

Financial Statements of

**VICTORIA EPILEPSY AND
PARKINSON'S CENTRE SOCIETY**

Year Ended March 31, 2010



MANTELL | DICKSON | BLADES | WISEMAN

Chartered Accountants

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AUDITORS' REPORT

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

We have audited the statement of financial position of Victoria Epilepsy and Parkinson's Centre Society (the "Society") as at March 31, 2010 and the statements of operations and changes in fund balances 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 financial statements based on our audit.

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 not-for-profit organizations, the Society derives revenue from donations and fundraising, 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 donation and fundraising revenue, excess (deficiency) 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 donations and fundraising revenues referred to in the preceding paragraph, these financial statements present fairly, in all material respects, the financial position of the Society as at March 31, 2010 and the results of its operations and changes in fund balances and cash flows for the year then ended in accordance with Canadian generally accepted accounting principles. As required by the Society Act of British Columbia, we report that, in our opinion, these principles have been applied on a basis consistent with that of the preceding year.

Mantell Dickson Blades Wiseman

Victoria, B.C.
April 30, 2010

Chartered Accountants

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

STATEMENT OF FINANCIAL POSITION

MARCH 31,	General Fund \$	Endowment Fund \$	Total 2010 \$	Total 2009 \$
ASSETS				
CURRENT				
Cash	96,155	-	96,155	30,179
Accounts receivable	6,958	-	6,958	35,300
Prepaid expenses	11,742	-	11,742	7,379
	114,855	-	114,855	72,858
MARKETABLE SECURITIES	9,382	692,065	701,447	624,669
EQUIPMENT (Note 4)	8,801	-	8,801	4,051
	133,038	692,065	825,103	701,578
LIABILITIES				
CURRENT				
Accounts payable and accrued liabilities	50,866	-	50,866	36,137
Deferred revenue (Note 5)	36,400	-	36,400	600
	87,266	-	87,266	36,737
FUND BALANCES				
GENERAL - Unrestricted	45,772	-	45,772	84,311
ENDOWMENT (Note 6)	-	692,065	692,065	580,530
	45,772	692,065	737,837	664,841
	133,038	692,065	825,103	701,578

COMMITMENT (Note 7)

APPROVED BY THE BOARD:

Lorraine Mearns Director
M. H. Dorman Director

See accompanying notes

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

STATEMENT OF CHANGES IN FUND BALANCES

YEAR ENDED MARCH 31,

	General Fund Unrestricted \$	Endowment Fund \$	Total 2010 \$	Total 2009 \$
BALANCE, beginning of year	84,311	580,530	664,841	649,829
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES	<u>(38,539)</u>	<u>111,535</u>	<u>72,996</u>	<u>15,012</u>
BALANCE, end of year	<u>45,772</u>	<u>692,065</u>	<u>737,837</u>	<u>664,841</u>

See accompanying notes

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

STATEMENT OF OPERATIONS

YEAR ENDED MARCH 31,	General Fund \$	Endowment Fund \$	Total 2010 \$	Total 2009 \$
REVENUES				
Grants				
United Way	85,115	-	85,115	98,120
Vancouver Island Health Authority	28,700	-	28,700	28,700
Peninsula Co-op Charity Golf Classic	36,900	-	36,900	51,285
Other	43,914	7,000	50,914	52,821
Donations and memberships	90,569	-	90,569	86,021
Bequests	-	57,413	57,413	39,116
Interest and investment income	20,866	-	20,866	24,454
Fundraising	78,087	-	78,087	59,114
Service fees	10,000	-	10,000	5,587
Conference	1,920	-	1,920	7,090
	<u>396,071</u>	<u>64,413</u>	<u>460,484</u>	<u>452,308</u>
EXPENSES				
Amortization	3,575	-	3,575	11,047
Bank charges	2,776	-	2,776	2,915
Grants to other organizations	11,422	-	11,422	2,878
Insurance	4,673	-	4,673	4,412
Library and resource materials	1,169	-	1,169	2,242
Meeting and events	3,257	-	3,257	8,375
Office and sundry	26,921	-	26,921	32,298
Postage	9,680	-	9,680	8,777
Professional fees	7,491	-	7,491	19,232
Promotion and publicity	5,818	-	5,818	9,389
Rent and occupancy costs	27,791	-	27,791	20,686
Salaries and benefits	317,560	-	317,560	278,441
Scholarships	2,739	-	2,739	1,500
Telecommunications	6,278	-	6,278	7,249
Travel	3,458	-	3,458	7,270
	<u>434,608</u>	<u>-</u>	<u>434,608</u>	<u>416,711</u>
OTHER REVENUE (EXPENSE)				
Gain on disposal of marketable securities	-	49,383	49,383	-
Unrealized (loss) on marketable securities (Note 3)	(2)	(2,261)	(2,263)	(20,585)
	<u>(2)</u>	<u>47,122</u>	<u>47,120</u>	<u>(20,585)</u>
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENSES				
	<u>(38,539)</u>	<u>111,535</u>	<u>72,996</u>	<u>15,012</u>

