NATIONAL PARKINSON FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2011 AND 2010

MBAF

MORRISON BROWN ARGIZ & FARRA, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

NATIONAL PARKINSON FOUNDATION, INC.

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MORRISON BROWN ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
National Parkinson Foundation, Inc.

We have audited the accompanying statements of financial position of the National Parkinson Foundation, Inc. (the "Foundation") as of June 30, 2011 and 2010, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2011 and 2010 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Morrison, Brown, Argiz & Farra

Miami, Florida
September 21, 2011

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	2011	2010
Cash and cash equivalents	$ 1,608,068	$ 1,480,859
Receivables:		
Pledges, net of allowance and unamortized discount of approximately $137,254 and $325,675 for 2011 and 2010, respectively	254,507	246,009
Other receivables	43,376	56,752
Prepaid expenses and other assets	655,264	540,268
Investments	18,789,565	16,469,642
Property and equipment, net	305,696	340,897
TOTAL ASSETS	**$ 21,656,476**	**$ 19,134,427**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 712,671	$ 685,264
Deferred revenue	290,000	-
Grants payable	322,875	-
Annuities payable	643,439	680,399
TOTAL LIABILITIES	1,968,985	1,365,663
NET ASSETS		
Unrestricted	17,656,763	15,155,647
Temporarily restricted	950,912	1,040,490
Permanently restricted	1,079,816	1,572,627
TOTAL NET ASSETS	19,687,491	17,768,764
TOTAL LIABILITIES AND NET ASSETS	**$ 21,656,476**	**$ 19,134,427**

The accompanying notes are an integral part of these financial statements.

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and public support:				
Contributions:				
Private individuals, corporations and private foundations	$ 5,286,010	$ 905,491	$ -	$ 6,191,501
Legacies and bequests	3,482,778	21,508	-	3,504,286
Special events (less direct costs of $85,694)	294,292	-	-	294,292
In-kind rent income	264,348	-	-	264,348
Interest income	428,669	-	-	428,669
Net appreciation on investments	1,927,702	-	-	1,927,702
Net assets released from restrictions	1,509,388	(1,016,577)	(492,811)	-
Total revenue and public support	13,193,187	(89,578)	(492,811)	12,610,798
Expenses and losses:				
Program services:				
Research	1,852,416	-	-	1,852,416
Public education	1,684,441	-	-	1,684,441
Patient care services	3,624,604	-	-	3,624,604
Chapter services	721,200	-	-	721,200
Total program services	7,882,661	-	-	7,882,661
Supporting services:				
Management and general expenses	667,448	-	-	667,448
Fundraising	2,141,962	-	-	2,141,962
Total supporting services	2,809,410	-	-	2,809,410
Total expenses	10,692,071	-	-	10,692,071
Change in net assets	2,501,116	(89,578)	(492,811)	1,918,727
Net assets, beginning of year	15,155,647	1,040,490	1,572,627	17,768,764
Net assets, end of year	**$ 17,656,763**	**$ 950,912**	**$ 1,079,816**	**$ 19,687,491**

The accompanying notes are an integral part of these financial statements.

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2010

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and public support:				
Contributions:				
Private individuals, corporations and private foundations	$ 5,525,624	$ 656,674	$ -	$ 6,182,298
Legacies and bequests	2,563,259	143,165	-	2,706,424
Special events (less direct costs of $166,308)	319,508	-	-	319,508
In-kind rent income	264,350	-	-	264,350
Interest income	391,699	10,933	-	402,632
Net appreciation (depreciation) on investments	1,079,753	(13,370)	-	1,066,383
Net assets released from restrictions	2,948,636	(2,743,873)	(204,763)	-
Total revenue and public support	13,092,829	(1,946,471)	(204,763)	10,941,595
Expenses and losses:				
Program services:				
Research	1,122,972	-	-	1,122,972
Public education	1,727,268	-	-	1,727,268
Patient care services	3,634,143	-	-	3,634,143
Total program services	6,484,383	-	-	6,484,383
Supporting services:				
Management and general expenses	652,090	-	-	652,090
Fundraising	1,852,708	-	-	1,852,708
Total supporting services	2,504,798	-	-	2,504,798
Total expenses	8,989,181	-	-	8,989,181
Change in net assets	4,103,648	(1,946,471)	(204,763)	1,952,414
Net assets, beginning of year	11,051,999	2,986,961	1,777,390	15,816,350
Net assets, end of year	**$ 15,155,647**	**$ 1,040,490**	**$ 1,572,627**	**$ 17,768,764**

The accompanying notes are an integral part of these financial statements.

