



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**

**FINANCIAL REPORTS  
AUGUST 31, 2021 AND 2020**

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**

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## INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of American Parkinson Disease Association, Inc. (a nonprofit organization) ("APDA"), which comprise the statement of financial position as of August 31, 2021 and 2020, and the related statements of activities and changes in net assets, functional expenses, and cash flows for the years 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.

### Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 auditors' 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 APDA as of August 31, 2021 and 2020, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

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### WISS & COMPANY, LLP

**Emphasis-of-Matter**

As discussed in Note 2 to the financial statements, the 2020 financial statements were restated to reflect the additional grants payable and related grants expenses that APDA failed to recognize during the year ended August 31, 2020.

*Wiss & Company*

WISS & COMPANY, LLP

Florham Park, New Jersey  
March 24, 2022

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**STATEMENTS OF FINANCIAL POSITION**

|  | August 31,    |                      |
|--|---------------|----------------------|
|  | 2021          | 2020                 |
| <b>ASSETS</b>                                  |               | <i>(as restated)</i> |
| Cash and equivalents                           | \$ 9,816,938  | \$ 8,353,672         |
| Contributions receivable                       | 19,999        | 40,908               |
| Bequests receivable                            | 220,267       | 156,445              |
| Employee retention credit receivable           | 128,927       | -                    |
| Long-term investments                          | 3,519,832     | 2,504,948            |
| Investments held for charitable gift annuities | 188,660       | 207,481              |
| Prepaid expenses and other assets              | 214,619       | 172,607              |
| Property and equipment, net                    | 2,419,583     | 2,250,606            |
| Beneficial interest in remainder trusts        | 2,651,791     | 2,342,439            |
| Beneficial interest in perpetual trusts        | 1,551,169     | 1,383,595            |
| Total Assets                                   | \$ 20,731,785 | \$ 17,412,701        |
| <b>LIABILITIES AND NET ASSETS</b>              |               |                      |
| <b>LIABILITIES:</b>                            |               |                      |
| Accounts payable and accrued expenses          | \$ 762,597    | \$ 471,913           |
| Grants payable                                 | 2,233,685     | 2,875,457            |
| Charitable gift annuities payable              | 128,623       | 145,570              |
| Paycheck protection program loan               | 617,952       | 502,700              |
| Total Liabilities                              | 3,742,857     | 3,995,640            |
| <b>COMMITMENTS</b>                             |               |                      |
| <b>NET ASSETS:</b>                             |               |                      |
| Without donor restrictions                     | 10,537,195    | 7,451,323            |
| With donor restrictions                        | 6,451,733     | 5,965,738            |
| Total Net Assets                               | 16,988,928    | 13,417,061           |
| Total Liabilities and Net Assets               | \$ 20,731,785 | \$ 17,412,701        |

*See accompanying notes to financial statements.*

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.  
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS**

|  | August 31,                    |                            |                               |                            |
|--|-------------------------------|----------------------------|-------------------------------|----------------------------|
|  | 2021                          |                            | 2020 (as restated)            |                            |
|  | Without Donor<br>Restrictions | With Donor<br>Restrictions | Without Donor<br>Restrictions | With Donor<br>Restrictions |
|  |                               | Total                      |                               | Total                      |
| <b>OPERATING SUPPORT AND REVENUES:</b>       |                               |                            |                               |                            |
| Contributions                                | \$ 8,881,782                  | \$ 1,198,532               | \$ 10,080,314                 | \$ 1,317,398               |
| Bequests                                     | 3,277,929                     | 22,700                     | 3,300,629                     | 115,469                    |
| Contributed services                         | 5,053,225                     | -                          | 5,053,225                     | -                          |
| Other revenue                                | 47,316                        | 216                        | 47,532                        | 7,438                      |
|  | <u>17,260,252</u>             | <u>1,221,448</u>           | <u>18,481,700</u>             | <u>1,440,305</u>           |
| <b>NET ASSETS RELEASED FROM RESTRICTIONS</b> | 1,213,383                     | (1,213,383)                | -                             | (1,766,118)                |
|  | <u>18,473,635</u>             | <u>8,065</u>               | <u>18,481,700</u>             | <u>(325,813)</u>           |
| Total Operating Support and Revenues         |                               |                            |                               | 21,962,490                 |
| <b>EXPENSES:</b>                             |                               |                            |                               |                            |
| Program services:                            |                               |                            |                               |                            |
| Patient and program services                 | 1,910,505                     | -                          | 1,910,505                     | 2,299,966                  |
| Research                                     | 2,963,656                     | -                          | 2,963,656                     | 2,957,119                  |
| Public and professional education            | 9,051,968                     | -                          | 9,051,968                     | 14,061,480                 |
| Total Program Services                       | <u>13,926,129</u>             | <u>-</u>                   | <u>13,926,129</u>             | <u>19,318,565</u>          |
| Supporting Services:                         |                               |                            |                               |                            |
| Management and general                       | 1,092,684                     | -                          | 1,092,684                     | 1,070,270                  |
| Fundraising                                  | 2,038,484                     | -                          | 2,038,484                     | 1,997,239                  |
| Total Supporting Services                    | <u>3,131,168</u>              | <u>-</u>                   | <u>3,131,168</u>              | <u>3,067,509</u>           |
| Total Expenses                               | <u>17,057,297</u>             | <u>-</u>                   | <u>17,057,297</u>             | <u>22,386,074</u>          |
| Change in net assets from operations         | 1,416,338                     | 8,065                      | 1,424,403                     | (97,771)                   |
|  |                               |                            |                               | (325,813)                  |
| <b>NON-OPERATING REVENUES:</b>               |                               |                            |                               |                            |
| Investment return, net                       | 1,035,513                     | 1,004                      | 1,036,517                     | 156,044                    |
| Change in value of split interest agreements | 2,394                         | 476,926                    | 479,320                       | 56,443                     |
| Employee retention credit                    | 128,927                       | -                          | 128,927                       | -                          |
| Paycheck protection program loan forgiveness | 502,700                       | -                          | 502,700                       | -                          |
|  | <u>1,669,534</u>              | <u>477,930</u>             | <u>2,147,464</u>              | <u>180,280</u>             |
| Total Non-Operating Revenues                 |                               |                            |                               | 392,767                    |
| <b>CHANGE IN NET ASSETS</b>                  | 3,085,872                     | 485,995                    | 3,571,867                     | (145,533)                  |
| <b>NET ASSETS, BEGINNING OF YEAR</b>         | <u>7,451,323</u>              | <u>5,965,738</u>           | <u>13,417,061</u>             | <u>6,111,271</u>           |
| <b>NET ASSETS, END OF YEAR</b>               | <u>\$ 10,537,195</u>          | <u>\$ 6,451,733</u>        | <u>\$ 16,988,928</u>          | <u>\$ 5,965,738</u>        |
|  |                               |                            |                               | <u>\$ 13,417,061</u>       |

