

**NATIONAL PARKINSON FOUNDATION, INC.**

---

FINANCIAL STATEMENTS

JUNE 30, 2015 AND 2014



**NATIONAL PARKINSON FOUNDATION, INC.**

---

**TABLE OF CONTENTS**

---

INDEPENDENT AUDITOR'S REPORT	1
FINANCIAL STATEMENTS	
Statements of Financial Position	2
Statements of Activities	3 - 4
Statements of Functional Expenses	5 - 6
Statements of Cash Flows	7
Notes to Financial Statements	8 - 18

## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
National Parkinson Foundation, Inc.

### **Report on the Financial Statements**

We have audited the accompanying financial statements of National Parkinson Foundation, Inc. (the "Foundation"), which comprise the statements of financial position as of June 30, 2015 and 2014, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

### **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, 2015 and 2014, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

*Morrison, Brown, Argiz & Farra*

Ft. Lauderdale, Florida  
September 24, 2015

**NATIONAL PARKINSON FOUNDATION, INC.**

---

STATEMENTS OF FINANCIAL POSITION  
JUNE 30,

<b>ASSETS</b>	<b>2015</b>	<b>2014</b>
Cash and cash equivalents	\$ 1,512,748	\$ 1,700,285
Estate receivable	261,380	-
Pledges receivable, net	344,903	401,152
Other receivables	196,154	34,063
Prepaid expenses and other assets	222,891	104,328
Investments	14,964,926	16,564,310
Property and equipment, net	508,884	485,776
TOTAL ASSETS	<b>\$ 18,011,886</b>	<b>\$ 19,289,914</b>
<hr/>		
<b>LIABILITIES AND NET ASSETS</b>		
<hr/>		
LIABILITIES		
Accounts payable and accrued expenses	\$ 824,561	\$ 656,321
Deferred revenue	503,900	512,965
Grants payable	289,129	593,904
Annuities payable	518,744	578,520
TOTAL LIABILITIES	2,136,334	2,341,710
NET ASSETS		
Unrestricted	14,568,430	14,641,007
Temporarily restricted	71,750	1,227,381
Permanently restricted	1,235,372	1,079,816
TOTAL NET ASSETS	15,875,552	16,948,204
TOTAL LIABILITIES AND NET ASSETS	<b>\$ 18,011,886</b>	<b>\$ 19,289,914</b>

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

**NATIONAL PARKINSON FOUNDATION, INC.**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and public support:				
Contributions:				
Private individuals, corporations and private foundations	\$ 8,748,467	\$ 109,387	\$ -	\$ 8,857,854
Legacies and bequests	1,767,104	-	155,556	1,922,660
Special events (less direct costs of \$65,184)	268,686	-	-	268,686
Investment income, net	234,440	(113)	-	234,327
Change in value of split interest agreements	-	18,763	-	18,763
Net assets released from restriction	1,283,668	(1,283,668)	-	-
Total revenue and public support	<u>12,302,365</u>	<u>(1,155,631)</u>	<u>155,556</u>	<u>11,302,290</u>
Expenses:				
Program services:				
Research	1,756,110	-	-	1,756,110
Public education	2,355,400	-	-	2,355,400
Patient care services	2,956,337	-	-	2,956,337
Chapter services	2,062,091	-	-	2,062,091
Total program services	<u>9,129,938</u>	<u>-</u>	<u>-</u>	<u>9,129,938</u>
Supporting services:				
Management and general	1,008,425	-	-	1,008,425
Fundraising	2,236,579	-	-	2,236,579
Total supporting services	<u>3,245,004</u>	<u>-</u>	<u>-</u>	<u>3,245,004</u>
Total expenses	<u>12,374,942</u>	<u>-</u>	<u>-</u>	<u>12,374,942</u>
Change in net assets	(72,577)	(1,155,631)	155,556	(1,072,652)
Net assets, beginning of year	14,641,007	1,227,381	1,079,816	16,948,204
Net assets, end of year	<u><b>\$ 14,568,430</b></u>	<u><b>\$ 71,750</b></u>	<u><b>\$ 1,235,372</b></u>	<u><b>\$ 15,875,552</b></u>

