

***AMERICAN PARKINSON DISEASE
ASSOCIATION, INC.***

FINANCIAL STATEMENTS

AUGUST 31, 2015



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
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AUGUST 31, 2015

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INDEPENDENT AUDITOR'S 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 statement of financial position as of August 31, 2015, 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 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, 2015, and its changes in net assets, functional expenses, and 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 American Parkinson Disease Association, Inc.'s 2014 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated January 29, 2015. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2014 is consistent, in all material respects, with the audited financial statements from which it has been derived.

Patten & Gorman LLP

Staten Island, New York
January 27, 2016

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENT OF FINANCIAL POSITION
AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

ASSETS

	<u>2015</u>	<u>2014</u>
Cash	\$ 5,561,038	\$ 5,520,805
Bequests receivable	1,788,291	800,366
Investments	1,382,004	1,536,631
Prepaid expenses and other assets	344,597	266,191
Property and equipment - net	<u>2,663,553</u>	<u>2,741,428</u>
TOTAL ASSETS	<u><u>\$ 11,739,483</u></u>	<u><u>\$ 10,865,421</u></u>

LIABILITIES AND NET ASSETS

LIABILITIES:

Accounts payable and accrued expenses	\$ 285,981	\$ 414,076
Grants payable	1,871,219	2,402,273
Annuities payable	<u>55,721</u>	<u>66,406</u>
Total liabilities	<u>2,212,921</u>	<u>2,882,755</u>

NET ASSETS:

Unrestricted	6,011,117	4,840,693
Temporarily restricted	3,342,501	2,969,029
Permanently restricted	<u>172,944</u>	<u>172,944</u>
Total net assets	<u>9,526,562</u>	<u>7,982,666</u>
TOTAL LIABILITIES AND NET ASSETS	<u><u>\$ 11,739,483</u></u>	<u><u>\$ 10,865,421</u></u>

See accompanying notes and independent auditor's report.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.

**STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Permanently Restricted</u>	<u>Total</u>	
				<u>2015</u>	<u>2014</u>
REVENUE:					
Contributions	\$ 4,493,169	\$ 338,434		\$ 4,831,603	\$ 4,500,090
Legacies, bequests and estates	2,394,729	1,327,938	\$ -	3,722,667	3,032,614
Special events	1,554,218	513,888	-	2,068,106	2,083,058
Investment income	(119,710)	2,836	-	(116,874)	264,027
In-kind contributions	9,345,431	-	-	9,345,431	-
Other revenue	41,989	-	-	41,989	173,948
Net assets released from restrictions	1,809,624	(1,809,624)	-	-	-
Total revenue	<u>19,519,450</u>	<u>373,472</u>	<u>-</u>	<u>19,892,922</u>	<u>10,053,737</u>
EXPENSES:					
Program:					
Information and referral centers	2,278,773	-	-	2,278,773	1,742,304
Research	1,515,942	-	-	1,515,942	1,665,906
Public and professional education (including in-kind contributions of \$9,345,431)	11,672,389	-	-	11,672,389	2,575,697
Total program services	<u>15,467,104</u>	<u>-</u>	<u>-</u>	<u>15,467,104</u>	<u>5,983,907</u>
Supporting Services:					
Administration	787,047	-	-	787,047	692,427
Fundraising	2,094,875	-	-	2,094,875	2,146,946
Total supporting services	<u>2,881,922</u>	<u>-</u>	<u>-</u>	<u>2,881,922</u>	<u>2,839,373</u>
Total expenses	<u>18,349,026</u>	<u>-</u>	<u>-</u>	<u>18,349,026</u>	<u>8,823,280</u>
Increase in net assets	1,170,424	373,472	-	1,543,896	1,230,457
Net assets, beginning of year	<u>4,840,693</u>	<u>2,969,029</u>	<u>172,944</u>	<u>7,982,666</u>	<u>6,752,209</u>
Net assets, end of year	<u>\$ 6,011,117</u>	<u>\$ 3,342,501</u>	<u>\$ 172,944</u>	<u>\$ 9,526,562</u>	<u>\$ 7,982,666</u>