See accompanying notes to financial statements.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

|  | Program Services                |              |              | Support Services          |              |              | TOTAL         |
|--|---------------------------------|--------------|--------------|---------------------------|--------------|--------------|---------------|
|  | Patient and<br>Program Services | Public and   |              | Management<br>and General | Fundraising  | Total        |               |
|  |                                 | Research     | Education    |                           |              |              |               |
| Salaries                               | \$ 621,576                      | \$ 234,587   | \$ 1,146,035 | \$ 2,002,198              | \$ 456,118   | \$ 299,157   | \$ 2,757,473  |
| Payroll tax and fringe benefits        | 207,206                         | 78,201       | 382,038      | 667,445                   | 152,050      | 99,725       | 919,220       |
| Grants and awards                      | 489,678                         | 2,427,428    | -            | 2,917,106                 | -            | -            | 2,917,106     |
| Donated media                          | -                               | -            | 5,053,225    | 5,053,225                 | -            | -            | 5,053,225     |
| Outside consulting fees                | 218,336                         | 82,401       | 622,563      | 923,300                   | 168,204      | 321,191      | 489,395       |
| Postage                                | 23,510                          | 8,873        | 530,545      | 562,928                   | 34,940       | 489,883      | 524,823       |
| Stationary and printing                | 27,080                          | 10,220       | 454,324      | 491,624                   | 34,553       | 410,266      | 444,819       |
| Meetings and travel                    | 9,398                           | 3,547        | 17,327       | 30,272                    | 6,896        | 4,522        | 11,418        |
| Office                                 | 47,697                          | 18,001       | 125,705      | 191,403                   | 36,372       | 60,051       | 287,826       |
| Computer and website                   | 45,924                          | 17,332       | 181,228      | 244,484                   | 37,205       | 116,947      | 398,636       |
| Mailings                               | 4,719                           | 1,781        | 141,868      | 148,368                   | 8,298        | 133,080      | 289,746       |
| Occupancy                              | 38,339                          | 14,469       | 70,687       | 123,495                   | 28,133       | 18,453       | 170,081       |
| Direct donor benefit                   | 7,052                           | 2,661        | 13,002       | 22,715                    | 5,175        | 3,394        | 31,284        |
| Maintenance and repairs                | 5,781                           | 2,182        | 10,659       | 18,622                    | 4,242        | 2,783        | 25,647        |
| Legal                                  | 60,975                          | 23,012       | 112,423      | 196,410                   | 44,744       | 29,348       | 270,502       |
| Telephone                              | 21,709                          | 8,193        | 40,027       | 69,929                    | 15,930       | 10,449       | 96,308        |
| Dues, subscriptions, licenses and fees | 10,514                          | 3,968        | 19,385       | 33,867                    | 7,715        | 5,060        | 46,642        |
| Insurance                              | 17,274                          | 6,519        | 31,849       | 55,642                    | 12,676       | 8,315        | 76,633        |
| Accounting                             | 18,653                          | 7,040        | 34,392       | 60,085                    | 13,688       | 8,977        | 82,750        |
| Marketing and advertising              | 2,013                           | 760          | 3,711        | 6,484                     | 1,477        | 967          | 8,928         |
| Equipment leases                       | 3,231                           | 1,219        | 5,957        | 10,407                    | 2,371        | 1,554        | 14,332        |
| Depreciation                           | 29,840                          | 11,262       | 55,018       | 96,120                    | 21,897       | 14,362       | 132,379       |
| Total                                  | \$ 1,910,505                    | \$ 2,963,656 | \$ 9,051,968 | \$ 13,926,129             | \$ 1,092,684 | \$ 2,038,484 | \$ 3,131,168  |
|  |                                 |              |              |                           |              |              | \$ 17,057,297 |