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

**NATIONAL PARKINSON FOUNDATION, INC.**

STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2014

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Revenue and public support:				
Contributions:				
Private individuals, corporations and private foundations	\$ 6,773,604	\$ 90,961	\$ -	\$ 6,864,565
Legacies and bequests	2,615,507	-	-	2,615,507
Special events (less direct costs of \$61,932)	173,205	-	-	173,205
In-kind rent income	148,124	-	-	148,124
Investment income, net	2,109,297	-	-	2,109,297
Change in value of split interest agreements	-	(21,049)	-	(21,049)
Reclassifications of net assets	(102,796)	102,796	-	-
Total revenue and public support	<u>11,716,941</u>	<u>172,708</u>	<u>-</u>	<u>11,889,649</u>
Expenses:				
Program services:				
Research	1,590,528	-	-	1,590,528
Public education	2,002,644	-	-	2,002,644
Patient care services	3,029,982	-	-	3,029,982
Chapter services	1,879,079	-	-	1,879,079
Total program services	<u>8,502,233</u>	<u>-</u>	<u>-</u>	<u>8,502,233</u>
Supporting services:				
Management and general	1,180,651	-	-	1,180,651
Fundraising	2,365,163	-	-	2,365,163
Total supporting services	<u>3,545,814</u>	<u>-</u>	<u>-</u>	<u>3,545,814</u>
Total expenses	<u>12,048,047</u>	<u>-</u>	<u>-</u>	<u>12,048,047</u>
Change in net assets	(331,106)	172,708	-	(158,398)
Net assets, beginning of year	<u>14,972,113</u>	<u>1,054,673</u>	<u>1,079,816</u>	<u>17,106,602</u>
Net assets, end of year	<u><b>\$ 14,641,007</b></u>	<u><b>\$ 1,227,381</b></u>	<u><b>\$ 1,079,816</b></u>	<u><b>\$ 16,948,204</b></u>

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

**NATIONAL PARKINSON FOUNDATION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2015

	<u>Research</u>	<u>Public Education</u>	<u>Patient Care Services</u>	<u>Chapter Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Totals</u>
Salaries	\$ 282,578	\$ 703,547	\$ 320,538	\$ 859,829	\$ 327,477	\$ 852,947	\$ 3,346,916
Temporary services	4,935	5,599	16,381	4,361	57,307	15,467	104,050
Payroll taxes and benefits	66,898	171,743	82,015	190,295	74,392	199,143	784,486
Total salaries and related expenses	<u>354,411</u>	<u>880,889</u>	<u>418,934</u>	<u>1,054,485</u>	<u>459,176</u>	<u>1,067,557</u>	<u>4,235,452</u>
Grants	1,053,843	275,000	1,964,556	166,493	-	-	3,459,892
Conference and symposium fees	4,309	4,553	8,393	923	1,169	195	19,542
Legal and accounting	-	-	-	11,190	106,556	-	117,746
Professional services	169,094	258,334	230,404	97,636	136,499	45,642	937,609
Outside services	21,830	183,331	7,652	82,290	44,905	493,219	833,227
Printing and publications	1,331	266,977	8,100	42,689	4,324	8,343	331,764
Public awareness	110	147,265	2,970	57,529	300	8,525	216,699
Postage, freight and courier services	9,278	179,615	10,578	25,926	10,898	209,403	445,698
Food, beverages and meetings	897	1,018	13,864	77,515	18,529	5,433	117,256
Telephone	4,913	5,399	5,664	10,916	12,266	6,536	45,694
Repairs and maintenance	3,517	11,953	5,211	22,199	42,944	92,915	178,739
Office supplies	2,267	4,744	1,643	27,317	21,555	26,452	83,978
General insurance	14,143	15,228	24,796	16,087	6,122	18,548	94,924
Interest paid to annuitants	-	-	-	-	59,542	-	59,542
Travel and transportation	61,227	46,255	148,462	109,642	45,203	87,019	497,808
Lease and rentals	38,065	51,438	69,616	225,246	16,220	49,821	450,406
Bank and brokerage fees	-	12	-	326	6,443	87,543	94,324
Miscellaneous	842	554	2,345	19,885	8,902	7,677	40,205
Total other expenses	<u>1,385,666</u>	<u>1,451,676</u>	<u>2,504,254</u>	<u>993,809</u>	<u>542,377</u>	<u>1,147,271</u>	<u>8,025,053</u>
Depreciation and amortization	16,033	22,835	33,149	13,797	6,872	21,751	114,437
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,756,110</u></b>	<b><u>\$ 2,355,400</u></b>	<b><u>\$ 2,956,337</u></b>	<b><u>\$ 2,062,091</u></b>	<b><u>\$ 1,008,425</u></b>	<b><u>\$ 2,236,579</u></b>	<b><u>\$ 12,374,942</u></b>