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2011

	Research	Public Education	Patient Care Services	Chapter Services	Management and General	Fundraising	Totals
FUNCTIONAL EXPENSES							
Salaries	$ 181,001	$ 440,515	$ 441,767	$ 192,411	$ 285,160	$ 707,695	$ 2,248,549
Payroll taxes and benefits	35,546	95,203	104,856	61,295	65,091	223,488	585,479
Total salaries and benefits	216,547	535,718	546,623	253,706	350,251	931,183	2,834,028
Grants	1,413,443	150,000	2,000,936	49,913	-	-	3,614,292
Conference & symposium fees	3,060	5,199	70,660	55,255	627	20	134,821
Legal and accounting	-	826	-	-	73,194	1,699	75,719
Outside services	109,979	536,933	368,071	231,727	52,610	706,224	2,005,544
Printing and publications	727	115,884	7,952	6,639	1,788	29,404	162,394
Public relations	-	103,441	5,488	1,738	-	14,852	125,519
Postage, freight and courier services	381	90,767	23,834	587	2,122	167,804	285,495
Food, beverages and meetings	4,853	-	148,607	30,087	7,494	4,168	195,209
Telephone	5,002	21,304	18,052	1,887	3,436	15,450	65,131
Repairs and maintenance	4,057	4,698	10,088	1,898	60,257	27,764	108,762
Office supplies	2,228	5,749	9,756	3,863	9,541	41,787	72,924
General insurance	9,916	13,549	39,502	7,751	6,633	21,727	99,078
Interest paid to annuitants	-	-	-	-	60,667	-	60,667
Travel and transportation	38,355	22,487	221,663	75,435	7,012	49,297	414,249
Lease and rentals	31,300	57,478	128,391	714	21,006	70,192	309,081
Bank and brokerage fees	-	-	-	-	622	35,106	35,728
Miscellaneous	322	-	490	-	2,024	8,958	11,794
Subtotal	1,623,623	1,128,315	3,053,490	467,494	309,033	1,194,452	7,776,407
Building and equipment depreciation	12,246	20,408	24,491	-	8,164	16,327	81,636
TOTAL FUNCTIONAL EXPENSES	**$ 1,852,416**	**$ 1,684,441**	**$ 3,624,604**	**$ 721,200**	**$ 667,448**	**$ 2,141,962**	**$ 10,692,071**

The accompanying notes are an integral part of these financial statements.

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2010

	Research	Public Education	Patient Care Services	Management and General	Fundraising	Totals
FUNCTIONAL EXPENSES						
Salaries	$ 110,118	$ 337,026	$ 458,532	$ 283,758	$ 665,260	$ 1,854,694
Payroll taxes and benefits	26,985	142,931	112,177	64,766	223,325	570,184
Total salaries and benefits	137,103	479,957	570,709	348,524	888,585	2,424,878
Grants	847,393	298,730	1,799,602	-	-	2,945,725
Conference and symposium fees	4,590	1,149	28,605	2,855	-	37,199
Legal and accounting	-	-	-	65,566	-	65,566
Outside services	31,773	543,077	267,324	44,395	483,863	1,370,432
Printing and publications	3,234	80,689	21,665	4,758	49,535	159,881
Public relations	2,310	17,363	2,394	-	5,606	27,673
Postage, freight and courier services	-	123,500	2,833	579	137,727	264,639
Food, beverages and meetings	2,019	4,139	88,979	6,091	415	101,643
Telephone	4,334	18,222	15,864	4,934	14,130	57,484
Utilities	-	-	-	-	-	-
Repairs and maintenance	7,300	8,120	7,300	53,939	26,420	103,079
Office supplies	6,317	6,778	11,493	5,586	38,162	68,336
General insurance	10,574	22,654	41,341	8,156	22,014	104,739
Interest paid to annuitants	-	-	-	69,694	-	69,694
Transfer of assets to Texas Voice Project	-	-	499,599	-	-	499,599
Travel and transportation	19,812	34,287	119,900	6,048	44,136	224,183
Lease and rentals	29,403	61,532	125,828	20,289	70,027	307,079
Bank and brokerage fees	-	-	-	-	45,538	45,538
Miscellaneous	167	1,800	284	375	6,190	8,816
Subtotal	969,226	1,222,040	3,033,011	293,265	943,763	6,461,305
Building and equipment depreciation	16,643	25,271	30,423	10,301	20,360	102,998
TOTAL FUNCTIONAL EXPENSES	**$ 1,122,972**	**$ 1,727,268**	**$ 3,634,143**	**$ 652,090**	**$ 1,852,708**	**$ 8,989,181**

The accompanying notes are an integral part of these financial statements.

