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PARKINSON FOUNDATION OF THE HEARTLAND

FINANCIAL STATEMENT AUDIT

AUGUST 31, 2007

PARKINSON FOUNDATION OF THE HEARTLAND

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BRUCE D. CULLEY, C.P.A., PC
3000 Brooktree Lane, Suite 210
Gladstone, Missouri 64119

Independent Auditor's Report

Board of Directors
Parkinson Foundation of the Heartland
Overland Park, Kansas

I have audited the accompanying Statement of Financial Position of Parkinson Foundation of the Heartland as of August 31, 2007 and August 31, 2006, and the related Statement of Activities, Changes in Net Assets, and Cash Flows for the years then ended. These financial statements are the responsibility of the Organization's management. My responsibility is to express an opinion on these financial statements based on my audits.

I conducted my audits in accordance with auditing standards generally accepted in the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audits provide a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Parkinson Foundation of the Heartland, as of August 31, 2007 and August 31, 2006, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States.

Bruce Culley
Certified Public Accountant

Gladstone, Missouri
January 1, 2008

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**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FINANCIAL POSITION
AUGUST 31,**

	<u>2007</u>	<u>2006</u>
ASSETS		
Cash and Cash Equivalents – Unrestricted	\$ 220,653	\$ 71,374
Accounts Receivable	21,225	-
Inventory – Videos	4,178	4,791
Inventory – DVD's	16,351	18,565
Furniture and Equipment, Net of Accumulated Depreciation of \$95,364 in 2007 and \$77,300 in 2006	17,461	35,815
Deposits	<u>1,350</u>	<u>1,350</u>
Total Assets	<u>\$ 281,218</u>	<u>\$ 131,895</u>
LIABILITIES		
Accounts Payable	\$ 23,169	\$ 6,924
Payroll Taxes	3,746	3,332
Grants Payable	<u>35,000</u>	<u>-</u>
Total Liabilities	61,915	10,256
NET ASSETS		
Unrestricted	<u>219,303</u>	<u>121,639</u>
Total Net Assets	<u>219,303</u>	<u>121,639</u>
Total Liabilities and Net Assets	<u>\$ 281,218</u>	<u>\$ 131,895</u>

The accompanying notes are an integral part of these financial statements.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
CONSOLIDATED STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31,**

	<u>Unrestricted</u>	<u>Temporarily Restricted</u>	<u>Total 2007</u>	<u>Total 2006</u>
REVENUES AND GAINS				
Donations and Memorials	\$ 96,467	\$ -	\$ 96,467	\$ 89,469
Dues	26,720	-	26,720	15,309
Investment Income	2,772	-	2,772	1,396
Other Income	1,548	-	1,548	1,540
Grants	34,800	-	34,800	29,450
Program	16,123	-	16,123	10,921
Fundraisers:				
Gala	277,894	-	277,894	240,668
Art Show	42,314	-	42,314	35,944
Dance	2,600	-	2,600	2,843
Race	17,246	-	17,246	20,805
Community Health	11,159	-	11,159	13,464
Golf Tournament	37,595	-	37,595	-
Bracelets	-	-	-	7,184
Pigskin	-	-	-	2,680
Jam	94,335	-	94,335	-
Other Fundraisers	4,659	-	4,659	13,444
Video Sales	33,617	-	33,617	46,473
Cost of Sales	<u>(2,828)</u>	<u>-</u>	<u>(2,828)</u>	<u>(4,891)</u>
Total Revenues	697,021	-	697,021	526,699
EXPENSES				
Program Services				
PCS	28,690	-	28,690	9,108
Membership, Publications, and Wellness	381,585	-	381,585	211,646
Supporting Services				
Management and General	54,584	-	54,584	94,353
Fundraising	<u>134,498</u>	<u>-</u>	<u>134,498</u>	<u>215,746</u>
Total Expenses	<u>599,357</u>	<u>-</u>	<u>599,357</u>	<u>530,853</u>
Increase (Decrease) in Net Assets	97,664	-	97,664	(4,154)
Net Assets, Beginning of Year	<u>121,639</u>	<u>-</u>	<u>121,639</u>	<u>125,793</u>
Net Assets, End of Year	<u>\$ 219,303</u>	<u>\$ -</u>	<u>\$ 219,303</u>	<u>\$ 121,639</u>

The accompanying notes are an integral part of these financial statements.

