

PARKINSON RESEARCH FOUNDATION, INC.
FINANCIAL STATEMENTS
DECEMBER 31, 2018

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.

We have audited the accompanying financial statements of Parkinson Research Foundation, Inc., which comprise the statement of financial position as of December 31, 2018, and the related statements of activities and changes in net assets, 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, 2018, 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.

Report on Summarized Comparative Information

We have previously audited the Parkinson Research Foundation, Inc.'s 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated February 22, 2018. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Jakusovas & Company, P.C.

Jakusovas & Company, P.L.

Sarasota, Florida
February 22, 2019

**PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2018**

ASSETS

	2018	2017 Total (For comparative purposes only)
<u>Current Assets</u>		
Cash & equivalents	\$ 513,168	\$ 268,402
Due from related party	-	1,509
Prepaid expenses	24,289	19,885
Prepaid rent	21,971	21,971
Total Current Assets	559,428	311,767
Property & Equipment, net	6,364	9,854
Total Non-Current Assets	6,364	9,854
Total Assets	\$ 565,792	\$ 321,621

LIABILITIES AND NET ASSETS

<u>Current Liabilities</u>		
Payables	\$ 110,693	\$ 40,089
Accrued payroll	5,305	-
Payroll liabilities	11,503	-
Total Current Liabilities	127,501	40,089
<u>Non-Current Liabilities</u>		
Due to related party	17,353	-
Total Non-Current Liabilities	17,353	-
Total Liabilities	144,854	40,089
<u>Net Assets</u>		
Unrestricted net assets	420,938	281,532
Total Net Assets	420,938	281,532
Total Liabilities and Net Assets	\$ 565,792	\$ 321,621

PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>2018</u>	<u>2017</u> Total (For comparative purposes only)
<u>Support and Revenue</u>		
Contributions	\$ 1,649,417	\$ 1,351,540
Bequests	192,272	112,343
Other	46,424	64,634
Dividends	150	-
Unrealized losses on trading securities	(5,660)	-
	<hr/>	<hr/>
Total Support and Revenue	1,882,603	1,528,517
Expenses:		
Program services	1,144,225	1,123,904
General and administrative	217,284	241,799
Fund raising and development	381,688	469,572
	<hr/>	<hr/>
Total Expenses	1,743,197	1,835,275
Change in unrestricted net assets	139,406	(306,758)
Net Assets - beginning of year	<hr/> 281,532	<hr/> 588,290
Net Assets - end of year	<hr/> \$ 420,938	<hr/> \$ 281,532

PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018			2017
	Program Services	General & Administrative	Fundraising & Development	Total (For comparative purposes only)
Advertising	\$ 1,446	\$ -	\$ -	\$ 1,446
Automobile	1,806	406	45	2,257
Bank fees	8,841	1,989	221	11,051
Conference and education	210,896	-	-	210,896
Creative services	24,317	4,291	42,913	71,521
Data management	-	-	27,582	27,582
Depreciation	2,792	628	70	3,490
Dues and subscriptions	5,570	1,250	139	6,959
Employee benefits	23,919	4,980	-	28,899
Grants made	15,000	-	-	15,000
Licenses and permits	1,404	248	2,477	4,129
List rental	14,171	2,501	25,008	41,680
Lockbox services	1,423	251	2,511	4,185
Mailings	2,459	434	4,340	7,233
Office	88,146	19,350	19,945	127,441
Payroll and taxes	388,385	103,723	-	492,108
Postage and paper	97,166	16,844	162,540	276,550
Professional fees	-	19,065	-	19,065
Program services - other	2,843	-	-	2,843
RDC service fee	50,541	8,919	89,191	148,651
Rent	179,149	28,133	4,231	211,513
Repairs	502	113	13	628
Telephone	17,313	3,895	433	21,641
Travel	2,139	264	29	2,432
Website	3,997	-	-	3,997
Total Functional Expenses	\$ 1,144,225	\$ 217,284	\$ 381,688	\$ 1,743,197
				\$ 1,835,275