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	2011	2010
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ 1,918,727	$ 1,952,414
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	81,636	102,998
Net appreciation on investments	(1,927,702)	(1,066,383)
Accounts receivable, charitable trusts and other receivables	4,878	423,182
Prepaid expenses and other assets	(114,996)	(469,180)
Accounts payable and accrued expenses	27,407	284,339
Deferred revenue	290,000	-
Grants payable	322,875	-
Annuities payable	(36,960)	(57,492)
TOTAL ADJUSTMENTS	(1,352,862)	(782,536)
NET CASH PROVIDED BY OPERATING ACTIVITIES	565,865	1,169,878
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(46,435)	(38,065)
Proceeds from disposals of property and equipment	-	177,394
Purchases of investment securities	(14,947,410)	(11,310,235)
Proceeds from sales and maturities of investment securities and principal collections on mortgage-backed securities	14,555,189	9,939,341
NET CASH USED IN INVESTING ACTIVITIES	(438,656)	(1,231,565)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	127,209	(61,687)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,480,859	1,542,546
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 1,608,068**	**$ 1,480,859**
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS:		
In-kind rent	**$ 264,348**	**$ 264,350**

The accompanying notes are an integral part of these financial statements.

1. GENERAL

Organization

The National Parkinson Foundation, Inc. (the "Foundation") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation supports research projects and provides education and outreach programs to benefit Parkinson's disease patients and their caregivers.

Except for educational programs run by the Foundation, the program services listed herein are not actually performed by the Foundation. Rather, the Foundation provides funding to third parties who perform such services. The major categories of program services are defined as follows:

Patient Care Services: Consists of program activities that are designed to align patient care with existing best practices, including education and tools for health care professionals, either indirectly through NPF's Center of Excellence or Care Center networks, or directly through initiatives designed to drive best practice adoption.

Research: Consists of grants to fund research to advance the care of Parkinson's patients through the development of new evidence, analysis of existing evidence, creation of new guidelines/best practices (e.g., through forming a new consensus on a topic where previously there had been no or inconsistent guidelines), and the dissemination of this information through publications in scientific literature or at conferences with an expressed focus on research.

Public Education: Consists of program activities designed primarily to educate the general public, including Parkinson's patients and caregivers and any advocacy support funded by the Foundation.

Chapter Services: Consists of activities and programs that support the Foundation's chapter network.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting.

Financial Statement Presentation

Net assets and revenues, gains and losses are classified into three classes of net assets based on the existence or absence of donor-imposed restrictions. The three classes of net asset categories are as follows:

Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted – Net assets where the use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.

Permanently Restricted – Net assets where the use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates, including those regarding fair value, and assumptions that affect reported asset amounts and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts with an original maturity of three months or less which are used in daily operations. Investments in money market funds have been included as a component of investments in the accompanying statements of financial position.

Investments

The Foundation reports its investments under an accounting standard issued by the Financial Accounting Standards Board (the "FASB") on accounting for certain investments held by not-for-profit organizations. Under the standard, a not-for-profit organization is required to report investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statement of financial position.

Purchased securities are stated at fair market value based on the most recently traded price of the security at the financial statement date. Donated securities are recorded at fair value and sold immediately. Investment gains and losses including realized and unrealized gains and losses on investments, interest and dividends are included in the accompanying statements of activities.

Public Support

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash deposits and investment securities. The Foundation's investment securities consist mainly of investment grade securities and cash deposits with major financial institutions and brokerage firms. By policy, the Foundation limits the amount of exposure to any one financial institution. Although cash balances may exceed federally insured limits at times during the year, the Foundation has not experienced and does not expect to incur any losses in such accounts.

Property and Equipment, Net

Property and equipment is stated at historical cost less accumulated depreciation, except that donated property and equipment used in the normal course of business is stated at the approximate market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives, varying from 3 to 15 years, of the respective assets. Repairs and maintenance costs are expensed as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are credited or charged to operations. It is the Foundation's policy to capitalize all property and equipment greater than $500.