*See accompanying notes to financial statements.*

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**STATEMENTS OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2020 (as restated)**

|  | Program Services                |              |               |                           | Support Services |              |              | TOTAL         |
|--|---------------------------------|--------------|---------------|---------------------------|------------------|--------------|--------------|---------------|
|  | Patient and<br>Program Services | Public and   |               | Management<br>and General | Fundraising      |              | Total        |               |
|  |                                 | Research     | Education     |                           |                  |              |              |               |
| Salaries                               | \$ 646,135                      | \$ 232,285   | \$ 1,108,144  | \$ 1,986,564              | \$ 451,019       | \$ 285,309   | \$ 736,328   | \$ 2,722,892  |
| Payroll tax and fringe benefits        | 228,608                         | 82,184       | 392,070       | 702,862                   | 159,574          | 100,944      | 260,518      | 963,380       |
| Grants and awards                      | 844,407                         | 2,420,211    | -             | 3,264,618                 | -                | -            | -            | 3,264,618     |
| Donated media                          | -                               | -            | 10,330,201    | 10,330,201                | -                | -            | -            | 10,330,201    |
| Outside consulting fees                | 169,160                         | 63,046       | 492,453       | 724,659                   | 126,966          | 296,624      | 423,590      | 1,148,249     |
| Postage                                | 20,575                          | 12,261       | 475,847       | 508,683                   | 33,716           | 492,304      | 526,020      | 1,034,703     |
| Stationary and printing                | 40,113                          | 18,129       | 404,747       | 462,989                   | 42,758           | 386,193      | 428,951      | 891,940       |
| Meetings and travel                    | 49,914                          | 17,944       | 85,604        | 153,462                   | 34,841           | 22,040       | 56,881       | 210,343       |
| Office                                 | 56,277                          | 20,743       | 142,859       | 219,879                   | 41,319           | 75,679       | 116,998      | 336,877       |
| Computer and website                   | 48,210                          | 18,242       | 165,167       | 231,619                   | 37,275           | 111,761      | 149,036      | 380,655       |
| Mailings                               | 544                             | 1,601        | 128,200       | 130,345                   | 5,970            | 139,830      | 145,800      | 276,145       |
| Occupancy                              | 44,668                          | 16,058       | 76,608        | 137,334                   | 31,180           | 19,724       | 50,904       | 188,238       |
| Direct donor benefit                   | 5,126                           | 1,843        | 8,791         | 15,760                    | 3,578            | 2,263        | 5,841        | 21,601        |
| Maintenance and repairs                | 11,945                          | 4,294        | 20,485        | 36,724                    | 8,338            | 5,274        | 13,612       | 50,336        |
| Legal                                  | 19,164                          | 6,889        | 32,867        | 58,920                    | 13,377           | 8,462        | 21,839       | 80,759        |
| Telephone                              | 21,530                          | 7,740        | 36,925        | 66,195                    | 15,029           | 9,507        | 24,536       | 90,731        |
| Dues, subscriptions, licenses and fees | 16,654                          | 5,988        | 28,563        | 51,205                    | 11,625           | 7,354        | 18,979       | 70,184        |
| Insurance                              | 20,553                          | 7,389        | 35,249        | 63,191                    | 14,347           | 9,075        | 23,422       | 86,613        |
| Accounting                             | 16,611                          | 5,972        | 28,487        | 51,070                    | 11,595           | 7,335        | 18,930       | 70,000        |
| Marketing and advertising              | 978                             | 352          | 1,677         | 3,007                     | 683              | 431          | 1,114        | 4,121         |
| Equipment leases                       | 3,573                           | 1,285        | 6,129         | 10,987                    | 2,494            | 1,578        | 4,072        | 15,059        |
| Depreciation                           | 33,818                          | 12,158       | 58,000        | 103,976                   | 23,606           | 14,933       | 38,539       | 142,515       |
| Other miscellaneous expenses           | 1,403                           | 505          | 2,407         | 4,315                     | 980              | 619          | 1,599        | 5,914         |
| Total                                  | \$ 2,299,966                    | \$ 2,957,119 | \$ 14,061,480 | \$ 19,318,565             | \$ 1,070,270     | \$ 1,997,239 | \$ 3,067,509 | \$ 22,386,074 |

*See accompanying notes to financial statements.*



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.  
STATEMENTS OF CASH FLOWS**

|   | Year Ended August 31, |                      |
|---|-----------------------|----------------------|
|   | 2021                  | 2020                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>  |                       | <i>(as restated)</i> |
| Change in net assets  | \$ 3,571,867          | \$ (30,817)          |
| Adjustments to reconcile changes in net assets to net cash flows from operating activities: |                       |                      |
| Employee retention credit receivable  | (128,927)             | -                    |
| Net investment return on long-term investments  | (974,389)             | (89,468)             |
| Proceeds from donated investments   | (40,495)              | (19,804)             |
| Contribution received under charitable gift annuity   | -                     | (163,202)            |
| Change in value of charitable gift annuities  | 16,427                | (51,279)             |
| Depreciation and amortization   | 132,379               | 142,515              |
| Change in beneficial interest in remainder trusts   | (309,352)             | (68,925)             |
| Change in beneficial interest in perpetual trusts   | (167,574)             | (111,229)            |
| Forgiveness of paycheck protection program loan   | (502,700)             | -                    |
| Changes in operating assets and liabilities:  |                       |                      |
| Contributions receivable  | 20,909                | 4,129                |
| Bequests receivable   | (63,822)              | 982,431              |
| Prepaid expenses and other current assets   | (42,012)              | 167,138              |
| Accounts payable and accrued expenses   | 217,059               | (70,695)             |
| Deferred revenue  | -                     | (399,625)            |
| Grants payable  | (641,772)             | 795,185              |
| Net cash flows from operating activities  | <u>1,087,598</u>      | <u>1,086,354</u>     |
| <b>CASH FLOWS FROM INVESTING ACTIVITY-</b>  |                       |                      |
| Purchase of property and equipment  | <u>(227,731)</u>      | <u>(53,779)</u>      |
| Net cash flows from investing activity  | <u>(227,731)</u>      | <u>(53,779)</u>      |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>  |                       |                      |
| Payments to beneficiaries of charitable gift annuities                                      | (14,553)              | (15,241)             |
| Proceeds from establishment of charitable gift annuities                                    | -                     | 163,202              |
| Paycheck protection program loan proceeds   | <u>617,952</u>        | <u>502,700</u>       |
| Net cash flows from financing activities  | <u>603,399</u>        | <u>650,661</u>       |
| <b>NET CHANGE IN CASH AND EQUIVALENTS</b>   | 1,463,266             | 1,683,236            |
| <b>CASH AND EQUIVALENTS, BEGINNING OF YEAR</b>  | <u>8,353,672</u>      | <u>6,670,436</u>     |
| <b>CASH AND EQUIVALENTS, END OF YEAR</b>  | <u>\$ 9,816,938</u>   | <u>\$ 8,353,672</u>  |
| <b>SUPPLEMENTAL CASH FLOW INFORMATION:</b>  |                       |                      |
| DONATED INVESTMENTS   | <u>\$ 40,495</u>      | <u>\$ 19,804</u>     |
| PROPERTY AND EQUIPMENT ADDITIONS FINANCED BY ACCOUNTS PAYABLE                               | <u>\$ 73,625</u>      | <u>\$ -</u>          |

