

PARKINSON RESEARCH FOUNDATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2020

PARKINSON RESEARCH FOUNDATION, INC.
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JAKUSOVAS & COMPANY, P.L.

A CERTIFIED PUBLIC ACCOUNTING FIRM

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parkinson Research Foundation, Inc.
Sarasota, FL

We have audited the accompanying financial statements of Parkinson Research Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 audit. We conducted our audit 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 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 Parkinson Research Foundation, Inc. as of December 31, 2020, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Jakusovas & Company, P.L.

Jakusovas & Company, P.L.

Sarasota, Florida
February 22, 2021

PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2020

ASSETS

	2020	2019 Total (For comparative purposes only)
<u>Current Assets</u>		
Cash & equivalents	\$ 552,841	\$ 696,578
Receivables	31,349	-
Grants receivables	120,000	-
Due from related parties	356,829	37,443
Promises to give	-	500,000
Prepaid expenses	33,328	11,026
Prepaid rent	21,971	21,971
Total Current Assets	1,116,318	1,267,018
Property & Equipment, net	3,654	4,195
Total Non-Current Assets	3,654	4,195
<u>Other Assets</u>		
Investments	702,361	-
Total Other Assets	702,361	-
Total Assets	\$ 1,822,333	\$ 1,271,213

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Payables	\$ 158,849	\$ 111,680
Accrued expenses	1,694	-
Deferred revenue	-	7,500
PPP loan	82,264	-
Rent payable	33,355	-
Payroll liabilities	-	414
Total Current Liabilities	276,162	119,594
<u>Non-Current Liabilities</u>		
Due to related party	2,761	-
Total Non-Current Liabilities	2,761	-
Total Liabilities	278,923	119,594
<u>Net Assets</u>		
Net assets without donor restrictions	1,543,410	1,151,619
Total Net Assets	1,543,410	1,151,619
Total Liabilities and Net Assets	\$ 1,822,333	\$ 1,271,213

PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019 Total (For comparative purposes only)
	<u>2020</u>	<u>2019</u>
<u>Support and Revenue</u>		
Contributions	\$ 1,647,422	\$ 1,645,052
Bequests	85,991	765,000
Rental income	204,800	41,642
Other	141	58,855
Dividends	5,799	554
Interest	6	1,700
Unrealized gain/(loss) on trading securities	79,447	4,977
	<u>2,023,606</u>	<u>2,517,780</u>
Total Support and Revenue		
Expenses:		
Program services	1,045,139	1,041,927
General and administrative	278,908	283,440
Fund raising and development	307,768	461,732
	<u>1,631,815</u>	<u>1,787,099</u>
Total Expenses		
Change in unrestricted net assets	391,791	730,681
Net Assets - beginning of year	<u>1,151,619</u>	<u>420,938</u>
Net Assets - end of year	<u>\$ 1,543,410</u>	<u>\$ 1,151,619</u>

PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020			2019
	Program Services	General & Administrative	Fundraising & Development	Total (For comparative purposes only)
Advertising	\$ 60,416	\$ -	\$ -	\$ 3,058
Automobile	-	-	-	18
Bank fees	-	-	-	9,518
Conference and education	3,788	-	-	77,224
Creative services	-	-	-	116,801
Data management	-	-	-	24,740
Depreciation	-	541	-	2,169
Direct mail costs	124,860	27,747	124,860	-
Dues and subscriptions	-	-	-	5,708
Employee benefits	33,729	22,486	-	37,888
Grants made	253,680	-	-	9,000
Information technology	5,038	1,133	126	-
Insurance	10,239	2,304	256	2,940
List rental	-	-	-	47,338
Mailings	-	-	-	62,547
Office	29,290	8,284	732	145,642
Other expenses	34,803	7,830	870	-
Payroll and taxes	172,952	115,725	-	551,999
Postage and paper	114,911	25,536	114,911	288,390
Professional fees	29,765	28,697	61,721	20,486
RDC service fee	-	-	-	131,828
Rent	158,397	35,639	3,960	225,863
Repairs	-	-	-	1,430
Telephone	13,271	2,986	332	22,230
Travel	-	-	-	282
Total Functional Expenses	\$ 1,045,139	\$ 278,908	\$ 307,768	\$ 1,631,815
				\$ 1,787,099

PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

	2020	2019 Total (For comparative purposes only)
Cash flow from operating activities:		
Change in net assets	\$ 391,791	\$ 730,681
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	541	2,169
Unrealized gain/loss on investments	(79,447)	-
Changes in operating assets and liabilities:		
Due to/from related party	(316,626)	(54,796)
Receivable	(31,349)	-
Grants receivable	(120,000)	-
Promises to give	500,000	(500,000)
Prepaid expenses	(21,761)	13,263
Accounts payable	47,169	987
PPP loan	82,264	-
Rent payable	33,355	-
Accrued expenses	1,694	(5,305)
Deferred revenue	-	7,500
Payroll liabilities	-	(11,089)
Net cash provided by operating activities	487,631	183,410
Cash flow from investing activities:		
Purchase of investments	(631,368)	-
Net cash provided by investing activities	(631,368)	-
Net increase (decrease) in cash	(143,737)	183,410
Cash and equivalents at the beginning of the year	696,578	513,168
Cash and equivalents at the end of the year	\$ 552,841	\$ 696,578
Supplemental disclosure of cash flow information:		
Cash paid for:		
Interest	\$ -	\$ -
Taxes	\$ -	\$ -

PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Organization and Summary of Significant Accounting Policies:

Organization

Parkinson Research Foundation, Inc. ("The Organization"), a Delaware Corporation, was founded on September 5, 2003, as a not-for-profit. The main function of the Organization is to support medical research into the cause, cure, and treatment of Parkinson's disease and to inform the general public about Parkinson's disease.

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting and reflect all significant receivables, payables, and other liabilities in accordance with generally accepted accounting principles. Net assets, revenues, support, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. If donor-imposed restrictions are met in the same period as the gift or investment income is received, the amount is reported as unrestricted revenues. Accordingly, net assets of the Organization are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets that are not subject to donor-imposed restrictions. Net assets without donor restrictions may be designated for specific purposes by action of the Board of Directors.

Net Assets With Donor Restrictions – Net assets with donor restrictions are to be maintained permanently by the Foundation. No permanently restricted assets were held at December 31, 2020.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the Organization considers money market funds and all highly liquid investments purchased with an original maturity of three months or less to be cash equivalents.

Promises to Give

Unconditional Promises to give are recognized as revenue in the period received and as assets. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promise becomes unconditional.

Property and Equipment

Property and equipment is reflected in the financial statements at cost, or if donated, at the estimated fair value on the date of donation. The Organization capitalizes all assets purchased greater than \$2,500. Depreciation expense is computed using the straight line method over the estimated useful life of the assets which range from three to five years. Depreciation Expense for 2020 was \$541.

PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 - Organization and Summary of Significant Accounting Policies - Continued:

Grants and Contributions

Grants and contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions received with donor stipulations that limit the use of donated assets are treated as net assets with donor restrictions. When the purpose of the restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

Bequests

Bequests are contributions that are recognized as revenues when the donor makes an unconditional promise to give to the Organization at the net realizable value as estimated by management after consulting with the decedent's representative. Bequest revenue for the year ending December 31, 2020 was \$85,991.

Functional Expense Allocation

The cost of providing various programs and other activities has been summarized on a functional basis in the statement of activities and in the statement of functional expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Estimates

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

Donated Services and In-kind Contributions

The Organization recognizes donated services that create or enhance non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2019, from which the summarized information was derived. Certain prior year accounts have been reclassified in order to conform to current year presentation.

**PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 2 – Property and Equipment

Property and equipment at December 31, 2020, consisted of the following:

Office furniture and equipment	\$188,790
Leasehold improvements	<u>48,169</u>
	236,959
Less: Accumulated depreciation	<u>(233,305)</u>
Net	<u>\$ 3,654</u>

NOTE 3 – Leases:

During 2020, the Organization entered into a 60 month operating lease agreement for use of a copier. Rental payments for the year ended December 31, 2020 totaled \$12,900. Future minimum lease payments under the non-cancellable lease are as follows:

Year Ending December 31,

2021	\$2,748
2022	2,748
2023	2,748
2024	2,748
2025	2,748

Effective September 1, 2012, the Organization moved to a new facility. They entered into a 5 year lease with annual increases of 3%. The Organization increased the space leased in 2014 from 7,533 sq. ft. to 10,582 sq. ft. Future minimum payments under the noncancellable lease are as follows:

Year Ending December 31,

2021	\$197,363
2022	200,323
2023	203,328
2024	206,378
2025	209,474

NOTE 4 – Uninsured Cash Balance:

The Organization's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits. The Organization places its cash and cash equivalents with local financial institutions. At times, cash balances may be in excess of the Federal Deposit Insurance Corporation limit. Management considers the risk to be minimal. Cash balances in excess of FDIC limits as of December 31, 2020 were \$261,436.

PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 5 – Concentrations:

The Organization uses different vendors to provide lists of donor leads, postage and mailing coordination services during the year. Payment to these service providers each represents more than ten percent (10%) of the Organization's annual expenses for the year.

NOTE 6 – Income Tax Status:

The Organization is exempt from federal income tax under Section 501(C)(3) of the Internal Revenue Code and qualifies for a charitable contribution deduction by individual donors. However, income from certain activities not directly related to the Organization's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Organization qualifies for the charitable contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(2).

Management has evaluated the effect of an accounting standard relating to accounting for uncertainty in income taxes. Management has determined that the Organization had no uncertain income tax positions that could have a significant effect on the consolidated financial statements for the year ended December 31, 2020. The Organization's federal income tax returns for fiscal years ended December 31, 2019, 2018 and 2017 are subject to examination by the Internal Revenue Service, generally for three years after the federal income tax returns were filed.

NOTE 7 – Related Party Transactions:

As of December 31, 2020, the Organization is owed \$1,244 from Macular Degeneration Association (MDA) for expenses paid on behalf of MDA. MDA is under common control with the Organization. Organizations under common control and the existence of that control could result in changes in net assets or financial position of the Organization significantly different from those that would have been obtained if the organizations were autonomous. MDA was responsible for \$30,000, or 15%, of the rent expense on the facility. The Organization loaned Parkinson Place, Inc., a new entity, \$356,829. Parkinson Place, Inc. is a related party with the Organization.

NOTE 8 – Advertising Costs:

Advertising costs are expensed as incurred. The costs incurred for the year ending December 31, 2020 were \$60,416.

NOTE 9 – Loans Payable:

The Organization has received a Paycheck Protection Program (PPP) Loan from the SBA in the amount of \$82,264. The Organization will meet the conditions to have the loan forgiven and plans to apply for the forgiveness of debt offered by the SBA.

**PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS**

NOTE 10 – Allocation of Joint Costs:

The Organization allocates expenditures between program services, general and administrative, and fundraising activities, in accordance with the provisions of the American Institute of Certified Public Accountants' Statement of Position (SOP 98-2) "Accounting for Costs of Activities of Not-For-Profit Organizations That Includes Fundraising". The mission of the Organization is to help find a cure for Parkinson's disease through funding research, while providing education and services that improve the quality of life for Parkinson patients and caregivers.

In 2020, the Organization conducted activities that included (a) requests for contributions, (b) program services and (c) general and administrative components. These activities included direct mail fundraising campaigns and distribution of and introduction to educational information. The cost of conducting activities included a total of \$619,377 of joint costs which are not specifically attributable to a particular component of the activities. Joint cost for these activities have been allocated pursuant to SOP 98-2 as set forth in the Statement of Functional Expenses and include:

Fundraising	\$301,492
Educational programs	260,088
General and administrative	57,797

NOTE 11 – Subsequent Events:

Subsequent events have been evaluated through February 22, 2021, which is the date the financial statements were available to be issued.