Contributions

Contributions received or made, including unconditional promises to give, are recognized as revenues or expenses in the period received or made at their estimated fair value. Contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. The Foundation records gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However if a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as unrestricted.

The University of Miami donates certain space for use by the Foundation. Revenues and expenses of $264,348 and $264,350 are reflected in the financial statements for the years ended June 30, 2011 and 2010, respectively, at the estimated value of landlord services of these donated facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annuities Payable

Charitable gift annuities are recorded at fair value at the date received. The Foundation records a liability for the present value of the annuities payable using Internal Revenue Service actuarial assumptions, discounted using the applicable federal rate at the date of the gift.

A contribution is recorded for the difference between the fair value of the gift and the liability recorded. Investment income and gains or losses are credited or charged to the appropriate investment account, and annuity payments are charged to the liability account. Periodically, an adjustment is made to the liability to record the gain or loss due to recomputation of the liability based upon the revised life expectancy. Upon the death of the donor annuitant, the Foundation recognizes the existing liability as a change in the value of the annuity and the related asset is available for use by the Foundation.

Charitable lead trusts and charitable remainder trusts in which the Foundation is not the trustee are recorded in the temporarily restricted net assets class as a receivable at the present value of the expected future cash inflows and contribution revenue is recognized for the same amount. In the event that the trust has an income beneficiary other than the Foundation, the contribution revenue is reduced by the amount of the present value of the estimated liability due to the income beneficiary.

Joint Cost Allocation

The Foundation conducted activities that included requests for contributions, as well as program components. Those activities included direct mail campaigns. Joint costs for the direct mail campaigns included printing, agency fees and postage totaling $698,957 and $584,890 as of June 30, 2011 and 2010, respectively. These joint costs were allocated as follows:

	2011	2010
Fundraising	$ 485,985	$ 328,840
Public Education	212,972	256,050
Total Joint Costs for Mail Campaigns	**$ 698,957**	**$ 584,890**

Net Assets Released from Restrictions

Net assets released from restrictions attributable to satisfied time and purpose restrictions totaled $1,509,388 and $2,948,636, respectively, for the years ended June 30, 2011 and 2010. Included in these amounts are $492,811 and $204,763 released from permanent restriction for the years ended June 30, 2011 and 2010, respectively (NOTE 12).

Grants Payable

The Foundation has made conditional promises to give to several institutions for various purposes. Conditional promises to give are not recorded as expense until the conditions are substantially met. At each annual anniversary date of the agreement with these institutions, the Foundation determines whether the institution has substantially met the conditions and then grants the next annual funding commitment to the institution. Grants payable totaled $322,875 as of June 30, 2011. There were no grants payable as of June 30, 2010.

Deferred revenues

Deferred revenues consist of funds received from grantors to fund programs for which expenses will be incurred in future periods. Revenue will be recognized when funds under the new program have been expended.
Deferred revenues totaled $290,000 as of June 30, 2011. There were no deferred revenues as of June 30, 2010.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for income taxes has been recorded.

The Foundation recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Foundation files income tax returns. The Foundation is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2007.

Impairment of Long-Lived Assets

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the business climate, indicate that they may be impaired. The Foundation performs its review by comparing the carrying amounts of long-lived assets to the estimated undiscounted cash flows relating to such assets. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows. No write-downs for impairment of long-lived assets were recorded in 2011 or 2010.

Functional Allocation of Expenses

The costs of the Foundation's programs and supporting services have been reported on a functional basis. This requires the allocation of costs among the various programs and supporting services based on estimates made by management.

Reclassifications

Certain items have been reclassified from 2010 to conform to the 2011 presentation.

Subsequent Events

The Foundation has evaluated subsequent events through September 21, 2011, which is the date the financial statements were available to be issued.

Adopted Accounting Pronouncements

Fair Value Measurements – Liabilities

In August 2009, the FASB issued an accounting standard update to guidance on fair value measurements and disclosure. The updated guidance clarifies that the fair value of a liability can be measured in relation to the quoted price of the liability when the liability trades as an asset in an active market, without adjusting the price for restrictions that prevent the transfer of the liability. This update was effective for annual and interim periods beginning after August 31, 2009. The adoption of this update did not have an effect on the valuation techniques used by the Foundation for measuring liabilities at fair value.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Adopted Accounting Pronouncements (continued)

Not-for-Profit Entities: Mergers and Acquisitions

In April 2009, the FASB issued an accounting standard update which provides guidance on accounting for a not-for-profit's combination with one or more other not-for-profit entities, businesses, or non-profit activities. This update also amends existing guidance to make existing guidance on goodwill and other intangible assets applicable to not-for-profit entities. The update was to be applied prospectively with early application prohibited and was effective for fiscal years beginning on or after December 15, 2009. The adoption of this update did not have a material effect on the Foundation's financial statements.

