

*AMERICAN PARKINSON DISEASE
ASSOCIATION, INC.*

FINANCIAL STATEMENTS

AUGUST 31, 2014 AND 2013



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
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AUGUST 31, 2014 AND 2013

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INDEPENDENT AUDITORS' REPORT

The Board of Directors of
American Parkinson Disease Association, Inc.
Staten Island, New York

We have audited the accompanying financial statements of the American Parkinson Disease Association, Inc. (a nonprofit organization), which comprise the statements of financial position as of August 31, 2014 and 2013, and the related statement of cash flows for the years then ended, along with the statements of activities and functional expenses for the year ended August 31, 2014, and the related notes to the financial statements. The prior year summarized comparative information has been derived from the American Parkinson Disease Association's 2013 financial statements and, in our report dated January 12, 2014 we expressed an unqualified opinion on those 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 includes 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 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 American Parkinson Disease Association, Inc., as of August 31, 2014 and 2013, its cash flows for the years then ended, and the changes in its net assets for the year ended August 31, 2014 in accordance with accounting principles generally accepted in the United States of America.

Potter & Fama LLP

Staten Island, New York
January 29, 2015



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2014 AND 2013

ASSETS

	2014	2013
Cash	\$ 5,520,805	\$ 4,622,796
Contributions and bequests receivable	800,366	815,795
Investments	1,536,631	1,345,010
Prepaid expenses and other assets	266,191	114,934
Property and equipment - net	2,741,428	2,850,986
TOTAL ASSETS	\$ 10,865,421	\$ 9,749,521

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable and accrued expenses	\$ 414,076	\$ 558,253
Grants payable	2,402,273	2,354,810
Annuities payable	66,406	84,249
	2,882,755	2,997,312
Total liabilities	2,882,755	2,997,312

NET ASSETS:

Unrestricted	4,840,693	2,183,537
Temporarily restricted	2,969,029	4,395,742
Permanently restricted	172,944	172,930
	7,982,666	6,752,209
Total net assets	7,982,666	6,752,209

TOTAL LIABILITIES AND NET ASSETS	\$ 10,865,421	\$ 9,749,521
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See accompanying notes and independent auditors' report.

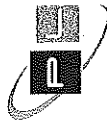


AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	Unrestricted	Temporarily Restricted	Permanently Restricted	2014	2013
REVENUE:					
Contributions	\$ 3,747,528	\$ 752,562		\$ 4,500,090	\$ 4,233,893
Legacies, bequests and estates	2,404,418	628,196	\$ -	3,032,614	2,413,637
Special events	1,023,731	1,059,327	-	2,083,058	1,998,666
Investment income	263,895	118	14	264,027	167,716
Other revenue	173,948	-	-	173,948	57,427
Net assets released from restrictions	3,866,916	(3,866,916)		-	-
Total revenue	11,480,436	(1,426,713)	14	10,053,737	8,871,339
EXPENSES:					
Program:					
Information and referral services	1,742,304	-	-	1,742,304	2,454,438
Research	1,665,906	-	-	1,665,906	1,599,057
Public and professional education	2,575,697	-	-	2,575,697	2,312,059
Total program services	5,983,907	-	-	5,983,907	6,365,554
Supporting Services:					
Administration	692,427	-	-	692,427	864,546
Fundraising	2,146,946	-	-	2,146,946	1,839,160
Total supporting services	2,839,373	-	-	2,839,373	2,703,706
Total expenses	8,823,280	-	-	8,823,280	9,069,260
Increase (Decrease) in net assets	2,657,156	(1,426,713)	14	1,230,457	(197,921)
Net assets, beginning of year	2,183,537	4,395,742	172,930	6,752,209	6,950,130
Net assets, end of year	\$ 4,840,693	\$ 2,969,029	\$ 172,944	\$ 7,982,666	\$ 6,752,209

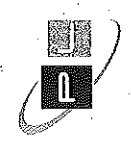
See accompanying notes and independent auditors' report.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2014
(WITH COMPARATIVE TOTALS FOR 2013)