*See accompanying notes to financial statements.*

# AMERICAN PARKINSON DISEASE ASSOCIATION, INC

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - Nature of the Organization and Summary of Significant Accounting Policies:

***Nature of the 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 of “Every day, we provide the support, education, and research that will help everyone impacted by Parkinson’s disease live life to the fullest” is accomplished through the following programs:

***Patient and Program Services-*** APDA has developed a network of Chapters and Information and Referral Centers nationwide to promote awareness and provide information to persons suffering from Parkinson’s disease.

***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 16 chapters throughout the United States. APDA is supported primarily through public donations.

***Cash and Equivalents and Credit Risk*** - Cash and equivalents include money market accounts and other highly liquid short-term investments, purchased with maturities of three months or less except those included as part of APDA’s long-term investments (see Note 5). Cash is maintained in financial institutions that are insured by the Federal Deposit Insurance Corporation (“FDIC”) of up to \$250,000 each. At times, cash balances may be in excess of the FDIC insurance limit. APDA has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash.

***Bequests and Contributions Receivable-*** Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. APDA determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable.

***Employee Retention Credit*** - In 2021, APDA claimed Employee Retention Credits (“ERC”) totaling \$128,927 under the CARES Act, enacted on March 27, 2020. ERC revenue represents refundable tax credits against certain employer taxes already paid on Form 941 Employer Quarterly Federal Tax. APDA’s policy is to account for the ERC as contributions, which are conditioned upon certain eligibility requirements and the incurrence of qualifying expenses. Amounts claimed are recognized as a revenue and a receivable in the period the conditions have been met. Receivables for refund claims not yet received as of August 31, 2021, are expected to be collected within one year.

***Long-Term Investments*** - Investments are stated at fair value based upon quoted market values. Net investment return is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Net investment return is reported as net assets without donor restriction unless its use is restricted by explicit donor stipulation or by law. Purchases and sales of investments are recorded on a settlement date basis. The cost of securities sold is determined using the specific identification method.

# AMERICAN PARKINSON DISEASE ASSOCIATION, INC

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

The investments are protected by the Securities Insurance Protection Corporation ("SIPC"), which provides limited insurance in certain circumstances for securities and cash held in brokerage accounts. The insurance is limited to \$500,000 for securities and \$250,000 for cash balances. The insurance does not protect against investment losses. At times, such balances may be in excess of SIPC insured limits.

*Split Interest Agreements* – Generally Accepted Accounting Principles ("GAAP") requires the recording of all unconditional, irrevocable split interest agreements under which the Foundation is entitled to receive a benefit.

*Charitable Gift Annuities* – Charitable gift annuities consist of contributions received subject to annuity contracts under which APDA is obligated to make agreed-upon periodic payments during the lives of the donors or designated beneficiaries of the donors. Upon the receipt of a gift annuity, the net present value of the actuarially determined annuity payable is recognized as a liability, and the remainder received in excess of this liability is recorded as contribution revenue. The liability for future payments is decreased by payments made to donors or to the designated beneficiaries. Annual adjustments are made based upon actuarial valuations of the obligations for future annuity payments and reflected as a change in value of split interest agreements in the statements of activities and changes in net assets. As of August 31, 2021 and 2020, APDA had 11 charitable gift annuity contracts outstanding with a gross gift value of \$240,228.

APDA is required by state mandate to establish a reserve which amounted to \$148,285 and \$153,862 at August 31, 2021 and 2020, respectively. At August 31, 2021 and 2020, APDA had \$188,660 and \$207,481, respectively, in investment assets limited to use for the gift annuity contracts, which exceeds the minimum requirement.

*Beneficial Interests in Remainder Trusts Held by Others* - APDA has been named as an irrevocable beneficiary of charitable remainder trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, APDA has neither possession nor control over the assets of the trusts. A charitable remainder trust is an arrangement in which the donor establishes and funds a trust with specific distributions to be made to a specified party over a specified period. Upon termination of the trust, the remainder of the trust's assets are paid to the beneficiaries designated by the donor. At the date APDA receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities and changes in net assets, and a beneficial interest in remainder trusts is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value reflected as a change in value of split interest agreements in the statements of activities and changes in net assets.

*Beneficial Interests in Perpetual Trusts Held by Others* - APDA has been named as an irrevocable beneficiary in perpetual trusts held and administered by independent trustees. Under the terms of the trust, APDA has the right to receive its portion of the income earned on the trust assets in perpetuity, but never receives the assets held in trust. At the date APDA receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities and changes in net assets, and a beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value reflected as a change in value of split interest agreements in the statements of activities and changes in net assets.