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

**NATIONAL PARKINSON FOUNDATION, INC.**

STATEMENT OF FUNCTIONAL EXPENSES  
FOR THE YEAR ENDED JUNE 30, 2014

	<b>Research</b>	<b>Public Education</b>	<b>Patient Care Services</b>	<b>Chapter Services</b>	<b>Management and General</b>	<b>Fundraising</b>	<b>Totals</b>
Salaries	\$ 289,871	\$ 737,971	\$ 376,861	\$ 594,742	\$ 276,700	\$ 906,420	\$ 3,182,565
Temporary services	80	25	-	1,309	20,019	10,639	32,072
Payroll taxes and benefits	74,228	149,107	101,763	181,289	96,089	150,451	752,927
Total salaries and related benefits	<u>364,179</u>	<u>887,103</u>	<u>478,624</u>	<u>777,340</u>	<u>392,808</u>	<u>1,067,510</u>	<u>3,967,564</u>
Grants	829,141	124,996	1,857,855	321,181	-	-	3,133,173
Conference and symposium fees	1,973	3,863	10,135	2,196	2,779	3,960	24,906
Legal and accounting	-	-	350	-	75,314	-	75,664
Professional services	188,074	126,331	212,266	123,403	245,654	74,254	969,982
Outside services	7,346	88,304	54,000	55,563	16,994	593,537	815,744
Printing and publications	3,437	265,490	36,718	50,345	3,148	21,524	380,662
Public awareness	259	174,794	4,807	109,449	9,698	4,740	303,747
Postage, freight and courier services	11,642	159,910	12,012	9,367	5,912	248,336	447,179
Food, beverages and meetings	54,510	4,303	64,557	125,881	11,185	13,604	274,040
Telephone	7,588	11,588	11,160	13,143	7,214	10,801	61,494
Repairs and maintenance	3,885	20,210	12,048	3,906	32,062	29,440	101,551
Office supplies	6,498	7,584	2,770	20,306	30,293	5,150	72,601
General insurance	15,959	22,799	33,058	13,679	6,840	21,659	113,994
Interest paid to annuitants	-	-	-	-	59,633	-	59,633
Travel and transportation	52,644	29,541	143,849	150,153	57,262	74,674	508,123
Lease and rentals	31,344	57,421	70,218	89,049	209,726	49,947	507,705
Bank and brokerage fees	-	75	-	110	291	63,705	64,181
Miscellaneous	60	1,214	729	3,739	8,702	66,058	80,502
Total other expenses	<u>1,214,360</u>	<u>1,098,423</u>	<u>2,526,532</u>	<u>1,091,470</u>	<u>782,707</u>	<u>1,281,389</u>	<u>7,994,881</u>
Building and equipment depreciation	<u>11,989</u>	<u>17,118</u>	<u>24,826</u>	<u>10,269</u>	<u>5,136</u>	<u>16,264</u>	<u>85,602</u>
<b>TOTAL EXPENSES</b>	<b><u>\$ 1,590,528</u></b>	<b><u>\$ 2,002,644</u></b>	<b><u>\$ 3,029,982</u></b>	<b><u>\$ 1,879,079</u></b>	<b><u>\$ 1,180,651</u></b>	<b><u>\$ 2,365,163</u></b>	<b><u>\$ 12,048,047</u></b>

