\$ 2,061,382</u>	<u>\$ 2,034,855</u>

Investments consist primarily of money market investments, mutual funds, and guaranteed investment certificates with original maturities of three months or more. These investments earn interest at rates up to 6.8% (May 31, 2011 - 7%).

Included in National's restricted investments is \$976,906 (May 31, 2011 - \$1,066,038) from "The Charles Playfair and Dora Burke Playfair Fund for Research" which was established to provide support for social psychological research (note 7).

Included in National's restricted investments is \$54,463 (May 31, 2011 - \$53,714) comprised of funds internally restricted by the Board. This fund was established to provide a reserve fund for research should donations unexpectedly decline.

Included in the Regions' restricted investments is \$14,583 (May 31, 2011 - \$14,463) comprised of funds from the "Ian Davidson Endowment Fund" and accumulated interest. This endowment fund was established to provide support for volunteers with Parkinson's who have made significant contributions to the Toronto Chapter.

6. Property and equipment

	As at December 31, 2011			As at May 31, 2011
	Cost	Accumulated Amortization	Net	Net
Computer equipment and system software	\$ 480,735	\$ 362,729	\$ 118,006	\$ 114,109
Office equipment	71,329	50,761	20,568	13,277
Communications equipment	11,736	5,634	6,102	6,457
	<u>\$ 563,800</u>	<u>\$ 419,124</u>	<u>\$ 144,676</u>	<u>\$ 133,843</u>

PARKINSON SOCIETY CANADA
Notes to Consolidated Financial Statements
Seven months ended December 31, 2011

7. Deferred contributions and deferred research contributions

	7 months ended December 31, 2011			12 months ended May 31, 2011
	National	Regions	Total	Total
Deferred contributions				
Balance, beginning of year	\$ 340,353	\$ 170,223	\$ 510,576	\$ 438,619
Additions	476,035	75,702	551,737	856,476
Amount recognized as revenue	(351,453)	(170,223)	(521,676)	(784,519)
Balance, end of year	464,935	75,702	540,637	510,576
Deferred research contributions				
Balance, beginning of year	1,066,038	-	1,066,038	1,130,858
Additions	14,868	-	14,868	84,130
Amount recognized as revenue	(104,000)	-	(104,000)	(148,950)
Balance, end of year	976,906	-	976,906	1,066,038
Deferred contributions and deferred research contributions, end of year	\$ 1,441,841	\$ 75,702	\$ 1,517,543	\$ 1,576,614

Included in deferred research contributions is "The Charles Playfair and Dora Burke Playfair Fund for Research" in the amount of \$976,906 (May 31, 2011 - \$1,066,038). This balance consists of a bequest received and accumulated investment income earned thereon. The bequest required the funds to be used for research. The Board of Directors has further restricted the funds to be used exclusively for social psychological research (note 5).

8. Allocation of expenses

National

	Research, Services and Education	Fundraising	Operating and Administration	Total
Salaries and benefits	\$ 580,325	\$ 241,106	\$ 288,379	\$ 1,109,810
Rent	76,229	25,174	41,756	143,159
Office expenses	15,277	5,779	10,551	31,607
Information technology	33,193	11,417	19,541	64,151
	\$ 705,024	\$ 283,476	\$ 360,227	\$ 1,348,727

PARKINSON SOCIETY CANADA
Notes to Consolidated Financial Statements
Seven months ended December 31, 2011

8. Allocation of expenses - continued

Regions

	Research, Services and Education	Fundraising	Operating and Administration	Total
Salaries and benefits	\$ 440,144	\$ 234,866	\$ 137,327	\$ 812,337
Rent	53,836	33,279	15,841	102,956
	<u>\$ 493,980</u>	<u>\$ 268,145</u>	<u>\$ 153,168</u>	<u>\$ 915,293</u>

During the seven months ended December 31, 2011, expenses were allocated based on the amount of time spent on each function. National expenses were allocated as follows: 52% to research, services and education (May 31, 2011 - 54%), 21% to fundraising (May 31, 2011 - 21%) and 27% to operating and administration (May 31, 2011 - 25%). Expenses of the Regions were allocated as follows: 54% to research, services and education (May 31, 2011 - 57%), 29% to fundraising (May 31, 2011 - 29%) and 17% to operating and administration (May 31, 2011 - 14%).

9. National support and related party balances

- (a) During the seven month fiscal period, the Regions contributed \$748,021 (May 31, 2011 - \$1,031,466) to National. During the seven month fiscal period, the Incorporated Regional Partners contributed \$309,665 (May 2011 - \$592,563) to the Society.
- (b) During the seven month fiscal period, the Society contributed \$110,371 (May 31, 2011 - \$199,246) to the Incorporated Regional Partners, representing donations designated for the incorporated regions and expenses associated with the annual Superwalk event.
- (c) Included in accounts receivable of National is \$249,657 (May 31, 2011 - \$409,210) in assessment fees outstanding at period end, as well as receivables outstanding from the Incorporated Regional Partners related to costs associated with Superwalk and for other services provided by National. The assessment fees invoiced each year are as determined under the Federation Agreement signed in fiscal 2010.

Included in accounts payable and accrued liabilities of National is \$6,533 (May 31, 2011 - \$32,404) in donations collected on behalf of and owing to the Incorporated Regional Partners.
- (d) There is a \$67,062 (May 31, 2011 - \$83,333) loan outstanding at period end from Société Parkinson du Québec. The loan bears interest at the bank prime rate, matures on October 1, 2013, and requires minimum semi-annual payments of \$16,667.

10. Commitments

As at December 31, 2011, the Society is committed to research and fellowship grants as follows:

2012	\$ 1,009,000
2013	444,000
2014	48,000

PARKINSON SOCIETY CANADA
Notes to Consolidated Financial Statements
Seven months ended December 31, 2011

10. Commitments - continued

The Society is committed to total minimum annual lease payments and operating costs for office premises and office equipment until fiscal 2018 as follows:

2012	\$	491,000
2013		459,000
2014		429,000
2015		417,000
2016		414,000
2017		407,000
2018		169,000

11. Contingencies

The Society has been named a 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.

12. Financial instruments

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 in its investments.

Credit risk

Credit risk arises from the possibility that accounts receivable may not be collectible. The Society manages this risk through regular monitoring of accounts receivable balances and continuous communication with debtors.

Other risks

Based on the nature of the Society's financial instruments, as defined in note 3, it is management's opinion that the Society is not exposed to significant interest or currency risks.

13. Capital disclosures

The Society defines its capital as net assets. The Society's objective in managing its capital is to maintain basic stability and liquidity for the Society'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, other than those attached to the Ian Davidson Endowment Fund as described in note 5.

14. Comparative amounts

Certain comparative amounts have been reclassified from those previously presented to conform to the presentation of the financial statements for the seven months ended December 31, 2011.