Recently Issued Accounting Pronouncements

Fair Value Measurements

In January 2010, the FASB issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The Foundation's adoption of the new disclosures and clarifications of existing disclosures that were effective for interim and annual reporting periods beginning after December 15, 2009 did not have an effect on the Foundation's financial statements. The disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of the Level 3 disclosures is not expected to have an effect on the Foundation's financial statements.

Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS

In May 2011, the FASB issued an accounting standard update which works to achieve common fair value measurement and disclosure requirements in US GAAP and International Financial Reporting Standards. The update both clarifies the FASB's intent about the application of existing fair value guidance, and also changes certain principles regarding measurement and disclosure. The update is effective prospectively and is effective for annual periods beginning after December 15, 2011. Early application is permitted for interim periods beginning after December 15, 2011. The Foundation is currently evaluating the effect the update will have on its financial statements.

3. INVESTMENTS

Investments, which consist of equity and fixed income securities are presented in the financial statements at their fair market values and consist of the following at December 31,:

Asset Description	2011	2010
Money market funds	$ 343,864	$ 1,784,876
U.S. Treasury Notes	2,337,992	1,605,813
U.S. Treasury Bonds	300,508	325,063
U.S. Treasury Inflation-Protected securities	-	206,469
Mortgage-backed securities:		
U.S. government agencies (GNMA)	2,655,797	1,575,574
Other collateralized mortgage obligations	29,722	381,645
Equity securities and mutual funds	8,728,556	5,578,073
Bond mutual funds	672,975	705,352
Corporate and other government securities	3,720,151	4,306,777
	$ 18,789,565	**$ 16,469,642**

3. INVESTMENTS (CONTINUED)

The Foundation's investment return, including income earned on cash deposits, in the Statements of Activities consisted of the following for the years ended June 30:

	2011	2010
Net realized gains	$ 956,085	$ 22,978
Net unrealized gains	971,617	1,043,405
Interest and dividends	428,669	402,632
	$ 2,356,371	**$ 1,469,015**

The above investment income return is classified in the Statements of Activities for the years ended June 30, 2011 and 2010 as follows:

	2011	2010
Unrestricted	$ 2,356,371	$ 1,471,452
Temporarily restricted	-	(2,437)
	$ 2,356,371	**$ 1,469,015**

There was no investment income return classified as permanently restricted for the years ended June 30, 2011 and 2010.

4. FAIR VALUE MEASUREMENTS

Fair Value Measurements

The FASB ASC 820, *Fair Value Measurement and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2011.

4. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value on a Recurring Basis

The Money Market Portfolio is valued at cost which approximates fair value.

The Equity Portfolio consists of exchange traded funds and mutual funds managed primarily through investments held by independent investment advisors with discretionary investment authority. Equity Portfolio investments are valued at the closing price reported in the active market in which the individual securities are traded.

The Fixed Income Portfolio consists of investments in securities issued by the U.S. Treasury, U.S. agencies, and corporate bonds through an independent investment advisor. These investments are valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2011 for each of the fair value hierarchy levels:

		Fair Value Measurement at Reporting Date Using:		
Description	**Fair Value 6/30/2011**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Money market funds	$ 343,864	$ 343,864	$ -	$ -
Fixed Income:				
U.S. Treasury Notes	2,337,992	2,337,992	-	-
U.S. Treasury Bonds	300,508	300,508	-	-
U.S. Treasury Inflation-Protected securities	-	-	-	-
U.S. government agencies (GNMA)	2,655,797	-	2,655,797	-
Other collateralized mortgage obligations	29,722	-	29,722	-
Bond mutual funds	672,975	672,975	-	-
Corporate and other government securities	3,720,151	-	3,720,151	-
Total fixed income	9,717,145	3,311,475	6,405,670	-
Equity securities and mutual funds:	8,728,556	8,728,556	-	-
	$ 18,789,565	**$ 12,383,895**	**$ 6,405,670**	**$ -**

4. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value on a Recurring Basis (continued)

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2010 for each of the fair value hierarchy levels:

		Fair Value Measurement at Reporting Date Using:		
Description	**Fair Value 6/30/2010**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Money market funds	$ 1,784,876	$ 1,784,876	$ -	$ -
Fixed Income:				
U.S. Treasury Notes	1,605,813	1,605,813	-	-
U.S. Treasury Bonds	325,063	325,063	-	-
U.S. Treasury Inflation-Protected securities	206,469	206,469	-	-
U.S. government agencies (GNMA)	1,575,574	-	1,575,574	-
Other collateralized mortgage obligations	381,645	-	381,645	-
Bond mutual funds	705,352	705,352	-	-
Corporate and other government securities	4,306,777	-	4,306,777	-
Total fixed income	9,106,693	2,842,697	6,263,996	-
Equity securities and mutual funds:	5,578,073	5,578,073	-	-
	$ 16,469,642	**$ 10,205,646**	**$ 6,263,996**	**$ -**

Items Measured at Fair Value on a Non recurring Basis

The following table represents the Foundation's financial instruments measured at fair value on a non recurring basis at June 30, 2011 for each of the fair value hierarchy levels:

		Fair Value Measurement at June 30, 2011:		
Description	**Fair Value 6/30/2011**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Pledges receivable, received during 2011	**$ 157,330**	**$ -**	**$ -**	**$ 157,330**
Liabilities:				
Annuities payable	**$ 643,439**	**$ -**	**$ -**	**$ 643,439**

4. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value on a Non recurring Basis (continued)

	Fair Value Measurement at June 30, 2010:			
Description	Fair Value 6/30/2010	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Pledges receivable, received during 2010	$ 19,846	$ -	$ -	$ 19,846
Liabilities:				
Annuities payable	$ 680,399	$ -	$ -	$ 680,399

The carrying amounts for cash, cash equivalents, receivables, accounts payable and certain other assets and liabilities approximate fair value due to the short-term nature of these financial instruments.

5. PLEDGES RECEIVABLE

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using rates ranging from 1.18% to 6.5% for the years ended June 30, 2011 and 2010. Amortization of the discounts is included in contribution revenue.

Pledges receivable include the following unconditional promises as of June 30:

	2011	2010
Amounts due in:		
Less than one year	$ 89,850	$ 205,225
One to five years	222,325	267,873
More than five years	79,586	98,586
Total	391,761	571,684
Less: Allowance for uncollectible pledges	115,421	298,684
Unamortized discount	21,833	26,991
Net unconditional pledges	$ 254,507	$ 246,009

6. AGREEMENT WITH THE UNIVERSITY OF MIAMI

Since October 2002, an agreement has been in effect between the Foundation and the University of Miami (the "University"), in which the Foundation agreed to fund the University's clinical program in Parkinson's disease, and the University agreed not to impose a charge for rent as long as the Foundation continues to provide such funding. In fiscal years 2011 and 2010, the amount of funding provided each year for the University's clinical program in Parkinson's disease was $350,000. The University continued to agree that this level of funding was sufficient to waive rent charges to the Foundation.

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following as of June 30:

	2011	2010
Leasehold improvements	$ 718,912	$ 718,912
Equipment and furniture	1,271,595	1,225,161
	1,990,507	1,944,073
Less: Accumulated depreciation and amortization	(1,684,811)	(1,603,176)
Total	**$ 305,696**	**$ 340,897**

Depreciation and amortization expense was $ 81,636 and $102,998, respectively, for the years ended June 30, 2011 and 2010.

8. RELATED PARTIES

Certain members of the Board of Directors ("Board") have supported the Foundation financially. Below is a summary of significant transactions with members of the Board as of and for the years ended June 30:

	2011	2010
Net pledges receivable	$ 83,455	$ 115,546
Contributions	185,866	255,020

9. RETIREMENT PLAN

In March 1993, the Foundation established a tax deferred retirement plan available to all employees in accordance with the provisions of Section 403(b) of the Internal Revenue Code. In June 2004, the Foundation updated this plan by converting it to a 401K retirement plan. This plan is similar in substance to the former plan, but offers greater flexibility in investment options and has a larger maximum matching percentage. The Foundation allows the participants to make pre-tax contributions up to defined statutory limits. For the plan year ended June 30, 2010, the Safe Harbor plan was amended to a non-elective matching contribution of three percent. The Foundation's matching contribution to the plan for the years ended June 30, 2011 and 2010, amounted to $65,541 and $54,544, respectively.