See accompanying notes

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

CASH FLOW STATEMENT

YEAR ENDED MARCH 31,	2010 \$	2009 \$
CASH FLOWS FROM (USED IN) OPERATING ACTIVITIES		
Excess of revenues over expenses for the year	72,996	15,012
Adjustments for:		
Amortization	3,575	11,047
Unrealized loss on marketable securities	2,263	20,585
Gain on disposal of marketable securities	<u>(49,383)</u>	<u>-</u>
	29,451	46,644
Changes in non-cash working capital		
Accounts receivable	28,342	(27,499)
Prepaid expenses	(4,363)	(4,076)
Accounts payable and accrued liabilities	14,728	(3,375)
Deferred revenue	<u>35,800</u>	<u>595</u>
Cash flows from operating activities	<u>103,958</u>	<u>12,289</u>
CASH FLOWS USED IN INVESTING ACTIVITIES		
Purchase of equipment	(8,324)	(2,975)
Marketable securities	<u>(29,658)</u>	<u>(29,446)</u>
	<u>(37,982)</u>	<u>(32,421)</u>
NET INCREASE (DECREASE) IN CASH	65,976	(20,132)
CASH – beginning of year	<u>30,179</u>	<u>50,311</u>
CASH – end of year	<u>96,155</u>	<u>30,179</u>

See accompanying notes

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

1. STATEMENT OF PURPOSE

The Victoria Epilepsy and Parkinson's Centre Society ("Society") was incorporated on February 21, 1986 under the Society Act of British Columbia and is a registered charity under the Income Tax Act. 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. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

These financial statements were prepared in accordance with Canadian generally accepted accounting principles and include the following significant accounting policies:

a) 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 Endowment Fund reports resources contributed for endowment. Investment income earned on resources of the Endowment Fund is reported in the General Fund.

b) 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 reasonably estimated and collection is reasonably assured.

Contributions for endowment are recognized as revenue in the Endowment Fund.

c) 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. Because of the difficulty in determining their fair value, contributed services of volunteers are not recognized in the financial statements.

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

d) Equipment

Equipment is accounted for at cost. Amortization is based on the estimated useful life on the straight-line basis at the following rates:

Office furniture and equipment	3 years
Website	5 years
Computer software	5 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.

e) Use of Estimates

The preparation of these financial statements in conformity with Canadian generally accepted accounting principles 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.

f) Financial Instruments

The Society's financial instruments consist of cash, accounts receivable, marketable securities and accounts payable and accrued liabilities. These financial instruments are classified as held-for-trading.

3. FINANCIAL INSTRUMENTS

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.

Marketable securities are comprised of bonds, GICs, 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, 2010, the net unrealized loss was \$2,263 (March 31, 2009 – \$20,585).

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.

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

3. FINANCIAL INSTRUMENTS (continued)

Unless otherwise noted, it is management's opinion that, under normal circumstances, the Society is not exposed to significant interest, currency or credit risks arising from these financial instruments.

4. EQUIPMENT

	2010		2009	
	Cost	Accumulated Amortization	Net	Net
	\$	\$	\$	\$
Office furniture and equipment	38,917	36,896	2,021	4,051
Website	4,680	-	4,680	-
Computer software	2,100	-	2,100	-
	<u>45,697</u>	<u>36,896</u>	<u>8,801</u>	<u>4,051</u>

5. DEFERRED REVENUE

The Society has received funding for events that will occur in the next fiscal period. This amount has been deferred and will be recognized as revenue when the expenses for those events are incurred.

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

6. ENDOWMENT FUND

The Endowment Fund was established in 1986 for both Epilepsy and Parkinson's programs. It is the Society's policy that all bequests be invested in the Endowment Fund unless explicitly specified otherwise by the donor. All income earned on Endowment Fund investments is allocated to the general Fund.

	Epilepsy \$	Parkinson's \$	Non-specified \$	Total 2010 \$	Total 2009 \$
Fund balance, beginning of year	17,754	454,681	108,095	580,530	531,084
Grants	-	-	7,000	7,000	30,000
Bequests	-	57,413	-	57,413	39,116
Gain on disposal of marketable securities	1,359	39,211	8,813	49,383	-
Unrealized loss on marketable securities	(62)	(1,795)	(404)	(2,261)	(19,670)
Fund balance, end of year	19,051	549,510	123,504	692,065	580,530

VICTORIA EPILEPSY AND PARKINSON'S CENTRE SOCIETY

NOTES TO THE FINANCIAL STATEMENTS

YEAR ENDED MARCH 31, 2010

7. COMMITMENT

The Society's lease agreement for office space at the Garth Homer Centre ends November 30, 2012. Accordingly, the Society is committed to lease payments for the next three fiscal years as follows:

	<u>\$</u>
2011	24,968
2012	25,296
2013	25,800

8. THE ALLEN AND LOREEN VANDEKERKHOVE FAMILY FOUNDATION

During the year ended March 31, 2010 a donation of \$29,500 was received from The Allen and Loreen Vandekerkhove Family Foundation. In accordance with the instructions received from this foundation, \$7,000 has been allocated to the Endowment Fund with the remainder to the General Fund.

9. COMPARATIVE FIGURES

Certain comparative figures have been restated to conform with the current year's financial statement presentation.