PARKINSON RESEARCH FOUNDATION, INC
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2018

	2018	2017 Total (For comparative purposes only)
Cash flow from operating activities:		
Change in net assets	\$ 139,406	\$ (306,758)
Adjustments to reconcile change in net assets to net cash flows from operating activities:		
Depreciation	3,490	25,517
Changes in operating assets and liabilities:		
Due to/from related party	18,862	19,145
Prepaid expenses	(4,403)	13,149
Accounts payable	70,603	(12,683)
Accrued payroll	5,305	(299)
Payroll liabilities	11,503	-
Net cash provided (used) by operating activities	244,766	(261,929)
Cash flows from investing activities:		
Rent deposit	-	(6,000)
Net cash provided (used) by investing activities	-	(6,000)
Net increase (decrease) in cash	244,766	(267,929)
Cash and equivalents at the beginning of the year	268,402	536,331
Cash and equivalents at the end of the year	\$ 513,168	\$ 268,402
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. This involves the soliciting of funds via direct mail campaigns and the Organization's web site in support of its charitable and education programs. In September 2012, the Organization moved their administrative office to a 7533sq. ft. facility in Sarasota, FL and opened Parkinson Place, which offers a community center for anyone with Parkinson's disease to attend free classes, lectures and seminars and a safe place to associate with others facing the same health issues. The purpose of the center is to promote an improved quality of life through education, group exercise and social activities.

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:

Unrestricted – Net assets that are not subject to donor-imposed restrictions. Unrestricted net assets may be designated for specific purposes by action of the Board of Directors

Temporarily Restricted – Net assets whose use by the Organization is subject to donor-imposed restrictions that can be fulfilled by actions of the Organization pursuant to those restrictions or that expire by the passage of time. No temporarily restricted assets were held at December 31, 2018.

Permanently Restricted – Net assets restricted by the donor to be maintained permanently by the Foundation. No permanently restricted assets were held at December 31, 2018.

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.

PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

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

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 \$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 2018 was \$3,490.

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 temporarily restricted net assets. When the purpose of the restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets 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.

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. The Organization received in kind meals and gifts for participants with a value of \$70,967, and donated services with a value of \$52,250.

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

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

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, 2017, from which the summarized information was derived. Certain prior year accounts have been reclassified in order to conform to current year presentation.

NOTE 2 – Property and Equipment

Property and equipment at December 31, 2018, consisted of the following:

Office furniture and equipment	\$188,790
Leasehold improvements	<u>48,169</u>
	236,959
Less: Accumulated depreciation	<u>(230,595)</u>
Net	<u>\$ 6,364</u>

NOTE 3 – Leases:

During 2015, the Organization renegotiated and entered into a 60 month operating lease agreement for use of a copier. Rental payments for the year ended December 31, 2018 totaled \$19,140. Future minimum lease payments under the non-cancellable lease are as follows:

Year Ending December 31,

2019	\$19,140
2020	9,570
2021	0
2022	0
2023	0

Effective September 1, 2012, the Organization moved to a new facility and opened Parkinson Place. 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,

2019	\$129,012
2020	11,165
2021	0
2022	0
2023	0

PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

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, 2018 were \$261,247.

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, 2018. The Organization's federal income tax returns for fiscal years ended December 31, 2017, 2015 and 2014 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, 2018, the Organization owes Macular Degeneration Association (MDA) \$17,353 for expenses paid on behalf of the Organization. MDA is under common control with the Organization. Organizations under 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 new facility.

NOTE 8 – Advertising Costs:

Advertising costs are expensed as incurred. The costs incurred for the year ending December 31, 2018 were \$1,446.

PARKINSON RESEARCH FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 9 – 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 2018, 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 \$605,773 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	\$374,497
Educational programs	196,585
General and administrative	34,691

NOTE 10 – Subsequent Events:

Subsequent events have been evaluated through February 22, 2019, which is the date the financial statements were available to be issued.