

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

**FINANCIAL STATEMENTS**

**AUGUST 31, 2016**

**(WITH COMPARATIVE TOTALS FOR 2015)**



***AMERICAN PARKINSON DISEASE ASSOCIATION, INC.***  
**INDEX TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**  
**(WITH COMPARATIVE TOTALS FOR 2015)**

	<u>Page(s)</u>
Independent Auditor's Report	1-2
Statement of Financial Position	3
Statement of Activities	4
Statement of Functional Expenses	5
Statement of Cash Flows	6
Notes to Financial Statements	7-18



## 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, 2016, 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 the 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 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 American Parkinson Disease Association, Inc., as of August 31, 2016, 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 2015 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated January 27, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended August 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Potter & Fama LLP*

Staten Island, New York  
January 25, 2017

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AUGUST 31, 2016**  
**(WITH COMPARATIVE TOTALS FOR 2015)**

**ASSETS**

	<u>2016</u>	<u>2015</u>
Cash	\$ 6,657,001	\$ 5,561,038
Bequests receivable	307,448	1,788,291
Investments	1,436,534	1,382,004
Prepaid expenses and other assets	360,973	344,597
Property and equipment - net	<u>2,585,127</u>	<u>2,663,553</u>
<b>TOTAL ASSETS</b>	<u><u>\$ 11,347,083</u></u>	<u><u>\$ 11,739,483</u></u>

**LIABILITIES AND NET ASSETS**

**LIABILITIES:**

Accounts payable and accrued expenses	\$ 383,276	\$ 285,981
Deferred revenue	109,264	-
Grants payable	1,304,926	1,871,219
Annuities payable	<u>49,376</u>	<u>55,721</u>
<b>Total liabilities</b>	<u>1,846,842</u>	<u>2,212,921</u>

**NET ASSETS:**

Unrestricted	7,097,138	6,011,117
Temporarily restricted	2,230,159	3,342,501
Permanently restricted	<u>172,944</u>	<u>172,944</u>
<b>Total net assets</b>	<u>9,500,241</u>	<u>9,526,562</u>
<b>TOTAL LIABILITIES AND NET ASSETS</b>	<u><u>\$ 11,347,083</u></u>	<u><u>\$ 11,739,483</u></u>

See accompanying notes and independent auditor's report.



# AMERICAN PARKINSON DISEASE ASSOCIATION, INC.

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2016  
(WITH COMPARATIVE TOTALS FOR 2015)

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
	2016	2015	2016	2015
<b>REVENUE:</b>				
Contributions	\$ 4,271,735	\$ 588,676	\$ -	\$ 4,860,411
Legacies, bequests and estates	2,080,001	156,459	-	2,236,460
Special events	1,618,329	155,154	-	1,773,483
Investment income	84,434	2,575	-	87,009
In-kind contributions	11,849,117	-	-	11,849,117
Other revenue	102,053	-	-	102,053
Net assets released from restrictions	2,015,206	(2,015,206)	-	-
<b>Total revenue</b>	<b>22,020,875</b>	<b>(1,112,342)</b>	<b>-</b>	<b>20,908,533</b>
<b>EXPENSES:</b>				
<b>Program Services:</b>				
Patient and program services	2,120,561	-	-	2,120,561
Research	1,585,732	-	-	1,585,732
Public and professional education (including in-kind contributions of \$11,849,117)	14,359,757	-	-	14,359,757
<b>Total program services</b>	<b>18,066,050</b>	<b>-</b>	<b>-</b>	<b>18,066,050</b>
<b>Supporting Services:</b>				
Administration	746,861	-	-	746,861
Fundraising	2,121,943	-	-	2,121,943
<b>Total supporting services</b>	<b>2,868,804</b>	<b>-</b>	<b>-</b>	<b>2,868,804</b>
<b>Total expenses</b>	<b>20,934,854</b>	<b>-</b>	<b>-</b>	<b>20,934,854</b>
Increase (decrease) in net assets	1,086,021	(1,112,342)	-	(26,321)
Net assets, beginning of year	6,011,117	3,342,501	172,944	9,526,562
Net assets, end of year	\$ 7,097,138	\$ 2,230,159	\$ 172,944	\$ 9,500,241
				\$ 9,526,562

See accompanying notes and independent auditor's report.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED AUGUST 31, 2016**  
**(WITH COMPARATIVE TOTALS FOR 2015)**