See accompanying notes and independent auditor's report.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	Program Services				Supporting Services			Total	
	Information and Referral Services	Research	Public and Professional Education	Total	Administrative	Fundraising	Total	2015	2014
Grants and awards	\$ 995,829	\$ 1,408,883	\$ -	\$ 2,404,712	\$ -	\$ -	\$ -	\$ 2,404,712	\$ 2,493,165
Patient services	345,719	-	-	345,719	-	-	-	345,719	413,673
Conferences, symposia and public education	100	-	446,620	446,720	-	-	-	446,720	499,413
Donated media	-	-	9,345,431	9,345,431	-	-	-	9,345,431	-
Salaries	518,352	59,217	825,590	1,403,159	373,351	251,470	624,821	2,027,980	1,670,450
Payroll taxes and employee benefits	142,034	16,226	226,221	384,481	102,303	68,906	171,209	555,690	409,695
Rent	17,993	2,056	28,658	48,707	12,960	8,729	21,689	70,396	72,471
Telephone	15,633	1,786	24,899	42,318	11,260	7,584	18,844	61,162	36,651
Supplies, stationery and printing	25,694	2,935	40,924	69,553	18,506	12,465	30,971	100,524	151,595
Office and miscellaneous expenses	53,550	6,118	85,291	144,959	38,570	25,979	64,549	209,508	232,374
Accounting	22,244	2,541	35,428	60,213	16,021	10,791	26,812	87,025	77,337
Legal	25,720	2,938	40,965	69,623	18,526	12,478	31,004	100,627	84,048
Insurance	18,995	2,170	30,254	51,419	13,681	9,215	22,896	74,315	50,440
Travel and meetings	16,949	1,936	26,996	45,881	12,208	8,223	20,431	66,312	94,271
Mailings	-	-	387,756	387,756	112,067	1,196,516	1,308,583	1,696,339	1,645,580
Special events	-	-	-	-	-	443,726	443,726	443,726	585,132
Postage	6,953	794	11,073	18,820	5,008	3,373	8,381	27,201	43,482
Equipment leases	4,066	465	6,476	11,007	2,929	1,973	4,902	15,909	18,633
Investment management fees	5,462	625	8,700	14,787	3,934	2,650	6,584	21,371	20,296
Maintenance and repairs	16,500	1,885	26,280	44,665	11,885	8,005	19,890	64,555	67,498
Dues, subscriptions, licenses and fees	20,174	2,305	32,132	54,611	14,531	9,787	24,318	78,929	47,517
	2,251,967	1,512,880	11,629,694	15,394,541	767,740	2,081,870	2,849,610	18,244,151	8,713,721
Depreciation	26,806	3,062	42,695	72,563	19,307	13,005	32,312	104,875	109,559
Total	\$ 2,278,773	\$ 1,515,942	\$ 11,672,389	\$ 15,467,104	787,047	2,094,875	\$ 2,881,922	\$ 18,349,026	\$ 8,823,280

See accompanying notes and independent auditor's report.



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENT OF CASH FLOWS
AUGUST 31, 2015
(WITH COMPARATIVE TOTALS FOR 2014)