	Program Services			Supporting Services			Total	
	Information and Referral Services	Research	Public and Professional Education	Administrative	Fundraising	Total	2014	2013
Grants and awards	\$ 1,001,868	\$ 1,491,297	\$ -	\$ -	\$ -	\$ -	\$ 2,493,165	\$ 3,269,131
Patient services	-	-	413,673	-	-	-	413,673	286,588
Conferences, symposia and public education	-	-	499,413	-	-	-	499,413	604,747
Salaries	388,179	88,885	608,946	342,375	242,065	584,440	1,670,450	1,347,039
Payroll taxes and employee benefits	95,205	21,800	149,350	83,971	59,369	143,340	409,695	338,735
Rent	16,841	3,856	26,418	14,854	10,502	25,356	72,471	61,118
Telephone	8,517	1,950	13,361	7,512	5,311	12,823	36,651	33,563
Supplies, stationery and printing	35,228	8,066	55,262	31,071	21,968	53,039	151,595	121,712
Office and miscellaneous expense	53,999	12,365	84,710	47,627	33,673	81,300	232,374	201,559
Accounting	17,972	4,115	28,192	15,851	11,207	27,058	77,337	85,182
Legal	19,531	4,472	30,639	17,227	12,179	29,406	84,048	77,279
Insurance	11,721	2,684	18,387	10,339	7,309	17,648	50,440	35,354
Travel and meetings	21,907	5,016	34,366	19,321	13,661	32,982	94,271	81,133
Mailings	-	5,065	501,071	39,359	1,100,085	1,139,444	1,645,580	1,627,145
Special events	-	-	-	-	585,132	585,132	585,132	630,733
Postage	10,104	2,314	15,851	8,912	6,301	15,213	43,482	25,822
Equipment leases	4,330	991	6,792	3,820	2,700	6,520	18,633	43,359
Investment management fees	4,716	1,080	7,399	4,160	2,941	7,101	20,296	17,817
Maintenance and repairs	15,685	3,592	24,606	13,834	9,781	23,615	67,498	55,196
Dues, subscriptions, licenses and fees	11,042	2,528	17,322	9,739	6,886	16,625	47,517	15,952
Depreciation	1,716,845	1,660,076	2,535,758	669,972	2,131,070	2,801,042	8,713,721	8,959,164
	25,459	5,830	39,939	22,455	15,876	38,331	109,559	110,096
Total	\$ 1,742,304	\$ 1,665,906	\$ 2,575,697	\$ 692,427	\$ 2,146,946	\$ 2,839,373	\$ 8,823,280	\$ 9,069,260

See accompanying notes and independent auditors' report.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
AUGUST 31, 2014 AND 2013

	2014	2013
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ 1,230,457	\$ (197,921)
Adjustments to reconcile decrease in net assets to net cash (used in) provided by operating activities:		
Realized (gain) on sale of securities	(96,970)	(91,406)
Unrealized (gain) on securities	(108,896)	(29,807)
Depreciation and amortization	109,559	110,096
(Increase) decrease in:		
Contributions and bequests receivable	15,429	(612,278)
Prepaid expenses and other assets	(151,257)	(98,999)
Increase (decrease) in:		
Accounts payable and accrued expenses	(144,177)	205,512
Grants payable	47,463	461,728
	<u>901,608</u>	<u>(253,075)</u>
Net Cash Provided by (Used in) Operating Activities		
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	1,267,317	873,219
Purchase of investments	(1,253,073)	(918,335)
Purchase of property and equipment	-	(1,295)
	<u>14,244</u>	<u>(46,411)</u>
Net Cash Provided by (Used in) Investing Activities		
Cash Flows From Financing Activities		
Annuities payable payments and adjustments	(17,843)	181
	<u>(17,843)</u>	<u>181</u>
Net Cash Provided by (Used in) Financing Activities		
Net Increase (Decrease) in Cash and Cash Equivalents	898,009	(299,305)
Cash and Cash Equivalents - Beginning of Year	<u>4,622,796</u>	<u>4,922,101</u>
Cash and Cash Equivalents - End of Year	<u>\$ 5,520,805</u>	<u>\$ 4,622,796</u>