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



**NATIONAL PARKINSON FOUNDATION, INC.**

STATEMENTS OF CASH FLOWS  
FOR THE YEARS ENDED JUNE 30,

	<b>2015</b>	<b>2014</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Change in net assets	\$ (1,072,652)	\$ (158,398)
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	114,437	85,602
Net unrealized loss (gains) on investments	6,686	(576,334)
Change in discount on pledges receivable	(3,551)	1,484
Change in value of split interest agreements	(18,763)	21,049
Permanently restricted gifts	(155,556)	-
Changes in assets and liabilities:		
(Increase) decrease in estate receivable	(261,380)	1,000,000
Decrease (increase) in pledges receivable	59,800	(103,800)
(Increase) decrease in other receivables	(162,091)	8,804
(Increase) decrease in prepaid expenses and other assets	(118,563)	68,149
Increase in accounts payable and accrued expenses	168,240	41,469
(Decrease) increase in deferred revenue	(9,065)	166,715
(Decrease) increase in grants payable	(304,775)	324,229
Increase in annuities payable	6,822	-
<b>TOTAL ADJUSTMENTS</b>	<b>(677,759)</b>	<b>1,037,367</b>
<b>NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES</b>	<b>(1,750,411)</b>	<b>878,969</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchases of property and equipment	(137,545)	(499,178)
Proceeds from (purchases of) investments, net	1,592,698	(918,972)
<b>NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES</b>	<b>1,455,153</b>	<b>(1,418,150)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Annuity payments to beneficiaries	(47,835)	(51,707)
Permanently restricted gifts	155,556	-
<b>NET CASH PROVIDED BY (USED IN) FINANCING ACTIVITIES</b>	<b>107,721</b>	<b>(51,707)</b>
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>	<b>(187,537)</b>	<b>(590,888)</b>
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,700,285	2,291,173
CASH AND CASH EQUIVALENTS AT END OF YEAR	<b>\$ 1,512,748</b>	<b>\$ 1,700,285</b>
<b>SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS:</b>		
In-kind rent	\$ -	\$ 148,124

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

# NATIONAL PARKINSON FOUNDATION, INC.

---

## NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

### 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's mission is to make life better for people with Parkinson's through expert care and research.

Major services of the Foundation include:

- Patient Care Services: The Foundation provides grants to Centers of Excellence, which comprises of an international network that focuses on improving care delivered to Parkinson's patients. The Foundation drives and sets standard of expert care through the network. The Centers are chosen from the top ranks of academic medical centers where dedication to exemplar patient care is paired with groundbreaking research.
- Research: The Foundation funds research programs, including the *Parkinson's Outcomes Project*, clinical research study of Parkinson's disease designed to change the course of the disease.
- Public Education: The Foundation helps people with Parkinson's by providing support, education and free resources such as: the toll-free Helpline, 1-800-4PD-INFO (1-800-473-4636), online support networks and free educational materials. The *Aware In Care* life-saving hospitalization kit provides patients and caregivers the tools they need to get the best and safest care in the hospital.
- Chapter Services: The Foundation helps people with Parkinson's by providing community grants, programs and activities through its chapter network. *Moving Day*<sup>®</sup>, a Walk for Parkinson's, brings local communities together to raise awareness about the disease and to promote exercise, which is critical for Parkinson's patients.

### 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 ("U.S. GAAP") 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.

## NATIONAL PARKINSON FOUNDATION, INC.

---

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

---

#### 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.

#### 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 ("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 statements 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.

#### 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 \$1,000.

#### 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.

#### Deferred Revenue

Deferred revenue consists 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 program have been expended. Deferred revenue totaled \$503,900 and \$512,965, as of June 30, 2015 and 2014, respectively.

## NATIONAL PARKINSON FOUNDATION, INC.

---

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

---

### Grants Payable

The Foundation has made conditional promises to give to several institutions for various purposes. Conditional promises to give are not recorded as an 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 \$289,129 and \$593,904 as of June 30, 2015 and 2014, respectively.

### Split Interest Agreements

The Foundation receives contributions in which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by the Foundation and distributions are made to the beneficiaries under the terms of the agreement. 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, ranging from 1.4% to 9.4%.