	<u>2015</u>	<u>2014</u>
Cash Flows From Operating Activities		
Increase in net assets	\$ 1,543,896	\$ 1,230,457
Adjustments to reconcile increase in net assets to net cash provided by operating activities:		
Realized gain on sale of securities	(35,040)	(96,970)
Unrealized loss (gain) on securities	204,171	(108,896)
Depreciation and amortization	104,875	109,559
(Increase) decrease in:		
Contributions and bequests receivable	(987,925)	15,429
Prepaid expenses and other assets	(78,406)	(151,257)
Increase (decrease) in:		
Accounts payable and accrued expenses	(128,095)	(144,177)
Grants payable	<u>(531,054)</u>	<u>47,463</u>
Net Cash Provided by Operating Activities	<u>92,422</u>	<u>901,608</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	1,857,201	1,267,317
Purchase of investments	(1,871,705)	(1,253,073)
Purchase of property and equipment	<u>(27,000)</u>	<u>-</u>
Net Cash (Used for) Provided by Investing Activities	<u>(41,504)</u>	<u>14,244</u>
Cash Flows From Financing Activities		
Annuities payable	<u>(10,685)</u>	<u>(17,843)</u>
Net Cash (Used for) Provided by Financing Activities	<u>(10,685)</u>	<u>(17,843)</u>
Net Increase in Cash and Cash Equivalents	40,233	898,009
Cash and Cash Equivalents - Beginning of Year	<u>5,520,805</u>	<u>4,622,796</u>
Cash and Cash Equivalents - End of Year	<u><u>\$ 5,561,038</u></u>	<u><u>\$ 5,520,805</u></u>

See accompanying notes and independent auditor's report.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

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 25 chapters throughout the United States. APDA 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 include 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, 2015

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, 2014, 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, 2015 and 2014, 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, 2015 and 2014. 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, and grant recipients are notified and grant conditions, if any, are met.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

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, 2015, 2014 and 2013.

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.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

Note B-Summary of Significant Accounting Policies, continued

Contributed Services

Donated goods and services that meet the requirements for recognition are recorded as revenue and expenses in the accompanying statement of activities at their fair value. The majority of the donated service is directly related to APDA's awareness campaign and public education, which is included in public education in the accompanying statement of functional expenses. In-kind contributions include donated media (television and radio broadcasting and other forms of media, including public service announcements) valued at approximately \$9,345,431. The fair value of the donated media is determined based on consideration of cash payments typically made by buyers for similar advertising and media, standard discounts given for similarly placed media, the media type and placement and other considerations. APDA commenced the reporting of donated media in revenue and expenses in the accompanying financial statements in fiscal year 2015.

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*.

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 as 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.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

Note C-Fair Value Measurements, continued

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, 2015 is as follows:

	<u>August 31, 2015</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	<u>\$ 1,788,291</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 1,788,291</u>
Investments	<u>\$1,382,004</u>	<u>\$ 1,382,004</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>
<u>Liabilities:</u>				
Annuities payable	<u>\$ (55,721)</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ (55,721)</u>

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

	<u>August 31, 2014</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	<u>\$ 800,366</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ 800,366</u>
Investments	<u>\$ 1,536,631</u>	<u>\$ 1,536,631</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>
<u>Liabilities:</u>				
Annuities payable	<u>\$ (66,406)</u>	<u>\$ _____ -</u>	<u>\$ _____ -</u>	<u>\$ (66,406)</u>



AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

Note C-Fair Value Measurements, continued

Level 3 Gains and Losses

The following table sets forth a summary of changes in the fair value of APDA's Level 3 assets and liabilities for the year ended August 31, 2015:

	Level 3 Assets & Liabilities	
	Year Ended August 31, 2015	
	Bequests Receivable	Annuities Payable
Balance, beginning of year	\$ 800,366	\$(66,406)
Contributions	—	—
Payments received	(1,585,979)	—
Actuarial adjustments	—	(1,005)
New bequests	2,636,543	—
Write-offs	(62,639)	—
Annuitant payments	—	11,690
Balance, end of year	<u>\$ 1,788,291</u>	<u>\$(55,721)</u>

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, 2015 and 2014:

	<u>2015</u>	<u>2014</u>
Money market funds and certificates of deposits	\$ 27,828	\$ 119,373
Equities	1,278,464	1,357,133
Government securities	<u>75,712</u>	<u>60,125</u>
	<u>\$1,382,004</u>	<u>\$ 1,536,631</u>

Investment income at August 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Unrealized (losses) gains	\$ (204,171)	\$ 108,896
Realized gains	35,040	96,970
Interest and dividend income	<u>52,257</u>	<u>58,161</u>
Total Unrestricted Investment Income	<u>\$ (116,874)</u>	<u>\$ 264,027</u>