See accompanying notes and independent auditors' report.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note A - Organization

Founded in 1961, the American Parkinson Disease Association, Inc. ("APDA") is a not-for-profit organization committed to serving the Parkinson community through a comprehensive program of research, patient education and support. APDA's mission to "Ease the Burden and Find the Cure" is accomplished through the following programs:

Information and Referral Centers- APDA has developed a network of Information and Referral Centers nationwide.

Research- APDA sponsors research into the cause, diagnosis, treatment and cure of Parkinson's disease.

Public and Professional Education- APDA sponsors educational conferences for professionals, patients, caregivers and families, and publishes a quarterly newsletter, educational booklets and other materials about Parkinson's disease.

APDA has an office in New York and 35 chapters throughout the United States. The Organization is supported primarily through public donations.

Note B - Summary of Significant Accounting Policies

Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting and includes the assets, liabilities, net assets, revenues and expenses of the local chapters.

Basis of Presentation

Net assets and revenues, expenses, gains and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets of APDA and changes therein are classified and reported as follows:

Unrestricted Net Assets- Net assets that are not subject to donor-imposed stipulations.

Temporarily Restricted Net Assets- Net assets subject to donor-imposed stipulations that may or will be met either by actions of APDA and/or the passage of time.

Permanently Restricted Net Assets- Net assets subject to donor-imposed restrictions that stipulate that they be maintained permanently by APDA, but permit APDA to expend the income derived therefrom.

Revenues are reported as increases in unrestricted net assets unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in unrestricted net assets.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note B - Summary of Significant Accounting Policies, continued

Gains and losses on investments and other assets or liabilities are reported as increases or decreases in unrestricted net assets unless their use is restricted by explicit donor stipulation or by law. Expirations of temporary restrictions on net assets (i.e., the donor-stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

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 APDA's financial statements for the year ended August 31, 2013, from which the summarized information was derived.

Contributions

Contributions, which include unconditional promises to give, are recognized as revenues in the period received. Contributions are recorded as unrestricted, temporarily restricted, or permanently restricted depending on the nature of donor restrictions. Restricted contributions are reported as increases in restricted net assets. When the restriction is met the amount is shown as a reclassification of restricted net assets to unrestricted net assets. If a donor's restriction is met in the same period that the support is recognized, the contribution is reported as an increase in unrestricted net assets.

Bequests Receivable

APDA has been named beneficiary of various estates. Bequests received under such estates are not recorded until the amounts become determinable and fixed. As of August 31, 2014 and 2013, such amounts are recorded as bequests receivable on the accompanying statement of financial position. No allowance for doubtful bequests is considered necessary by management for the years ended August 31, 2014 and 2013. All bequests receivable are expected to be collected within one year.

Investments

Investments in equity securities with readily determinable fair values and all investments in debt securities are reported at fair value. Realized and unrealized gains and losses are recognized as changes in net assets in the periods in which they occur, and investment income is recognized as revenue in the period earned.

Grants and Awards

Grants and awards are recognized in the period the award is approved by the Executive Committee of the Board of Directors, grant recipients are notified and grant conditions, if any, are met.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note B-Summary of Significant Accounting Policies, continued

Property and Equipment

All acquisitions of furniture and equipment, in excess of \$1,000, are capitalized. Furniture and equipment are stated at cost, if purchased, or fair value if contributed. Property and equipment are depreciated on a straight line basis over the following useful lives:

Buildings	30 years
Building improvements	20-30 years
Furniture and fixtures	3-7 years
Computers	3-5 years

Income Tax

APDA is incorporated as a not-for-profit organization and is exempt from Federal income taxes under Section 501(c) (3) of the Internal Revenue Code. In addition, APDA has been determined not to be a private foundation under Section 509(A) of said Code.