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**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2007**

	Video Parkinson Care Services	Membership Publications and Wellness	Total Programs	Management and General	Fund- raising	Total
	\$	\$	\$	\$	\$	\$
Advertising	-	1,008	1,008	168	168	1,344
Advocacy	-	1,122	1,122	-	-	1,122
Annual Campaign	-	2,727	2,727	-	127	2,854
Art Show	-	-	-	-	5,976	5,976
Basketball	-	-	-	-	78,287	78,287
Car Show	-	1,928	1,928	-	-	1,928
Classman Jam	-	29,738	29,738	-	-	29,738
Computer and Technology	-	5,452	5,452	-	-	5,452
Conference	-	3,486	3,486	-	-	3,486
Contract Labor	-	31,131	31,131	3,998	1,859	36,988
Educational	-	307	307	-	-	307
Exercise Groups and Equipment	-	2,384	2,384	-	-	2,384
Health Insurance	-	-	-	4,470	-	4,470
Information Booklets	-	2,100	2,100	-	-	2,100
Insurance	-	3,344	3,344	2,183	-	5,527
Meals	-	1,931	1,931	115	80	2,126
Medical Assistance	-	1,269	1,269	-	-	1,269
Miscellaneous	-	665	665	554	-	1,219
Music and Audio Visual	-	13,057	13,057	-	-	13,057
Newsletter	-	13,765	13,765	-	-	13,765
Office Equipment	-	-	-	3,194	-	3,194
Office Expenses	-	1,629	1,629	93	-	1,722
OKC Hoopla	-	-	-	-	11,086	11,086
OKC Golf	-	-	-	-	11,543	11,543

The accompanying notes are an integral part of these financial statements.

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**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2007**

	Video Parkinson Care Services	Membership Publications and Wellness	Total Programs	Management and General	Fund- raising	Total
Other Fundraising	-	-	-	-	1,645	1,645
Payroll	-	117,711	117,711	22,596	5,916	146,223
Payroll Taxes	-	6,653	6,653	2,694	1,515	10,862
PCS Project	28,690	-	28,690	-	-	28,690
Poker for Parkinson	-	-	-	-	258	258
Postage	-	9,276	9,276	1,208	531	11,015
Premiums	-	8,542	8,542	-	-	8,542
Printing	-	3,128	3,128	1,543	130	4,801
Professional Fees/Consultants	-	3,968	3,968	3,539	-	7,507
Race	-	-	-	-	9,408	9,408
Rent	-	29,025	29,025	2,044	754	31,823
Repairs and Maintenance	-	168	168	-	-	168
Research	-	35,000	35,000	-	-	35,000
Speech Classes	-	1,000	1,000	-	-	1,000
Supplies	-	6,553	6,553	479	226	7,258
Support Group	-	617	617	-	-	617
Symposium	-	8,053	8,053	-	-	8,053
Telephone	-	8,908	8,908	597	400	9,905
Travel and Mileage	-	4,152	4,152	-	-	4,152
Utilities	-	9,895	9,895	521	-	10,416
Wellness Group	-	2,716	2,716	-	-	2,716
Depreciation	-	9,177	9,177	4,588	4,589	18,354
Total	\$ 28,690	\$ 381,585	\$ 410,275	\$ 54,584	\$ 134,498	\$ 599,357

The accompanying notes are an integral part of these financial statements.

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**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2006**

	Video Parkinson Care Services	Membership Publications and Wellness	Total Programs	Management and General	Fund- raising	Total
	\$	\$	\$	\$	\$	\$
Advertising	-	390	390	-	193	583
Advocacy	-	168	168	-	-	168
Annual Campaign	-	-	-	-	4,246	4,246
Art Show	-	-	-	-	12,210	12,210
Basketball - Other	-	-	-	-	109,365	109,365
Car Show	-	-	-	-	872	872
Conference	-	1,084	1,084	1,000	-	2,084
Contract Labor	-	10,350	10,350	13,800	10,350	34,500
Educational	-	323	323	-	-	323
Exercise Groups and Equipment	-	4,343	4,343	-	-	4,343
Health Insurance	-	-	-	1,213	-	1,213
Information Booklets	-	3,609	3,609	-	-	3,609
Insurance	-	-	-	5,940	-	5,940
Newsletter	-	17,152	17,152	-	-	17,152
Office Equipment	-	120	120	2,164	119	2,403
Office Expenses	-	5,095	5,095	7,379	101	12,575
Oklahoma Programs	-	-	-	-	17,178	17,178
Other Fundraising	-	-	-	-	75	75
Parkinson Bracelet Exp	-	-	-	-	17,015	17,015
Payroll	-	91,320	91,320	30,299	20,570	142,189
Payroll Taxes	-	6,595	6,595	2,205	1,453	10,253
Pigskin for Parkinson's	-	-	-	-	862	862

The accompanying notes are an integral part of these financial statements.