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. These adjustments are recorded in the accompanying financial statements as "Change in value of split-interest agreements." 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.

The fair value of assets held under split interest agreements was approximately \$564,000 and \$967,000 at June 30, 2015 and 2014.

### Public Support

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

### 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 donated certain space for use by the Foundation. Revenues and expenses of \$148,124 were reflected in the statements of activities for the year ended June 30, 2014, at the estimated value of landlord services of these donated facilities. The Foundation vacated the space in October 2014.

## NATIONAL PARKINSON FOUNDATION, INC.

---

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

### 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

---

#### 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.

#### 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 \$727,418 and \$768,204 as of June 30, 2015 and 2014, respectively. These joint costs were allocated as follows for the years ended June 30:

	<u>2015</u>	<u>2014</u>
Fundraising	\$ 502,539	\$ 662,987
Public Education	224,879	105,217
Total Joint Costs for Mail Campaigns	<u>\$ 727,418</u>	<u>\$ 768,204</u>

#### Reclassifications of Net Assets and Net Assets Released from Restrictions

Net assets released from restrictions attributable to satisfied time and purpose restrictions totaled \$1,283,668 for the year ended June 30, 2015. Reclassifications of net assets totaled \$102,796 for the year ended June 30, 2014

#### 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 2012.

#### Subsequent Events

The Foundation has evaluated subsequent events through September 24, 2015, which is the date the financial statements were available to be issued.

#### Reclassifications

Certain amounts in the 2014 financial statements were reclassified to conform to the 2015 presentation.

### 3. ESTATE RECEIVABLE

---

The Foundation recorded estate receivables of \$261,380 from various trusts and estates at June 30, 2015. The Foundation subsequently collected the receivables from all trusts and estates. There was no estate receivable at June 30, 2014.

**NATIONAL PARKINSON FOUNDATION, INC.**

---

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**4. PLEDGES RECEIVABLE, NET**

---

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 .07% to .16% for the years ended June 30, 2015 and 2014, respectively. Amortization of the discount is included in contribution revenue. Pledges receivable, net, consists of the following at June 30:

	<b>2015</b>	<b>2014</b>
Amounts due in:		
Less than one year	\$ 147,225	\$ 149,225
One to five years	155,775	223,775
More than five years	91,000	82,000
Total	394,000	455,000
Less: Allowance for uncollectible pledges	25,800	27,000
Present value discount	23,297	26,848
Net pledges receivable	<b>\$ 344,903</b>	<b>\$ 401,152</b>

There was no bad debt expense for the years ended June 30, 2015 and 2014.

**5. INVESTMENTS**

---

Investments are presented at their fair market values and consist of the following at June 30:

<b>Asset Description</b>	<b>2015</b>	<b>2014</b>
Money market funds	\$ 604,583	\$ 342,628
U.S. government agencies (GNMA/FNMA)	12,327	28,560
Bond mutual funds	1,975,428	2,180,801
Corporate and other government securities	605,247	2,203,761
Equity securities and mutual funds	11,767,341	11,808,560
	<b>\$ 14,964,926</b>	<b>\$ 16,564,310</b>

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

	<b>2015</b>	<b>2014</b>
Net realized (loss) gains	\$ (220,599)	\$ 1,215,266
Net unrealized (loss) gains	(6,686)	576,334
Interest and dividends	461,612	317,697
	<b>\$ 234,327</b>	<b>\$ 2,109,297</b>

Investment fees are included in the caption "Professional services" in the Statements of Functional Expenses. There was no investment income return classified as temporarily restricted or permanently restricted for the years ended June 30, 2015 and 2014.

## NATIONAL PARKINSON FOUNDATION, INC.

---

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

#### 6. FAIR VALUE MEASUREMENTS

---

The FASB Accounting Standards Codification (“ASC”) Topic 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, 2015 and 2014.

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

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 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 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.