APDA regularly reviews and evaluates its tax positions taken on current and previously filed tax returns and as reflected in its financial statements, with regard to issues affecting its not-for-profit status. APDA believes that in the event of an examination by taxing authorities, APDA's position would prevail based on technical merits.

APDA's tax returns are generally subject to examination by the Internal Revenue Service for three years including August 31, 2014, 2013 and 2012.

Use of Estimates

Management uses estimates and assumptions in preparing financial statements. Those estimates and assumptions affect the reported amounts of assets and liabilities, and disclosure of contingent assets and liabilities, and the reported amounts of revenues and expenses. Actual results could differ from those estimates.

Cash Equivalents

For purposes of the statement of cash flows, APDA considers financial instruments with maturities of three months or less to be cash equivalents.

Contributed Services

APDA does not recognize any revenue or expense from services contributed by volunteers because it does not meet the criteria for recognition under FASB ASC 958, *Not-for-Profit Entities*.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note C - Fair Value Measurements

Generally accepted accounting principles define fair value, establish a framework for measuring fair value and establish a fair value hierarchy that prioritizes the inputs to valuation techniques. Fair value is a price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants on the measurement date. A fair value measurement assumes that the transaction to sell the asset or transfer the liability occurs in the principal market for the asset or liability, or in the absence of a principal market, the most advantageous market. Valuation techniques that are consistent with the market, income or cost approach are used to measure fair value.

The fair value hierarchy prioritizes the inputs to valuation techniques used to measure fair value into three broad levels:

Level 1 – Quoted prices in active markets for identical assets or liabilities.

Level 2 – Inputs other than Level 1 that are observable, either directly or indirectly, such quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 – Unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.

For applicable assets and liabilities subject to this pronouncement, the Organization will value such assets and liabilities using quoted market prices in active markets for identical assets and liabilities to the extent possible. To the extent that such market prices are not available, the Organization will next attempt to value such assets and liabilities using observable measurement criteria, including quoted market prices of similar assets and liabilities in active and inactive markets and other corroborated factors. In the event that quoted market prices in active markets and other observable measurement criteria are not available, the Organization will develop measurement criteria based on the best information available.

Fair value of financial assets and liabilities measured at August 31, 2014 is as follows:

	<u>August 31, 2014</u>	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Assets:</u>				
Bequests				
receivable	\$ 800,366	\$ -	\$ -	\$ 800,366
Investments	\$ 1,536,631	\$ 1,536,631	\$ -	\$ -



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note C-Fair Value Measurements, continued

Liabilities:

Annuities payable	\$ (66,406)	\$ _____ -	\$ _____ -	\$ (66,406)
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Fair value of financial assets and liabilities measured at August 31, 2013 is as follows:

	<u>August 31, 2013</u>	<u>Quoted Price in Active Markets for Identical Assets (Level 1)</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Significant Unobservable Inputs (Level 3)</u>
<u>Assets:</u>				
Bequests receivable	\$ 815,795	\$ _____ -	\$ _____ -	\$ 815,795
Investments	\$ 1,345,010	\$ 1,345,010	\$ _____ -	\$ _____ -
<u>Liabilities:</u>				
Annuities payable	\$ (84,249)	\$ _____ -	\$ _____ -	\$ (84,249)

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of the Organization's level 3 assets and liabilities for the year ended August 31, 2014:

	Level 3 Assets & Liabilities Year Ended August 31, 2014	
	<u>Bequests Receivable</u>	<u>Annuities Payable</u>
Balance, beginning of year	\$ 815,795	\$(84,249)
Contributions	—	
Payments received	(1,433,923)	—
Actuarial adjustments	—	3,234
New bequests	1,511,909	—
Write-offs	(93,415)	—
Annuitant Payments	—	14,609
Balance, end of year	<u>\$ 800,366</u>	<u>\$(66,406)</u>



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note D - Investments

Investments are carried at market value and realized and unrealized gains and losses are reflected in the statement of activities.