# AMERICAN PARKINSON DISEASE ASSOCIATION, INC

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

**Property and Equipment** - APDA capitalizes all acquisitions in excess of \$2,500 at cost or, if donated, at their fair value at the date of the gift. When fixed assets are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reported as income.

Depreciation is computed by the straight-line method based on the estimated useful lives of the related assets. Expenditures for maintenance and repairs are expensed as incurred. Estimated useful lives are:

|                         |               |
|-------------------------|---------------|
| Building                | 30 years      |
| Building improvements   | 20 - 30 years |
| Leasehold improvements  | 3 - 5 years   |
| Computers and website   | 3 - 5 years   |
| Furniture and equipment | 3 - 7 years   |

**Long-Lived Assets** - APDA evaluates all long-lived assets for impairment. Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value and is charged to expense in the period of impairment. At August 31, 2021 and 2020, management has determined that these assets are not impaired.

**Paycheck Protection Program Loan** - In April 2020, APDA applied for and received funding for a Paycheck Protection Program ("PPP") loan totaling \$502,700 under the U.S. Small Business Administration ("SBA"), which is part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES"), enacted on March 27, 2020. In March 2021, APDA applied for and received additional PPP funding in the amount of \$617,952. Under the terms of the PPP, up to 100% of the principal and accrued interest may be forgiven if certain criteria are met and the loan proceeds are used for qualifying expenses such as payroll costs, benefits, rent, and utilities as described in the CARES Act. Additionally, there is a deferral period from the date of the loan funding in which there are no payments of principal, interest or fees through the date that the SBA remits the borrower's loan forgiveness amount. The loan accrues interest at a rate of 1% and any portion of the principal and interest that is not forgiven is required to be paid through April 2022. APDA's policy is to account for the PPP loan as debt until either (1) the loan is partially or entirely forgiven and the debtor has been legally released, at which point the amount forgiven would be recorded into income or (2) APDA pays off the loan. During the year ended August 31, 2021, APDA was officially forgiven for the first PPP loan in the total amount of \$502,700. In December 2021, APDA was officially forgiven for the second PPP loan in the total amount of \$617,952.

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

**Net Assets Without Donor Restrictions** - Net assets available for use in general operations and not subject to donor restrictions.

**Net Assets With Donor Restrictions** - Net assets subject to donor-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

# AMERICAN PARKINSON DISEASE ASSOCIATION, INC

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

**Support and Revenue Recognition** - APDA recognizes revenue following applicable guidance, which is determined by the existence or absence of a reciprocal exchange transaction.

**Contributions** - APDA recognizes contributions when cash, securities or other assets, or an unconditional promise to give is received. Conditional promises to give - that is, those with a measurable performance or other barrier and a right of return - are not recognized until the conditions on which they depend have been met.

Pledges made for special events are recognized in the year the pledge is made, regardless of when the event takes place based upon the unconditional nature of the pledges. In cases where there is a benefit received by the donor, the fair market value of the value to be received by the donor is recognized as deferred revenue until the year the event occurs.

**Bequests** - APDA has been named beneficiary under various wills. Bequests are recognized as receivables and contributions if they are irrevocable, unconditional, and measurable. If a gift does not meet these criteria it is not recognized as contribution revenue until the will is declared valid and subject to final distribution. At that time, APDA recognizes the contribution at fair value, net of a discount for likely fees and taxes, based on historical experience. No allowance for doubtful bequests is considered necessary by management for the years ended August 31, 2021 and 2020. Bequests receivable are normally expected to be fully collected within one year and any receivable in excess of one year is subject to discounting.

**Contributed Services** - Donated 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. Contributed services include donated media (television and radio broadcasting and other forms of media, including public service announcements) valued at approximately \$5,053,225 and \$10,330,201 for the years ended August 31, 2021 and 2020, respectively. 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 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*.

**Grants and Awards** - Grants and awards given to other organizations are recognized in the period the award is approved by management, and grant recipients are notified and grant conditions, if any, are met. Grants that are expected to be paid within one year are recorded at net realizable value. Grants that are expected to be paid in future years are recorded at the present value of their estimated cash flows. The discounts on those grants are computed using risk-free interest rates applicable to the years in which the grants are made. Amortization of the discounts is included in grants and related expenses.

**Functional Allocation of Expenses** - The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited as well as the percentage of time and hours worked by the personnel on the programs. Other expenses are allocated on the basis of direct costs.

# AMERICAN PARKINSON DISEASE ASSOCIATION, INC

## NOTES TO FINANCIAL STATEMENTS

### Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

**Income Taxes** - APDA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for Federal or State Income taxes in the accompanying financial statements. APDA has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(1) of the Internal Revenue Code.

Other significant tax positions include its determination of whether any amounts are subject to unrelated business income tax ("UBIT"). All significant tax positions have been considered by management and it has been determined that all tax positions would be sustained upon examination by taxing authorities. The most significant jurisdictions in which APDA is required to file tax returns include the U.S. Federal jurisdiction and the State of New York, although APDA files in almost every state. APDA is subject to examination by the Federal taxing authority up to three years from the extended due date of the tax return. As of August 31, 2021, tax years ending in 2018 through 2020 are open to examination, with limited exceptions for various states.

**Reclassifications** - Certain prior period amounts have been reclassified for consistency with the current year presentation. These reclassifications had no impact on the change in net assets or on total net assets.

**Estimates and Uncertainties** - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

**Recently Issued Accounting Pronouncements** - In February 2016, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2016-02, "Leases (Topic 842)," which replaces the existing guidance in ASC 840 - Leases. This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases will result in the lessee recognizing a right-of-use asset and a corresponding lease liability. For finance leases, the lessee would recognize interest expense and amortization of the right-of-use asset and for operating leases, the lessee would recognize a straight-line total lease expense. This ASU is effective for fiscal years beginning after December 15, 2021. The requirements of this standard include a significant increase in required disclosures. Management is currently evaluating the impact of this ASU on the financial statements.