	Program Services			Supporting Services			Total
	Patient & Program Services	Research	Public and Professional Education	Administrative	Fundraising	Total	
Grants and awards	\$ 593,306	\$ 1,377,750	\$ -	\$ -	\$ -	\$ -	\$ 1,971,056
Patient services	513,869	-	-	-	-	-	513,869
Conferences, symposia and public education	-	-	515,209	-	-	-	515,209
Donated media	-	-	11,849,117	-	-	-	11,849,117
Salaries	552,691	102,967	817,463	385,045	305,008	690,053	9,345,431
Payroll taxes and employee benefits	196,038	36,522	289,952	136,574	108,186	244,760	2,027,980
Rent	21,757	4,053	32,179	15,157	12,007	27,164	555,690
Telephone	15,123	2,817	22,368	10,536	8,345	18,881	70,396
Supplies, stationery and printing	24,076	4,485	35,610	16,773	13,288	30,061	61,162
Office and miscellaneous expenses	68,883	12,833	101,883	47,989	38,014	86,003	100,524
Accounting	19,214	3,580	28,418	13,386	10,602	23,988	209,508
Legal	22,768	4,242	33,675	15,862	12,565	28,427	87,025
Insurance	20,360	3,793	30,113	14,184	11,236	25,420	100,627
Travel and meetings	6,150	1,146	9,096	4,284	3,393	7,677	74,315
Mallings	-	19,188	496,573	40,863	1,220,024	1,260,887	66,312
Special events	-	-	-	-	338,784	338,784	1,696,339
Postage	6,359	1,185	9,405	4,430	7,396	11,826	443,726
Equipment leases	3,611	673	5,342	2,516	1,993	4,509	27,201
Investment management fees	4,989	929	7,379	3,476	2,754	6,230	15,909
Maintenance and repairs	17,629	3,284	26,074	12,281	9,729	22,010	21,371
Dues, subscriptions, licenses and fees	6,400	1,192	9,466	4,459	3,533	7,992	64,555
Depreciation	2,093,223	1,580,639	14,319,322	727,815	2,106,857	2,834,672	78,929
	27,338	5,093	40,435	19,046	15,086	34,132	18,244,151
Total	\$ 2,120,561	\$ 1,585,732	\$ 14,359,757	\$ 746,861	\$ 2,121,943	\$ 2,868,804	\$ 20,934,854
							\$ 18,349,026

See accompanying notes and independent auditor's report.



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**STATEMENT OF CASH FLOWS**  
**AUGUST 31, 2016**  
**(WITH COMPARATIVE TOTALS FOR 2015)**

	<u>2016</u>	<u>2015</u>
Cash Flows From Operating Activities		
(Decrease) increase in net assets	\$ (26,321)	\$ 1,543,896
Adjustments to reconcile (decrease) increase in net assets to net cash provided by operating activities:		
Realized loss (gain) on sale of securities	67,223	(35,040)
Unrealized (gain) loss on securities	(99,059)	204,171
Depreciation and amortization	106,998	104,875
(Increase) decrease in:		
Contributions and bequests receivable	1,480,843	(987,925)
Prepaid expenses and other assets	(16,376)	(78,406)
Increase (decrease) in:		
Accounts payable and accrued expenses	97,295	(128,095)
Deferred revenue	109,264	-
Grants payable	(566,293)	(531,054)
Net Cash Provided by Operating Activities	<u>1,153,574</u>	<u>92,422</u>
Cash Flows From Investing Activities		
Proceeds from sales and maturities of investments	1,847,662	1,857,201
Purchase of investments	(1,870,356)	(1,871,705)
Purchase of property and equipment	(28,572)	(27,000)
Net Cash Used for Investing Activities	<u>(51,266)</u>	<u>(41,504)</u>
Cash Flows From Financing Activities		
Annuities payable	(6,345)	(10,685)
Net Cash Used for Financing Activities	<u>(6,345)</u>	<u>(10,685)</u>
Net Increase in Cash and Cash Equivalents	1,095,963	40,233
Cash and Cash Equivalents - Beginning of Year	<u>5,561,038</u>	<u>5,520,805</u>
Cash and Cash Equivalents - End of Year	<u>\$ 6,657,001</u>	<u>\$ 5,561,038</u>

See accompanying notes and independent auditor's report.





**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**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:

***Patient and Program Services-*** APDA has developed a network of 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 20 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.



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note B - Summary of Significant Accounting Policies, continued**

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.

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.

**Comparative Information**

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, 2015, from which the summarized information was derived.