10. TEXAS VOICE PROJECT

As of July 1, 2009, the Texas Voice Project was spun off from the Foundation and became a separate, unaffiliated entity. The activities and related assets from the Texas Voice Project are not material to the overall financial statements. As a result of the separation between entities, the Foundation transferred various assets to the Texas Voice Project of approximately $500,000, and is included in the Patient Care Services category of program service expenses on the Statements of Activities for the year ended June 30, 2010.

11. TEMPORARILY RESTRICTED NET ASSETS

Net assets of the Foundation in the amount of $950,912 and $1,040,490 as of June 30, 2011 and 2010, are restricted for research and other programmatic expenses.

12. PERMANENTLY RESTRICTED NET ASSETS

Net assets in the amount of $1,079,816 and $1,572,627 as of June 30, 2011 and 2010, respectively, are permanently restricted endowments which are to provide a source of funds predominantly for educational, research and other charitable purposes.

In September 2009, a donor approved the use of $300,000 in permanently restricted net assets to fund the salary of a PhD over a three year period. In June 2010, $200,000 of this amount was released from restriction and has been reflected in the caption "Net assets released from restrictions" in the Statement of Activities which totaled $204,763 for the year ended June 30, 2010. In June 2010, the same donor approved the use of $492,811 to fund the third year salary of a PhD and various research grants and has been reflected in the caption, "Net assets released from restrictions," in the Statement of Activities as for the year ended June 30, 2011.

13. ENDOWMENTS

The Foundation's endowment consists of two separate investment funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

In June 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Foundation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with the FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Foundation and the donor-restricted endowment fund

(3) General economic conditions

(4) The expected total return from income and the appreciation of investments

(5) Other resources of the Foundation

(6) The investment policies of the Foundation

13. ENDOWMENTS (CONTINUED)

For the years ended June 30, 2011 and 2010, the Foundation has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

Summary of endowment net assets at June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 679,940	$ 1,079,816	$ 1,759,756
Board restricted endowment funds	17,029,809	-	-	17,029,809
Total endowment net assets	$ 17,029,809	$ 679,940	$ 1,079,816	$ 18,789,565

Summary of endowment net assets at June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 716,900	$ 1,572,627	$ 2,289,527
Board restricted endowment funds	14,180,115	-	-	14,180,115
Total endowment net assets	$ 14,180,115	$ 716,900	$ 1,572,627	$ 16,469,642

Change in endowment net assets at June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ 14,180,115	$ 716,900	$ 1,572,627	$ 16,469,642
Interest and dividends	428,669	-	-	428,669
Net investment appreciation/ (depreciation)	1,927,702	-	-	1,927,702
Released from restriction and appropriated for expenditure	(8,650,131)	(963,959)	(492,811)	(10,106,901)
Contributions and transfers in	9,143,454	926,999	-	10,070,453
Endowment net assets, ending	$ 17,029,809	$ 679,940	$ 1,079,816	$ 18,789,565

Change in endowment net assets at June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ 11,241,279	$ 1,018,457	$ 1,772,627	$ 14,032,363
Interest and dividends	391,699	10,933	-	402,632
Net investment appreciation/ (depreciation)	1,079,753	(13,370)	-	1,066,383
Released from restriction and appropriated for expenditure	(7,063,169)	(1,098,959)	(200,000)	(8,362,128)
Contributions and transfers in	8,530,553	799,839	-	9,330,392
Endowment net assets, ending	$ 14,180,115	$ 716,900	$ 1,572,627	$ 16,469,642

13. ENDOWMENTS (CONTINUED)

Summary of endowment assets at June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investments	$ 17,029,809	$ 679,940	$ 1,079,816	$ 18,789,565

Summary of endowment assets at June 30, 2010:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investments	$ 14,180,115	$ 716,900	$ 1,572,627	$ 6,469,642

Permanently Restricted Net Assets:	2011	2010
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or law	$ 1,079,816	$ 1,572,627

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies in the endowment funds as of June 30, 2011 or 2010.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are completely invested in fixed income securities which assume a moderate level of investment risk. The Foundation expects its endowment funds, over time, to provide a rate of return in excess of the corpus. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a distribution policy for grants that balances a realistic achievable rate of return, expenses and its financial objectives. The distribution policy for grants is reviewed annually as part of the annual budgeting process.