**Subsequent Events** - Management has reviewed and evaluated all events and transactions from August 31, 2021 through March 24, 2022 the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the statement of financial position date have been recognized in the accompanying financial statements. In October 2021, APDA was notified that it was listed as a beneficiary in a will. The estate was still gathering more information but APDA's share is estimated to be around \$8 million.

### Note 2 - Restatement:

Certain prior period amounts have been restated to conform to the current year presentation. Specifically, APDA adjusted the 2020 financial statements to reflect an additional \$289,000 in grants payable and grant expenses, which was not previously recorded.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC**

**NOTES TO FINANCIAL STATEMENTS**

**Note 3- Liquidity and Availability:**

Management regularly monitors the availability of resources required to meet its operating needs. For purposes of analyzing resources available to meet general expenses over a 12-month period, management considers all expenses related to its ongoing activities. Financial assets available for general expense, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

|   | August 31,    |              |
|---|---------------|--------------|
|   | 2021          | 2020         |
| Financial assets at year end:   |               |              |
| Cash and equivalents  | \$ 9,816,938  | \$ 8,353,672 |
| Contributions receivable  | 19,999        | 40,908       |
| Bequests receivable   | 220,267       | 156,445      |
| Employee retention credit receivable  | 128,927       | -            |
| Long-term investments   | 3,519,832     | 2,504,948    |
| Less: Purpose Restrictions (Note 9)   | (1,554,832)   | (1,724,852)  |
| Less: Endowments (Note 10)  | (174,081)     | (173,077)    |
| Financial assets available to meet general expenditures over the next twelve months | \$ 11,977,050 | \$ 9,158,044 |

Management does not anticipate an unanticipated liquidity need, as there are sufficient financial assets available to meet operating needs over the next twelve months.

**Note 4 – Contributions and Bequests Receivable:**

Contributions and bequests receivable are due as follows:

|                           | August 31, |            |
|---------------------------|------------|------------|
|                           | 2021       | 2020       |
| Contributions receivable: |            |            |
| Less than one year        | \$ 19,999  | \$ 40,908  |
| Bequests receivable:      |            |            |
| Less than one year        | \$ 220,267 | \$ 156,445 |

**Note 5 - Investments at Fair Value - Recurring:**

FASB Accounting Standards Codification ("ASC") 820, Fair Value Measurements and Disclosures FASB ASC 820, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Investments at Fair Value - Recurring (continued):**

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value.

- Mutual Funds - equities and fixed income: Valued at the closing price reported from an actively traded exchange.
- Beneficial Interest in Trusts (held by others): Valued using the fair value of fund investments as reported by a third party.

The preceding methods may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although APDA believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The following table sets forth by level, within the fair value hierarchy, APDA's assets at fair value as of August 31, 2021 and 2020:

|  | <i>Fair Value as of August 31, 2021</i> |                |                     |                     |
|--|---|----------------|---------------------|---------------------|
|  | <i>Level 1</i>                          | <i>Level 2</i> | <i>Level 3</i>      | <i>Total</i>        |
| Long-term investments:                         |   |                |                     |                     |
| Cash   | \$ 86,840                               | \$ -           | \$ -                | \$ 86,840           |
| Mutual Funds- Equities                         | 3,432,992                               | -              | -                   | 3,432,992           |
| Total long-term investments                    | <u>\$ 3,519,832</u>                     | <u>\$ -</u>    | <u>\$ -</u>         | <u>\$ 3,519,832</u> |
| Investments in charitable gift annuities:      |   |                |                     |                     |
| Cash   | \$ 3,852                                | \$ -           | \$ -                | \$ 3,852            |
| Mutual Funds - Fixed Income                    | 184,808                                 | -              | -                   | 184,808             |
| Total investments in charitable gift annuities | <u>\$ 188,660</u>                       | <u>\$ -</u>    | <u>\$ -</u>         | <u>\$ 188,660</u>   |
| Beneficial interest in remainder trusts        | <u>\$ -</u>                             | <u>\$ -</u>    | <u>\$ 2,651,791</u> | <u>\$ 2,651,791</u> |
| Beneficial interest in perpetual trusts        | <u>\$ -</u>                             | <u>\$ -</u>    | <u>\$ 1,551,169</u> | <u>\$ 1,551,169</u> |



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC**

**NOTES TO FINANCIAL STATEMENTS**

**Note 5 - Investments at Fair Value - Recurring (continued):**

|  | <i>Fair Value as of August 31, 2020</i> |                |                     |                     |
|--|---|----------------|---------------------|---------------------|
|  | <i>Level 1</i>                          | <i>Level 2</i> | <i>Level 3</i>      | <i>Total</i>        |
| Long-term investments:                         |   |                |                     |                     |
| Cash   | \$ 150,697                              | \$ -           | \$ -                | \$ 150,697          |
| Mutual Funds- Equities                         | 2,354,251                               | -              | -                   | 2,354,251           |
| Total long-term investments                    | <u>\$ 2,504,948</u>                     | <u>\$ -</u>    | <u>\$ -</u>         | <u>\$ 2,504,948</u> |
| Investments in charitable gift annuities:      |   |                |                     |                     |
| Cash   | \$ 3,471                                | \$ -           | \$ -                | \$ 3,471            |
| Mutual Funds - Fixed Income                    | 204,010                                 | -              | -                   | 204,010             |
| Total investments in charitable gift annuities | <u>\$ 207,481</u>                       | <u>\$ -</u>    | <u>\$ -</u>         | <u>\$ 207,481</u>   |
| Beneficial interest in remainder trusts        | <u>\$ -</u>                             | <u>\$ -</u>    | <u>\$ 2,342,439</u> | <u>\$ 2,342,439</u> |
| Beneficial interest in perpetual trusts        | <u>\$ -</u>                             | <u>\$ -</u>    | <u>\$ 1,383,595</u> | <u>\$ 1,383,595</u> |