**Reclassifications**

Certain amounts in the August 31, 2015 financial statements have been reclassified to conform to the current year presentation.

**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, 2016 and 2015, 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, 2016 and 2015. Bequests receivable are normally expected to be collected within one year.



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note B - Summary of Significant Accounting Policies, continued**

**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.

**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
Leasehold improvements	3-5 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, 2016, 2015 and 2014.



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note B - Summary of Significant Accounting Policies, continued**

**Use of Estimates**

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

**Cash Equivalents**

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

**Contributed Services**

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. In-kind contributions include donated media (television and radio broadcasting and other forms of media, including public service announcements) valued at approximately \$11,849,117 for the year ended August 31, 2016 and \$9,345,431 for the year ended August 31, 2015. 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.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note C - Fair Value Measurements, continued**

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.

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, 2016 is as follows:

	<u>August 31, 2016</u>	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Assets:</u>				
Bequests receivable	\$ 307,448	\$ -	\$ -	\$ 307,448
Investments	\$ 1,436,534	\$ 1,436,534	\$ -	\$ -
<u>Liabilities:</u>				
Annuities payable	\$ (49,376)	\$ -	\$ -	\$ (49,376)



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note C - Fair Value Measurements, continued**

Fair value of financial assets and liabilities measured at August 31, 2015 is as follows:

	August 31, 2015	Quoted Price in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<b><u>Assets:</u></b>				
Bequests receivable	\$ 1,788,291	\$ -	\$ -	\$ 1,788,291
Investments	\$ 1,382,004	\$ 1,382,004	\$ -	\$ -
<b><u>Liabilities:</u></b>				
Annuities payable	\$ (55,721)	\$ -	\$ -	\$ (55,721)

**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, 2016:

	<b>Level 3 Assets &amp; Liabilities Year Ended August 31, 2016</b>	
	Bequests Receivable	Annuities Payable
Balance, beginning of year	\$ 1,788,291	(\$55,721)
Contributions	-	-
Payments received	(3,699,561)	-
Actuarial adjustments	-	(3,232)
New bequests	2,236,460	-
Write-offs	(17,742)	-
Annuitant payments	-	9,577
Balance, end of year	\$ 307,448	(\$49,376)

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note C - Fair Value Measurements, continued**

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:

	<b>Level 3 Assets &amp; Liabilities</b>	
	<b>Year Ended August 31, 2015</b>	
	<b>Bequests Receivable</b>	<b>Annuities Payable</b>
Balance, beginning of year	\$ 800,366	(\$66,406)
Contributions	-	-
Payments received	(2,672,103)	-
Actuarial adjustments	-	(1,005)
New bequests	3,722,667	-
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, 2016 and 2015:

	<u>2016</u>	<u>2015</u>
Money market funds and certificates of deposits	\$ 47,310	\$ 27,828
Equities	1,323,648	1,278,464
Government securities	<u>65,576</u>	<u>75,712</u>
	<u>\$1,436,534</u>	<u>\$1,382,004</u>

Investment income at August 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Unrealized gains (losses)	\$ 99,059	(\$204,171)
Realized (losses) gains	(67,223)	35,040
Interest and dividend income	<u>55,173</u>	<u>52,257</u>
Total Investment Income	<u>\$ 87,009</u>	<u>(\$116,874)</u>

Total expenses relating to investment income, including custodial and management advisory fees for the years ended August 31, 2016 and 2015, were \$19,527 and \$21,371, respectively.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note E - Property and Equipment**

Property and equipment at August 31, 2016 and 2015 consisted of the following:

	<u>2016</u>	<u>2015</u>
Land	\$ 696,071	\$ 696,071
Building	2,820,627	2,820,627
Building improvements	106,454	106,454
Leasehold Improvements	15,900	-
Computers	54,657	46,985
Furniture and equipment	<u>145,389</u>	<u>140,390</u>
Subtotal	3,839,098	3,810,527
Accumulated depreciation and amortization	<u>(1,253,971)</u>	<u>(1,146,974)</u>
Property and equipment, net	<u>\$2,585,127</u>	<u>\$2,663,553</u>

Depreciation expense for the years ended August 31, 2016 and 2015 was \$106,998 and \$104,875, 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, 2016, APDA's cash balances exceeded this limit by \$6,465,641.