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**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2006**

	Video Parkinson Care Services	Membership Publications and Wellness	Total Programs	Management and General	Fund- raising	Total
Poker for Parkinson's	-	-	-	-	411	411
Postage	-	4,976	4,976	2,445	3,575	10,996
Premiums	-	1,582	1,582	-	-	1,582
Printing	-	1,960	1,960	1,261	2,774	5,995
Professional Fees/Consultants	-	2,133	2,133	5,928	116	8,177
Race	-	-	-	-	5,425	5,425
Rent	-	22,560	22,560	6,068	1,717	30,345
Repairs and Maintenance	-	-	-	430	-	430
Speech Classes	-	1,000	1,000	-	-	1,000
Storage Facility	-	45	45	19	-	64
Supplies	38	5,023	5,061	2,587	732	8,380
Support Group	-	645	645	-	-	645
Symposium	-	1,613	1,613	-	66	1,679
Telephone	-	3,403	3,403	3,699	715	7,817
Travel and Mileage	-	4,988	4,988	14	-	5,002
Utilities	-	8,108	8,108	2,010	-	10,118
Video Parkinson Care Series Project	9,070	-	9,070	-	-	9,070
Wellness Group	-	1,848	1,848	-	-	1,848
Organizational Expenses	-	-	-	286	-	286
Depreciation	-	11,213	11,213	5,606	5,606	22,425
Total	<u>\$ 9,108</u>	<u>\$ 211,646</u>	<u>\$ 220,754</u>	<u>\$ 94,353</u>	<u>\$ 215,746</u>	<u>\$ 530,853</u>

The accompanying notes are an integral part of these financial statements.

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**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED AUGUST 31,**

	<u>2007</u>	<u>2006</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 97,664	\$ (4,154)
Adjustment to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	18,354	22,425
(Increase) Decrease in Current Assets		
Pledges Receivable	(21,225)	2,500
Inventory	2,827	2,976
Increase (Decrease) in Current Liabilities		
Payroll Taxes	414	57
Accounts Payable	16,245	(14,996)
Grant Payable	<u>35,000</u>	<u>-</u>
Total Adjustments	<u>51,615</u>	<u>12,962</u>
Net Cash Used in Operating Activities	149,279	8,808
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Furniture and Fixtures	<u>-</u>	<u>(1,000)</u>
Net Cash Used by Investing Activities	<u>-</u>	<u>(1,000)</u>
Net Increase (Decrease) in Cash	149,279	7,808
Cash and Cash Equivalents, Beginning of Year	<u>71,374</u>	<u>63,566</u>
Cash and Cash Equivalents, End of Year	<u>\$ 220,653</u>	<u>\$ 71,374</u>

The accompanying notes are an integral part of these financial statements.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS
AUGUST 31, 2007**

NOTE 1 – ORGANIZATION DESCRIPTION

Founded 22 years ago in Kansas City, the Parkinson Foundation of the Heartland has been dedicated, since its inception, to raising awareness of Parkinson's disease, to finding its cause and cure, and to providing education and support to patients, their families and their care providers. The Organization sponsors over 80 support, exercise and speech groups, and offers wellness programs, education seminars and programs, respite and medication assistance, lending library services, and information and referral.

The Organization receives income primarily from dues, special projects, contributions, memorials, and investments held by the Chapter. The Organization disburses the funds received for research, support for those afflicted with Parkinson's disease and necessary operating expenses approved by the Board of Directors.

Effective September 1, 1995, the Organization terminated its affiliation with the American Parkinson Disease Association and continued operations under the name Parkinson Association of Greater Kansas City (PAGKC). Effective January 1, 2004, the Organization changed its name to the Parkinson Foundation of the Heartland.

In fiscal 2004, the Organization formed an affiliate organization in Oklahoma City, Oklahoma. All revenues and expenses are reported as a separate department of the Organization.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Income Tax Status

The Parkinson Foundation of the Heartland is a not-for-profit organization under Internal Revenue Code Section 501(c)(3), and as such is subject to income tax only on unrelated business income.