|                               | Fair Value Measurements at Report Date Using<br>Significant Unobservable Inputs (Level 3) |                     |
|-------------------------------|---|---------------------|
|                               | Beneficial Interests  |                     |
|                               | August 31,  |                     |
|                               | 2021  |                     |
|                               | Remainder   | Perpetual           |
| Balance, at beginning of year | \$ 2,342,439  | \$ 1,383,595        |
| Investment return, net        | 320,946   | 208,575             |
| Distributions                 | (11,594)  | (41,001)            |
| Balance, at end of year       | <u>\$ 2,651,791</u>   | <u>\$ 1,551,169</u> |
|                               | 2020  |                     |
|                               | Remainder   | Perpetual           |
| Balance, at beginning of year | \$ 2,273,514  | \$ 1,272,366        |
| Investment return, net        | 79,724  | 152,231             |
| Distributions                 | (10,799)  | (41,002)            |
| Balance, at end of year       | <u>\$ 2,342,439</u>   | <u>\$ 1,383,595</u> |

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC**

**NOTES TO FINANCIAL STATEMENTS**

**Note 6 - Property and Equipment:**

Property and equipment consisted of the following:

|  | August 31,   |              |
|--|--------------|--------------|
|  | 2021         | 2020         |
| Land   | \$ 696,071   | \$ 696,071   |
| Building   | 2,820,627    | 2,820,627    |
| Improvements                                       | 483,158      | 212,608      |
| Computers and website                              | 133,540      | 102,735      |
| Furniture and equipment                            | 170,244      | 170,244      |
|  | 4,303,640    | 4,002,285    |
| Less: Accumulated depreciation<br>and amortization | (1,884,057)  | (1,751,679)  |
| Property and equipment, net                        | \$ 2,419,583 | \$ 2,250,606 |

**Note 7 - Grants Payable:**

APDA has agreements with various institutions that are payable in installments. Some agreements are conditional on continued appropriate performance, reporting requirements, and adequate funding and others are unconditional. APDA has unconditional grant commitments payable as follows as of:

| Year Ending August 31, |              |
|------------------------|--------------|
| 2022                   | \$ 2,108,685 |
| 2023                   | 125,000      |
| 2024                   | 75,000       |
|                        | \$ 2,233,685 |

**Note 8 - Commitments:**

**Lease Commitments-** APDA leases office space and equipment under operating leases. At August 31, 2021, future minimum rental payments under these operating leases, inclusive of the effect of the office lease escalation clause, are as follows:

| Year Ending August 31, |            |
|------------------------|------------|
| 2022                   | \$ 97,037  |
| 2023                   | 23,251     |
|                        | \$ 120,288 |

Rent expense for the years ended August 31, 2021 and 2020 totaled \$126,966 and \$140,268, respectively and is included in occupancy in the statements of functional expenses.

**COVID-19** - In early 2020, the worldwide coronavirus pandemic that causes COVID-19 spread to the United States and caused significant business disruption in the area in which APDA operates. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration. APDA is closely monitoring its investment portfolio and liquidity and is actively working to minimize the impact of these declines. Given the uncertainty related to COVID- 19, management cannot reasonably estimate the overall impact on APDA's financial statements related to these matters.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC**

**NOTES TO FINANCIAL STATEMENTS**

**Note 9 – Net Assets with Donor Restrictions:**

Net assets with donor restrictions are available for the following purposes as stipulated by donors:

|   | Year Ended August 31, |              |
|---|-----------------------|--------------|
|   | 2021                  | 2020         |
| Subject to expenditure for specified purpose:   |                       |              |
| Specific research activities  | \$ 305,502            | \$ 384,827   |
| Patient services  | 664,754               | 728,689      |
| Local chapters and other uses   | 584,576               | 611,336      |
|   | 1,554,832             | 1,724,852    |
| Subject to the passage of time  |                       |              |
| Special events  | 519,860               | 341,775      |
| Beneficial interest in remainder trusts   | 2,651,791             | 2,342,439    |
|   | 3,171,651             | 2,684,214    |
| Endowments (see Note 10)  |                       |              |
| Subject to appropriation and expenditure when a specified event occurs:                               |                       |              |
| Restricted by donors for research   | 1,151                 | 147          |
| Perpetual in nature, earnings from which are subject to endowment spending policies and appropriation | 172,930               | 172,930      |
|   | 174,081               | 173,077      |
| Beneficial interest in perpetual trusts   | 1,551,169             | 1,383,595    |
|   | \$ 6,451,733          | \$ 5,965,738 |

**Note 10 - Endowment Funds:**

APDA maintains a donor-restricted fund whose purpose is to provide long-term support for its patient services, research, and education programs. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

***Interpretation of Relevant Law***

Management has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, APDA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) original gift of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by APDA in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, APDA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

AMERICAN PARKINSON DISEASE ASSOCIATION, INC

NOTES TO FINANCIAL STATEMENTS

**Note 10 - Endowment Funds (continued):**

- (1) The duration and preservation of the endowment fund;
- (2) The purposes of the institution and the endowment fund;
- (3) General economic conditions;
- (4) The possible effect of inflation or deflation;
- (5) The expected total return from income and the appreciation of investments;
- (6) Other resources of the institution;
- (7) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the institution; and
- (8) The investment policy of the institution

***Investment Objectives***

APDA has adopted an investment policy that primarily emphasizes the preservation of the capital and secondarily maximizes the total return. Investment returns are expected to provide adequate funds to sufficiently support designated needs and preserve or enhance the real value of APDA. In establishing the investment objectives of APDA, management has taken into account the time horizon available for investment, the nature of APDA's cash flows and liabilities, and other factors that affect APDA's risk tolerance.