Investments consisted of the following at August 31, 2014 and 2013:

	<u>2014</u>	<u>2013</u>
Money market funds and certificates of deposits	\$ 119,373	\$ 205,183
Equities	1,357,133	1,041,244
Government securities	<u>60,125</u>	<u>98,583</u>
	<u>\$1,536,631</u>	<u>\$ 1,345,010</u>

Investment income at August 31, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Unrealized gains	\$ 108,896	\$ 29,807
Realized gains	96,970	91,406
Interest and dividend income	<u>58,161</u>	<u>46,503</u>
Total Unrestricted Investment Income	<u>\$ 264,027</u>	<u>\$ 167,716</u>

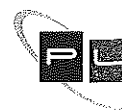
Total expenses relating to investment income, including custodial and management advisory fees for the years ended August 31, 2014 and 2013 were \$20,296 and \$17,817, respectively.

Note E - Property and Equipment

Property and equipment at August 31, 2014 and 2013 consisted of the following:

	<u>2014</u>	<u>2013</u>
Land	\$ 696,071	\$ 696,071
Building	2,820,627	2,820,627
Building improvements	79,454	79,454
Computers	96,245	96,245
Furniture and equipment	<u>140,390</u>	<u>140,390</u>
	3,832,787	3,832,787
Accumulated depreciation and amortization	<u>(1,091,359)</u>	<u>(981,801)</u>
Property and equipment, net	<u>\$2,741,428</u>	<u>\$2,850,986</u>

Depreciation expense for the fiscal years ended August 31, 2014 and 2013 was \$109,559 and \$110,096, respectively.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note F - Concentration of Credit Risk

The Organization maintains cash accounts with financial institutions insured by the Federal Deposit Insurance Corporation up to \$250,000. At August 31, 2014, the Organization's cash balances exceeded this limit by \$3,012,440.

As of August 31, 2014 and 2013, total cash remaining with the Chapters was \$3,719,941 and \$3,048,181, respectively.

Note G - Commitments

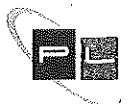
APDA leases rental facilities and equipment under noncancelable operating leases for some of its chapter offices. The minimum annual rental payments under the agreements are as follows:

Years ending August 31, 2015		\$ 59,089
2016		23,571
2017		15,531
2018 and thereafter		14,335
		<u>\$ 112,526</u>

APDA has agreements with institutions of higher education to fund certain advanced centers. Such agreements, which are conditional on continued appropriate performance and adequate funding, are usually for five-year periods. At August 31, 2014, APDA had outstanding commitments payable as follows:

Years ending August 31, 2015		\$ 600,000
2016 and thereafter		-
		<u>\$ 600,000</u>

APDA approved \$953,850 to fund information and referral centers for the fiscal year ended August 31, 2015. These amounts are conditional on certain reporting requirements and are funded for only one year.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note H - Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2014</u>	<u>2013</u>
Specific research activities	\$ 1,399,701	\$ 1,515,694
Patient Services	784,937	1,481,638
Local Chapters and other uses	<u>784,391</u>	<u>1,398,410</u>
	<u>\$ 2,969,029</u>	<u>\$ 4,395,742</u>

Temporarily restricted net assets released from restrictions during the years ended August 31, 2014 and 2013 were primarily expended for research and patient services purposes.

The income derived from permanently restricted net assets is available for research and general purposes. Restricted net assets consist of cash and investments and are included in the cash and investments headings on the Statement of Financial Position.

Note I - Endowment Funds

Endowment funds represent assets and net assets that are subject to permanent restriction by gift instruments as prescribed by donors. The principal amount, based on historical gift value of each endowment, is to be maintained permanently. The income derived from each permanent endowment is appropriated and allocated to unrestricted or temporarily restricted revenue per the donor's specifications.