**NATIONAL PARKINSON FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**6. FAIR VALUE MEASUREMENTS (CONTINUED)**

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2015 for each of the fair value hierarchy levels:

Description	Fair Value Measurement at Reporting Date Using:			
	Fair Value 6/30/2015	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Money market funds	\$ 604,583	\$ 604,583	\$ -	\$ -
<b>Fixed Income:</b>				
U.S. government agencies (GNMA/FNMA)	12,327	-	12,327	-
Bond mutual funds	1,975,428	1,975,428	-	-
Corporate and other government securities	605,247	-	605,247	-
<b>Total fixed income</b>	<b>2,593,002</b>	<b>1,975,428</b>	<b>617,574</b>	<b>-</b>
<b>Equity securities and mutual funds</b>	<b>11,767,341</b>	<b>11,767,341</b>	<b>-</b>	<b>-</b>
	<b>\$ 14,964,926</b>	<b>\$ 14,347,352</b>	<b>\$ 617,574</b>	<b>\$ -</b>

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2014 for each of the fair value hierarchy levels:

Description	Fair Value Measurement at Reporting Date Using:			
	Fair Value 6/30/2014	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b>Assets:</b>				
Money market funds	\$ 342,628	\$ 342,628	\$ -	\$ -
<b>Fixed Income:</b>				
U.S. government agencies (GNMA/FNMA)	28,560	-	28,560	-
Bond mutual funds	2,180,801	2,180,801	-	-
Corporate and other government securities	2,203,761	-	2,203,761	-
<b>Total fixed income</b>	<b>4,413,122</b>	<b>2,180,801</b>	<b>2,232,321</b>	<b>-</b>
<b>Equity securities and mutual funds</b>	<b>11,808,560</b>	<b>11,808,560</b>	<b>-</b>	<b>-</b>
	<b>\$ 16,564,310</b>	<b>\$ 14,331,989</b>	<b>\$ 2,232,321</b>	<b>\$ -</b>

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



## NATIONAL PARKINSON FOUNDATION, INC.

---

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

#### 7. PROPERTY AND EQUIPMENT, NET

---

Property and equipment, net, consists of the following as of June 30:

	<u>2015</u>	<u>2014</u>
Leasehold improvements	\$ 225,471	\$ 215,999
Equipment, furniture and intangible assets	<u>1,759,126</u>	<u>1,631,053</u>
	1,984,597	1,847,052
Less: accumulated depreciation and amortization	<u>(1,475,713)</u>	<u>(1,361,276)</u>
	<u>\$ 508,884</u>	<u>\$ 485,776</u>

Depreciation and amortization expense was approximately \$114,000 and \$86,000 for the years ended June 30, 2015 and 2014, respectively.

#### 8. 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 the fiscal year 2014, the amount of funding provided for the University's clinical program in Parkinson's disease was \$350,000. The Foundation vacated the space in October 2014.

#### 9. RELATED PARTIES

---

Certain members of the Board of Directors (the "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:

	<u>2015</u>	<u>2014</u>
Net pledges receivable	\$ -	\$ 28,139
Contributions	383,230	210,660

#### 10. RETIREMENT PLAN

---

The Foundation has a tax deferred retirement plan available to all employees. The Foundation allows the participants to make pre-tax contributions up to defined statutory limits. The plan is a safe harbor plan with non-elective matching contributions of three percent. The Foundation's matching contribution to the plan for the years ended June 30, 2015 and 2014, amounted to approximately \$98,000 and \$95,000, respectively.

#### 11. TEMPORARILY RESTRICTED NET ASSETS

---

Net assets of the Foundation of \$71,750 and \$1,227,381 as of June 30, 2015 and 2014, respectively, are restricted for research and other programmatic expenses as well as time. Split interest agreements are included within temporarily restricted net assets.

#### 12. PERMANENTLY RESTRICTED NET ASSETS

---

Net assets in the amount of \$1,235,372 and \$1,079,816 as of June 30, 2015 and 2014, respectively, are permanently restricted endowments which are to provide a source of funds predominantly for educational, research and other charitable purposes.