Total expenses relating to investment income, including custodial and management advisory fees for the years ended August 31, 2015 and 2014, were \$21,371 and \$20,296, respectively.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

Note E - Property and Equipment

Property and equipment at August 31, 2015 and 2014 consisted of the following:

	<u>2015</u>	<u>2014</u>
Land	\$ 696,071	\$ 696,071
Building	2,820,627	2,820,627
Building improvements	106,454	79,454
Computers	46,985	96,245
Furniture and equipment	<u>140,390</u>	<u>140,390</u>
	3,810,527	3,832,787
Accumulated depreciation and amortization	<u>(1,146,974)</u>	<u>(1,091,359)</u>
Property and equipment, net	<u>\$2,663,553</u>	<u>\$2,741,428</u>

Depreciation expense for the fiscal years ended August 31, 2015 and 2014 was \$104,875 and \$109,559, respectively.

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, 2015, APDA's cash balances exceeded this limit by \$5,057,957.

As of August 31, 2015 and 2014, total cash remaining with the Chapters was \$248,545 and \$3,719,941, 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, 2016	\$ 84,212
2017	77,106
2018	34,120
2019	11,974
2020 and thereafter	<u>7,869</u>
	<u>\$ 215,281</u>

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

Note G – Commitments, continued

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, 2015, APDA had outstanding commitments payable as follows:

Years ending August 31, 2016	\$ 700,000
2017 and thereafter	<u> -</u>
	<u>\$ 700,000</u>

APDA approved \$876,900 to fund information and referral centers for the fiscal year ended August 31, 2016. These amounts are conditional on certain reporting requirements and are funded for only one year.

Note H - Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are available for the following purposes:

	<u>2015</u>	<u>2014</u>
Specific research activities	\$ 2,008,604	\$ 1,399,701
Patient Services	717,693	784,937
Local Chapters and other uses	<u>616,204</u>	<u>784,391</u>
	<u>\$ 3,342,501</u>	<u>\$ 2,969,029</u>

Temporarily restricted net assets released from restrictions during the years ended August 31, 2015 and 2014 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.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
AUGUST 31, 2015

Note I - Endowment Funds, continued

Changes in the balances of endowment funds for the year ended August 31, 2015 are as follows:

Balance, August 31, 2014	\$ 172,944
Contributions	<u>-</u>
Balance, August 31, 2015	<u>\$ 172,944</u>

Note J - Allocation of Joint Costs

During the years ended August 31, 2015 and 2014, APDA incurred joint costs for mailings which included fund-raising appeals. Such joint costs were allocated as follows:

	<u>2015</u>	<u>2014</u>
Fundraising costs	\$ 694,795	\$ 439,768
Administration	109,498	38,967
Public and professional education	372,214	496,077
Research	<u>-</u>	<u>5,014</u>
	<u>\$ 1,176,507</u>	<u>\$ 979,826</u>

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 \$18,000, or \$24,000 for employees age 50 and older.

During the fiscal year ended August 31, 2015, APDA was not required to make an annual matching contribution 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, 2015 and 2014 totaled \$0 and \$1,582 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, 2015 and 2014 totaled \$106,042 and \$100,354, respectively.

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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, 2015 and 2014, investments included \$75,712 and \$88,084, 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, 2015 are as follows:

Balance, August 31, 2014	\$ 66,406
Contributions	-
Annuitant payments	(11,690)
Actuarial adjustments	<u>1,005</u>
Balance, August 31, 2015	<u>\$ 55,721</u>

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 2015 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 \$100,000 per year and Information and Referral funding in the amount of \$34,650 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, dental, and optical insurance to APDA. Total insurance premiums paid to the insurance company during the fiscal year ended August 31, 2015 was \$293,926. Commissions paid to this employee benefits consulting firm out of these premium payments were \$9,742. 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

APDA has evaluated subsequent events through January 27, 2016, the date the financial statements were available to be issued.