Basis of Accounting

The Organization uses the accrual basis of accounting. Revenue is recognized when earned and expenses are recognized when incurred. Pledges are recorded as revenue in the period the pledges are received. Expenditures for property and equipment are reflected as increases in assets and then depreciated.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2007**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Prior-Year Summarized Comparative Information

The financial statements include certain prior-year summarized comparative information in total but not by asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Organization’s financial statements for the year ended August 31, 2006, from which the summarized information was derived.

Basis of Presentation

The Organization has adopted Statement of Financial Accounting Standards No. 117, “Financial Statements for Not-for-Profit Organizations”. The provisions of the new standard have been applied to the period presented.

Under these provisions, net assets and revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, net assets of the Organization 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 the Organization and/or the passage of time.

Permanently Restricted Net Assets – Net assets subject to donor-imposed stipulations that they be maintained permanently by the Organization. Generally, the donors of these assets permit the Organization to use all or part of the income earned on related investments for general or specific purposes.

Statement of Cash Flows

For purposes of the Statement of Cash Flows, the Organization considers all investments with a maturity of three months or less to be cash equivalents.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2007**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

Promises to Give

Unconditional promises to give are recognized as contributions in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefit received. Promises to give are recorded at net realizable value if they are expected to be collected within one year and at net present value if they are expected to be collected in more than one year. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Contributed Services

During the years ended August 31, 2007 and August 31, 2006, the value of contributed services meeting the requirements for recognition in the financial statements was not material and has not been recorded. In addition, a portion of the Organization's functions and programs are conducted by unpaid member volunteers. The value of this contributed time is not reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition.

Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Computer, Office and Equipment Depreciation

Fixed assets are stated at cost and depreciated over their estimated useful lives which are estimated to be five years. Depreciation reported in the financial statements for the year ended August 31, 2007, was \$18,354 and \$22,425 for the year ended August 31, 2006.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2007**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Inventory: Videos and DVD's

The Organization has developed a video series to educate people on Parkinson disease. The videos are sold to individuals and healthcare institutions. Healthcare institutions are able to use the videos for continuing professional education. DVD's are also sold covering the same topics.

NOTE 3 – OPERATING LEASES

The Organization leases buildings for its administrative offices. The future minimum payments under this lease are as follows:

Years ending August 31, 2008	\$26,455
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NOTE 4 – FURNITURE AND FIXTURES

Furniture and equipment consists of the following:

	<u>8-31-07</u>	<u>8-31-06</u>
Office Furniture and Equipment	\$ 80,871	\$ 80,871
Leasehold Improvements	<u>32,244</u>	<u>32,244</u>
	113,115	113,115
Less: Accumulated Depreciation	<u>(95,654)</u>	<u>(77,300)</u>
Total	<u>\$ 17,461</u>	<u>\$ 35,815</u>

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2007**

NOTE 5 – AFFILIATE OFFICE, OKLAHOMA CITY

The Parkinson Foundation operates an affiliated office in Oklahoma City. The office conducts fundraising events, solicits contributions and provides educational service to the community. The receipts and disbursements of the Oklahoma City office are consolidated with those of Kansas City. The Oklahoma City office expenses are as follows for 2007:

	<u>Programs</u>	<u>Administration</u>	<u>Fundraising</u>	<u>Total</u>
Rent	\$ 4,524	\$ 754	\$ 754	\$ 6,032
Supplies	1,360	227	226	1,813
Meals	478	80	80	638
Printing	3,128	969	130	4,227
Phone and Web	1,417	202	400	2,019
Travel and Mileage	2,120	-	-	2,120
Advertising	1,008	168	168	1,344
Postage	3,186	531	531	4,248
Other Program Expenses	620	-	-	620
Hoopla	-	-	11,086	11,086
Symposium	5,158	-	-	5,158
Conference	3,486	-	-	3,486
Contract Labor	30,600	3,998	1,800	36,398
Newsletter	3,806	-	-	3,806
Professional Fees	-	152	-	152
Annual Campaign	-	-	127	127
Golf Tournaments	-	-	11,543	11,543
Other Fundraising	-	-	385	385
Total	<u>\$ 60,891</u>	<u>\$ 7,081</u>	<u>\$ 27,230</u>	<u>\$ 95,202</u>