Changes in the balances of endowment funds for the year ended August 31, 2014 are as follows:

Balance, August 31, 2013	\$ 172,930
Contributions	<u>14</u>
Balance, August 31, 2014	<u>\$ 172,944</u>

Note J - Allocation of Joint Costs

During the years ended August 31, 2014 and 2013, APDA incurred joint costs for mailings which included fund-raising appeals. Such joint costs were allocated as follows:

	<u>2014</u>	<u>2013</u>
Fundraising costs	\$ 439,768	\$ 475,186
Administration	38,967	49,021
Public and professional education	496,077	643,483
Research	<u>5,014</u>	<u>3,771</u>
	<u>\$ 979,826</u>	<u>\$ 1,171,461</u>



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2014 AND 2013

Note K - Retirement Plans

APDA is a member of the New York City Cultural Institutions Retirement System (“CIRS”) which administers three separate multiemployer plans – a savings plan, a pension plan and a group life and welfare benefits plan.

The savings plan is a 401(k) retirement plan which allows employees to defer up to 50% of their salaries on a pre-tax basis up to a maximum of \$17,500, or \$23,000 for employees age 50 and older.

During the fiscal year ended August 31, 2014 APDA was required to make an annual matching contribution of 1% - 3% of employee salaries. Employees are 100% vested in their accounts which include their contributions, employer matching contributions and investment gains, if any. APDA’s contributions to the savings plan during the fiscal years ended August 31, 2014 and 2013 totaled \$1,582 and \$20,848, respectively.

Membership in the pension plan is automatic for all eligible employees who are 21 years of age or older and who have completed one year of service. The pension plan is a non-contributory defined benefit plan which provides for retirement benefits based upon, among other things, the employees’ years of service and salary. APDA’s contribution to the pension plan during the fiscal years ended August 31, 2014 and 2013 totaled \$100,354 and \$66,209, respectively.

Note L - Annuities Payable

Annuities payable represent the present value of payments due from APDA to donors participating in the charitable gift annuity program. Donors in this program contribute cash in exchange for APDA’s promise to pay such donors or their designated beneficiaries a fixed sum each year for life. State regulations require the maintenance of investments in a reserve account to secure payment of these annuities. At August 31, 2014 and 2013, investments included \$88,084 and \$102,523, respectively, in such a reserve account. As disclosed in Note B, these investments are carried at fair market value, and are in excess of the amount required by state regulation. Discount rates used to determine such annuities range from 4% to 10.5% and other actuarial assumptions, including life expectancies, were used to estimate individual annuitant liabilities.

Changes in the values of annuities payable for the year ended August 31, 2014 are as follows:

Balance, August 31, 2013	\$ 84,249
Contributions	0
Annuitant payments	(14,609)
Actuarial adjustments	<u>(3,234)</u>
Balance, August 31, 2014	<u>\$ 66,406</u>

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
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Note M - Related Parties

One member of the Board of Directors of APDA is also a member of the board of International Parkinson Fonds in the Netherlands and Internationale Parkinson Fonds (Deutschland) GmbH in Germany. There are no financial transactions that occurred during fiscal 2014 between these two organizations, whose mission is to raise funds for research in those countries.

There is a member of the Board of Directors that is also the Chairman of the Scientific Advisory Board. In addition, this member heads the Department of Neurology at the University of Alabama at Birmingham and receives research funding in the amount of \$75,000 per year and Information and Referral funding in the amount of \$38,500 per year.

A member of the Board of Directors is the managing member of an employee benefits consulting firm that is the insurance broker who represents the insurance company that provides medical insurance to APDA. Total insurance premiums paid to the insurance company during the fiscal year ended August 31, 2014 was \$17,031. Commission paid to this employee benefits consulting firm on these premium payments was \$647. The premium rates were determined to be comparable with other providers. This member recused himself from all decisions pertaining to insurance.

Note N - Subsequent Events

The Organization has evaluated subsequent events through January 29, 2015, the date the financial statements were available to be issued.
