

Parkinson Research Foundation, Inc.
December 31, 2013

Financial Statements

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December 31, 2013

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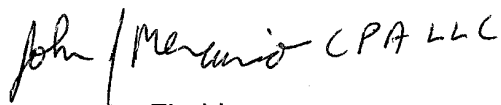
INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Parkinson Research Foundation, Inc.

We have audited the accompanying statement of financial position of Parkinson Research Foundation, Inc. ("the Foundation") as of December 31, 2013, and the related statements of activities and changes in net assets and cash flows for the years then ended. These financial statements are the responsibility of the Organization's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the foundation's 2012 financial statements and, we express no opinion on those financial statements.

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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2013 and December 31, 2012, and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

 John J. Mercurio CPA LLC

Sarasota, Florida
February 13, 2014

Statement of Financial Position
December 31, 2013

Assets

	<u>2013</u>	<u>2012</u> Total (For comparative purposes only)
Current assets:		
Cash and cash equivalents	699,354	\$ 808,002
Temporarily restricted cash	-	-
Unconditional promises to give	367,000	34,000
Due from related party	39,928	7,172
Prepaid expenses	20,175	15,347
Prepaid rent	<u>33,390</u>	<u>98,870</u>
Total current assets	1,159,847	963,391
Property and equipment, net	<u>137,439</u>	<u>174,275</u>
Total assets	<u><u>1,297,286</u></u>	<u><u>1,137,666</u></u>

Liabilities and Net Assets

Current liabilities:		
Accounts payable	106,456	90,819
Accrued payroll and taxes	<u>68</u>	<u>5,720</u>
Total current liabilities	<u>106,524</u>	<u>96,539</u>
Unrestricted net assets	1,180,762	1,031,127
Temporarily restricted net assets	<u>10,000</u>	<u>10,000</u>
Total net assets	<u>1,190,762</u>	<u>1,041,127</u>
Total liabilities and net assets	<u><u>\$ 1,297,286</u></u>	<u><u>\$ 1,137,666</u></u>

See accompanying notes to financial statements.

Statement of Activities and Changes in Net Assets
Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u> Total (For comparative purposes only)
Support and revenue:		
Contributions	\$ 1,369,675	\$ 1,262,992
Bequests	411,352	78,089
Conferences	8,680	21,647
Special events	-	690
Interest	-	24
Other	27,021	-
	<u>1,816,728</u>	<u>1,363,442</u>
Total support and revenue		
Expenses:		
Program services	999,949	826,113
General and administrative	224,479	205,255
Fund raising and development	442,665	468,886
	<u>1,667,093</u>	<u>1,500,254</u>
Total expenses		
Change in unrestricted net assets	149,635	(136,812)
Temporarily restricted revenue	-	10,000
	<u>149,635</u>	<u>(126,812)</u>
Change in net assets		
Net assets - beginning of year	<u>1,041,127</u>	<u>1,167,939</u>
Net assets - end of year	<u>\$ 1,190,762</u>	<u>\$ 1,041,127</u>

See accompanying notes to financial statements.

Statement of Functional Expenses
Year Ended December 31, 2013

	2013			2012	
	Program Services	General and Administrative	Fund raising and Development	Total Expenses	Total (For comparative purposes only)
Grants made	\$ 25,000	\$ -	\$ -	\$ 25,000	\$ 55,495
Professional fees	-	15,966	-	15,966	42,718
Licensing service	1,350	238	2,383	3,971	22,002
Advertising	73,471	-	-	73,471	84,532
Automobile	4,622	1,040	116	5,778	4,684
Bank fees	-	9,519	-	9,519	8,452
Dues and Subscriptions	2,249	506	56	2,811	4,086
Office	64,269	14,929	1,616	80,814	37,834
Payroll and taxes	199,385	90,442	-	289,827	272,621
Employee benefits	3,381	3,129	-	6,510	8,174
Licenses and permits	6,960	1,228	12,282	20,470	684
Telephone	21,383	3,270	503	25,156	25,452
Travel	24,359	71	8	24,438	13,737
Depreciation	22,032	17,625	4,406	44,063	20,919
Lockbox services	5,233	923	9,234	15,390	22,066
Creative services	13,178	2,326	23,256	38,760	43,492
Data management	8,344	1,472	14,725	24,541	36,293
Data processing	29,693	5,240	52,400	87,333	84,111
List rental	10,392	1,834	18,338	30,564	26,878
Mailings	24,188	4,268	42,684	71,140	66,515
Postage and paper	102,466	17,725	176,960	297,151	291,477
Conference and education	109,713	-	-	109,713	127,999
Rent	114,748	17,550	2,700	134,998	64,514
Website	18,642	2,330	2,330	23,302	8,682
Repairs	566	87	13	666	-
Printing	34,082	6,143	55,532	95,757	71,119
RDC service fee	13,090	2,311	23,100	38,501	42,000
Miscellaneous	919	207	23	1,149	1,606
Newsletter	-	-	-	-	1,494
Program services-other	66,234	4,100	-	70,334	10,618
Total functional expenses	<u>\$ 999,949</u>	<u>\$ 224,479</u>	<u>\$ 442,665</u>	<u>\$ 1,667,093</u>	<u>\$ 1,500,254</u>

See accompanying notes to financial statements.