## NATIONAL PARKINSON FOUNDATION, INC.

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

#### 13. ENDOWMENTS

The Foundation's endowment consists of investment funds established for a variety of purposes. The endowment includes donor-restricted endowment funds and board designated quasi endowment funds. As required by U.S. GAAP, 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

For the years ended June 30, 2015 and 2014, 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, 2015:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ -	\$ 1,235,372	\$ 1,235,372
Board designated endowment funds	13,321,552	-	-	13,321,552
Total endowment net assets	<u>\$ 13,321,552</u>	<u>\$ -</u>	<u>\$ 1,235,372</u>	<u>\$ 14,556,924</u>

#### Summary of endowment net assets at June 30, 2014:

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>
Donor restricted endowment funds	\$ -	\$ -	\$ 1,079,816	\$ 1,079,816
Board designated endowment funds	14,516,895	-	-	14,516,895
Total endowment net assets	<u>\$ 14,516,895</u>	<u>\$ -</u>	<u>\$ 1,079,816</u>	<u>\$ 15,596,711</u>

**NATIONAL PARKINSON FOUNDATION, INC.**

NOTES TO FINANCIAL STATEMENTS  
JUNE 30, 2015 AND 2014

**13. ENDOWMENTS (CONTINUED)**

**Change in endowment net assets during the year ended June 30, 2015:**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning	\$ 14,516,895	\$ -	\$ 1,079,816	\$ 15,596,711
Contributions	-	-	155,556	155,556
Interest and dividends	461,869	-	-	461,869
Investment loss, net	(354,475)	-	-	(354,475)
Net funds transferred to operations	<u>(1,302,737)</u>	<u>-</u>	<u>-</u>	<u>(1,302,737)</u>
Endowment net assets, ending	<b><u>\$ 13,321,552</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,235,372</u></b>	<b><u>\$ 14,556,924</u></b>

**Change in endowment net assets during the year ended June 30, 2014:**

	<b>Unrestricted</b>	<b>Temporarily Restricted</b>	<b>Permanently Restricted</b>	<b>Total</b>
Endowment net assets, beginning	\$ 13,021,443	\$ -	\$ 1,079,816	\$ 14,101,259
Interest and dividends	295,406	-	-	295,406
Investment gain, net	1,740,499	-	-	1,740,499
Net funds transferred to operations	<u>(540,453)</u>	<u>-</u>	<u>-</u>	<u>(540,453)</u>
Endowment net assets, ending	<b><u>\$ 14,516,895</u></b>	<b><u>\$ -</u></b>	<b><u>\$ 1,079,816</u></b>	<b><u>\$ 15,596,711</u></b>

**Summary of Endowment Assets:**

Endowment assets as of June 30 are invested as follows:

	<b>2015</b>	<b>2014</b>
Cash and cash equivalents	\$ 77,000	\$ -
Estate receivables	155,557	-
Investments	<u>14,324,367</u>	<u>15,596,711</u>
	<b><u>\$ 14,556,924</u></b>	<b><u>\$ 15,596,711</u></b>

**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, 2015 or 2014.

**Return Objectives and Risk Parameters**

The Foundation has adopted investment and spending policies for the endowment to achieve preservation of capital while achieving long-term growth in assets consistent with reduced levels of risk and volatility of returns; maintenance of sufficient income and liquidity to meet anticipated withdrawals and to achieve a rate of return that exceeds the total return of the established indices. Endowment assets include board designated investments and 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 and equity securities which assume a moderate level of investment risk. Actual returns in any given year may vary.

## NATIONAL PARKINSON FOUNDATION, INC.

---

### NOTES TO FINANCIAL STATEMENTS JUNE 30, 2015 AND 2014

#### 13. ENDOWMENTS (CONTINUED)

---

##### 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.

#### 14. COMMITMENTS

---

In April 2013, the Foundation entered into an office lease agreement for its main headquarters. The lease provides for escalating rent payments and a period of free rent. The lease term began in October 2013 for a period of 130 months. The Foundation also leases certain office equipment under operating leases.

The approximate future minimum lease payments under the non-cancelable lease as of June 30, 2015, are as follows:

Years ending June 30,	
2016	\$ 331,000
2017	311,000
2018	300,000
2019	310,000
2020	320,000
Thereafter	1,445,000
Total	<u>\$ 3,017,000</u>