As of August 31, 2016 and 2015, total cash remaining with the Chapters was \$0 and \$248,545 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, 2017	\$ 108,561
2018	83,718
2019	69,694
2020	7,869
2021 and thereafter	<u>-</u>
	<u>\$ 269,842</u>





**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note G - Commitments, continued**

APDA entered into a direct response service agreement on May 31, 2016 to receive fundraising consulting services, which will include raising awareness of the APDA mission, encouraging responses to various calls to action, raising funds, and offering supporters, donors, and constituents multiple engagement opportunities. The term of the agreement is from June 1, 2016 through May 31, 2019. However, APDA has the right to terminate the agreement via a written notice at least 90 days before termination. Total commitments relating to this service agreement were \$90,525 at August 31, 2016.

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 one-year periods. At August 31, 2016, APDA had outstanding commitments payable as follows:

Years ending August 31, 2017	\$ 800,000
2018 and thereafter	<u>-</u>
	<u>\$ 800,000</u>

APDA has committed to awarding young neurologists the Dr. George C. Cotzias Memorial Fellowship for the years for a three-year. The purpose of the fellowship is to assist promising young neurologists in establishing careers in research, teaching, and patient services relevant to the problems, causes, prevention, diagnosis, and treatment of Parkinson's disease and related neurological movement disorders. At August 31, 2016, APDA had outstanding commitments payable as follows:

Years ending August 31, 2017	\$ 80,000
2018	80,000
2019 and thereafter	<u>80,000</u>
	<u>\$ 240,000</u>

APDA approved \$740,000 to fund information and referral centers for the year ended August 31, 2017. These amounts are conditional on certain reporting requirements and are funded for only one year.



**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note H - Temporarily and Permanently Restricted Net Assets**

Temporarily restricted net assets are available for the following purposes:

	<u>2016</u>	<u>2015</u>
Specific research activities	\$ 786,745	\$ 2,008,604
Patient Services	839,516	717,693
Local Chapters and other uses	<u>603,898</u>	<u>616,204</u>
	<u>\$ 2,230,159</u>	<u>\$ 3,342,501</u>

Temporarily restricted net assets released from restrictions during the years ended August 31, 2016 and 2015 were primarily expended for research and patient services purposes.

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

**Note I - Endowment Funds**

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

Changes in the balances of endowment funds for the year ended August 31, 2016 are as follows:

Balance, August 31, 2015	\$ 172,944
Contributions	<u>-</u>
Balance, August 31, 2016	<u>\$ 172,944</u>

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>

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note J - Allocation of Joint Costs**

During the years ended August 31, 2016 and 2015, APDA incurred joint costs for mailings which included fund-raising appeals. Such joint costs were allocated as follows:

	<u>2016</u>	<u>2015</u>
Fundraising costs	\$ 420,990	\$ 694,795
Administration	38,189	109,498
Public and professional education	463,107	372,214
Research	<u>17,876</u>	<u>-</u>
	<u>\$ 940,162</u>	<u>\$ 1,176,507</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 year ended August 31, 2016, 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 did not make any contributions to the savings plan during the years ended August 31, 2016 and 2015.

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 and work 15 hours or more per week and are salaried. 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 years ended August 31, 2016 and 2015 totaled \$222,723 and \$106,042, respectively.

**Note L - Annuities Payable**

Annuities payable represent the present value of payments due from APDA to donors participating in the charitable gift annuity program. Donors in this program contribute cash in exchange for APDA's promise to pay such donors or their designated beneficiaries a fixed sum each year for life. State regulations require the maintenance of investments in a reserve account to secure payment of these annuities. At August 31, 2016 and 2015, investments included \$65,576 and \$75,712, 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 1.2% to 6.2% and other actuarial assumptions, including life expectancies, were used to estimate individual annuitant liabilities.

**AMERICAN PARKINSON DISEASE ASSOCIATION, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**AUGUST 31, 2016**

**Note L - Annuities Payable, continued**

Changes in the values of annuities payable for the year ended August 31, 2016 are as follows:

Balance, August 31, 2015	\$ 55,721
Contributions	-
Annuitant payments	(9,577)
Actuarial adjustments	<u>3,232</u>
Balance, August 31, 2016	<u>\$ 49,376</u>

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 were no financial transactions that occurred during fiscal 2016 and 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 years ended August 31, 2016 and August 31, 2015 were \$352,349 and \$293,926, respectively. Commissions paid to this employee benefits consulting firm out of these premium payments during the years ended August 31, 2016 and August 31, 2015 were \$11,077 and \$9,742, respectively. 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 25, 2017, the date the financial statements were available to be issued.

\*\*\*\*\*