Statement of Cash Flows
Year Ended December 31, 2013

	<u>2013</u>	<u>2012</u> Total (For comparative purposes only)
Cash flows from operating activities:		
Change in net assets	\$ 149,635	\$ (126,812)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	44,063	20,919
(Increase) decrease in assets:		
Due from affiliate	(32,756)	(7,172)
Unconditional promises to give	(333,000)	176,000
Prepaid expenses	(4,828)	10,657
Prepaid rent	65,480	(98,870)
Increase (decrease) in liabilities:		
Accounts payable	15,639	75,164
Accrued payroll and taxes	(5,653)	2,938
Due from related party	-	(24,058)
Net cash flows from operating activities	<u>(101,420)</u>	<u>28,766</u>
Cash flows from investing activities:		
Purchase of property and equipment	<u>(7,228)</u>	<u>(181,585)</u>
Net cash flows from investing activities	<u>(7,228)</u>	<u>(181,585)</u>
Net increase (decrease) in cash	(108,648)	(152,819)
Cash and cash equivalents - beginning of year	<u>808,002</u>	<u>960,821</u>
Cash and cash equivalents - end of year	<u>\$ 699,354</u>	<u>\$ 808,002</u>

See accompanying notes to financial statements.

Notes to Financial Statements
December 31, 2013

Note 1 – Organization and Summary of Significant Accounting Policies:

Organization

Parkinson Research Foundation, Inc. ("The Foundation"), a Delaware Corporation, was founded on September, 5, 2003, as a not-for-profit. The main function of the Foundation 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 Foundation's web site in support of its charitable and education programs. In September 2012, the organization moved their administrative office to a 7533 sq. ft. facility in Sarasota, FL and opened Parkinson Place, which offers a community center for anyone with Parkinson's disease to offer free classes, lectures and seminars and a safe place to associate with others with the same health issues and 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 receivable, 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 Foundation and 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 Foundation is subject to donor-imposed restrictions that can be fulfilled by actions of the Foundation pursuant to those restrictions or that expire by the passage of time. No temporarily restricted assets were held at December 31, 2013.

Permanently Restricted – Net assets restricted by donor to be maintained permanently by the Foundation. No permanently restricted assets were held at December 31, 2013.

Cash and Cash Equivalents

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

Notes to Financial Statements
December 31, 2013

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

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 Foundation 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 2013 was \$44,063.

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.

Notes to Financial Statements
December 31, 2013

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

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 Foundation 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 Foundation recognized \$51,000 in donated services from physicians and attorneys as speakers in their education conferences. In addition, the Foundation received in kind meals for participants with a value of \$47,375.

Comparative Financial Statements

The financial statements include certain prior-year summarized comparative information is 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 Foundation's financial statements for the year ended December 31, 2012, 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, 2013, consisted of the following:

Office furniture and equipment	\$ 195,692
Leasehold Improvements	<u>27,178</u>
	\$ 222,870
Less: Accumulated depreciation	<u>(85,431)</u>
Net	<u>\$ 137,439</u>

Notes to Financial Statements
December 31, 2013

Note 3 – Leases:

During the year, the Foundation entered into a 48 month operating lease agreement for use of a copier. Rental payments as of December 31, 2013, totaled \$ 6,380. The Foundation also settled a lease commitment on its previous copier in 2013 for \$3,937. Future minimum lease payments under the noncancellable lease are as follows:

Year Ending December 31,

2014	\$ 19,140
2015	19,140
2016	19,140
2017	12,760
2018	-

Effective September 1, 2012 the Foundation moved to a new facility and opened Parkinson Place. They entered into a 5 year lease with annual increases of 3%. The Foundation increased the space leased in 2013 from 7,533 sq. ft. to 8,747 sq. ft. Future minimum payments under the noncancellable lease are as follows:

Year Ending December 31,

2014	\$160,077
2015	164,073
2016	169,408
2017	100,518
2018	-

Note 4 – Uninsured Cash Balance:

The Foundation's financial instruments that are exposed to concentrations of credit risk consist primarily of cash deposits. The Foundation places its cash and cash equivalents with local financial institutions. At times, cash balance 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, 2013 were \$448,893.

Note 5 – Concentrations:

The Foundation 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 Foundation's annual expenses for the year.

Notes to Financial Statements
December 31, 2013

Note 6 – Income Tax Status:

The Foundation 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 Foundation's tax-exempt purpose is subject to taxation as unrelated business income. In addition, the Foundation 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 a new accounting standard relating to accounting for uncertainty in income taxes that became effective in 2009. Management has determined that the Foundation had no uncertain income tax positions that could have a significant effect on the consolidated financial statements for the year ended December 31, 2013. The Foundation's federal income tax returns for fiscal years ended December 31, 2012, 2011 and 2010 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:

The Foundation pays a company owned by a relative of a member of the Board of Directors for State registration filing and monitoring services. This company's fees totaled \$ 20,470 for the State registration filing and monitoring services during the year ended December 31, 2013.

As of December 31, 2013, the Foundation is owed by Macular Degeneration Association (MDA) \$33,255 for expenses paid on behalf of the Foundation. MDA is under common control with the Foundation. Organizations under control and the existence of that control could result in changes in net assets or financial position of the Foundation significantly different from those that would have been obtained if the organizations were autonomous. MDA will be responsible for \$24,000 or 18% 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, 2013 was \$73,471.

Note 9 – Subsequent Events:

Subsequent events have been evaluated through February 13, 2014, which is the date the financial statements were available to be issued.