***Strategies Employed for Achieving Objectives***

To satisfy its long-term objectives, APDA will ensure appropriate diversification to marketable equity securities. There shall be no Securities and Exchange Commission unregistered securities, private placement, venture capital, or direct investments in real or personal property. Approved investments include among others equity securities and fixed income securities.

***Spending Policy***

APDA has a policy of appropriating for expenditure the amount needed to cover the expenses of the related endowment projects. The spending policy is followed unless the fair value of endowment assets is less than its respective historical dollar value or there are specific donor stipulations to the contrary.

***Changes in Donor-Restricted Endowment Net Assets***

|   | Year Ended August 31,   |                   |
|---|-------------------------|-------------------|
|   | 2021                    | 2020              |
|   | With Donor Restrictions |                   |
| Endowment net assets, beginning of year | \$ 173,077              | \$ 172,961        |
| Investment return, net                  | 1,004                   | 126               |
| Appropriation for expenditure           | -                       | (10)              |
| Endowment net assets, end of year       | <u>\$ 174,081</u>       | <u>\$ 173,077</u> |

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC**

**NOTES TO FINANCIAL STATEMENTS**

**Note 11 - Allocation of Joint Costs:**

During the years ended August 31, 2021 and 2020, APDA incurred joint costs for mailings that included fund-raising appeals. Such joint costs were allocated as follows:

|                                   | August 31,          |                     |
|-----------------------------------|---------------------|---------------------|
|                                   | 2021                | 2020                |
| Fundraising costs                 | \$ 716,227          | \$ 597,351          |
| Management and general            | 50,050              | 54,163              |
| Public and professional education | 1,363,461           | 1,232,943           |
| Research                          | 12,425              | 13,613              |
|                                   | <u>\$ 2,142,163</u> | <u>\$ 1,898,070</u> |

**Note 12 - 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.

***Savings 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 \$19,500, or \$26,000 for employees age 50 and older (for 2021).

Employees are 100% vested in their accounts which include their contributions, employer-matching contributions and investment gains, if any. During the fiscal years ended August 31, 2021 and 2020, employer matching was suspended and no contribution was required. APDA did not make any contributions to the savings plan during the fiscal years ended August 31, 2021 and 2020.

***Multi-Employer Pension Plan***

Certain employees are covered by a union sponsored, collectively bargained, multi-employer pension plan. Contributions are determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of hours worked.

Such plans are administered through the unions involved. Under U.S. legislation regarding such pension plans, a company is required to continue funding its proportionate share of a plan’s unfunded vested benefits in the event of withdrawal (as defined by the legislation) from a plan or plan termination. APDA may have a potential obligation as a participant. The information required to determine the total amount of the contingent obligation, is not readily available. However, APDA has no present intention of withdrawing from any of these plans, nor has APDA been informed that there is any intention to terminate such plans.

APDA’s contribution to the pension plan during the fiscal years ended August 31, 2021 and 2020 totaled \$296,490 and \$299,502, respectively. APDA’s contributions do not represent more than 5% of the total contributions received by the plan for both periods presented.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC**

**NOTES TO FINANCIAL STATEMENTS**

**Note 12 - Retirement Plans (continued):**

APDA’s participation in these plans is outlined in the following table. The most recent Pension Protection Act Zone Status available in 2021 and 2020 is for the Plan’s year-end at June 30, 2021 and 2020, respectively. Among other factors, generally, plans in the red zone are less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The FIP/RP Status Pending / Implemented Column indicates plans for which a funding improvement plan (“FIP”) or a rehabilitation plan (“RP”) is either pending or has been implemented. Unless otherwise noted, the information for this table was obtained from the Forms 5500 filed for each plan’s year-end at June 30, 2021 and 2020, respectively. The multi-employer contributions listed in the table below are APDA’s multi-employer contributions made in fiscal years ended August 31, 2021 and 2020.

The following table contains information about APDA’s multi-employer pension plan:

| <u>Pension Fund</u>                    | <u>EIN/Plan Number</u> | <u>Pension Protection Act Zone Status</u> |             | <u>FIP/RP Status Pending/ Implemented</u> | <u>Contributions</u> |             | <u>Surcharge Imposed</u> | <u>Collective Bargaining Agreement Exp. Date</u> |
|--|------------------------|---|-------------|---|----------------------|-------------|--------------------------|--|
|  |                        | <u>2021</u>                               | <u>2020</u> |   | <u>2021</u>          | <u>2020</u> |                          |  |
| The Cultural Institutions Pension Fund | 11-2001170             | Green                                     | Green       | N/A                                       | \$ 296,490           | \$ 299,502  | No                       | 6/30/2020  |

***Group Life and Welfare Plan***

Full time employees are eligible for life insurance following three months of employment under the group life and welfare plan. APDA’s contribution to the Group Life and Welfare Plan the fiscal years ended August 31, 2021 and 2020 totaled \$5,876 and \$6,746, respectively.

**Note 13 - Related Parties:**

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 received research funding in the amount of \$112,500 and \$75,000, advanced center funding in the amount of \$100,000, and Information and Referral funding in the amount of \$34,650 for the fiscal years ended August 31, 2021 and 2020, respectively.