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PARKINSON FOUNDATION OF THE HEARTLAND

FINANCIAL STATEMENT AUDIT

AUGUST 31, 2008

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, 2008 and August 31, 2007, 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, 2008 and August 31, 2007, 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 31, 2009

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

	<u>2008</u>	<u>2007</u>
ASSETS		
Cash and Cash Equivalents - Unrestricted	\$ 238,051	\$ 220,653
Accounts Receivable	2,278	21,225
Inventory - Videos	-	4,178
Inventory - DVD's	15,612	16,351
Furniture and Equipment, Net of Accumulated Depreciation of \$72,655 in 2008 and \$95,654 in 2007	10,780	17,461
Prepaid Rent	3,950	1,350
Deposits	<u>14,325</u>	<u>-</u>
Total Assets	<u>\$ 284,996</u>	<u>\$ 281,218</u>
LIABILITIES		
Accounts payable	\$ 11,509	\$ 23,169
Payroll Taxes	4,058	3,746
Grants Payable	<u>-</u>	<u>35,000</u>
Total Liabilities	15,567	61,915
NET ASSETS		
Unrestricted	<u>269,429</u>	<u>219,303</u>
Total Net Assets	<u>269,429</u>	<u>219,303</u>
Total Liabilities and Net Assets	<u>\$ 284,996</u>	<u>\$ 281,218</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,**

	Unrestricted	Temporarily Restricted	Total 2008	Total 2007
REVENUES AND GAINS				
Donations and Memorials	\$ 211,611	\$ -	\$ 211,611	\$ 96,467
Dues	21,192	-	21,192	26,720
Investment Income	4,536	-	4,536	2,772
Other Income	4,725	-	4,725	1,548
Grants	-	-	-	34,800
Program	-	-	-	16,123
Fundraisers:				
Basketball	250,454	-	250,454	277,894
Art Show	35,055	-	35,055	42,314
Dance	-	-	-	2,600
Race	30,968	-	30,968	17,246
Community Health	-	-	-	11,159
Golf Tournament	115,223	-	115,223	37,595
House Tour	18,191	-	18,191	-
Jam	1,525	-	1,525	94,335
Other Fundraisers	1,561	-	1,561	4,659
Video Sales	13,480	-	13,480	33,617
Cost of Sales	(738)	-	(738)	(2,828)
Total Revenues	707,783	-	707,783	697,021
EXPENSES				
Program Services	208,077	-	208,077	-
Education	57,597	-	57,597	-
Research	48,304	-	48,304	28,690
Membership, Publications and Wellness	33,713	-	33,713	349,919
Supporting Services				
Management and General	104,314	-	104,314	54,584
Fundraising	205,652	-	205,652	166,164
Total Expenses	657,657	-	657,657	599,357
Increase (Decrease) in Net Assets	50,126	-	50,126	97,664
Net Assets, Beginning of Year	219,303	-	219,303	121,639
Net Assets, End of Year	\$ 269,429	\$ -	\$ 269,429	\$ 219,303

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

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATEION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2008**

	Education	Membership Publications and Wellness	Program	Research	Total Programs	Management and General	Fund-raising	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Advertising	-	-	327	-	327	-	-	327
Advocacy	-	-	850	-	850	-	-	850
Annual Campaign	-	-	-	-	-	-	2,328	2,328
Art Show	-	-	-	-	-	-	10,348	10,348
Basketball - Other	-	-	-	-	-	-	91,860	91,860
Car Show	-	-	-	-	-	-	776	776
KKG House Tour	-	-	-	-	-	-	680	680
Golf Tournament	-	-	-	-	-	-	57,481	57,481
Conference	9,784	-	300	-	10,084	-	-	10,084
Computer and Technology	-	-	6,725	-	6,725	1,248	417	8,390
Contract Labor	-	-	22,490	-	22,490	22,490	11,245	56,225
Credit card and Bank Fees	-	-	-	-	-	4,035	-	4,035
Educational	9,630	-	-	-	9,630	-	-	9,630
Health Insurance	-	-	-	-	-	6,654	-	6,654
Insurance	-	-	-	-	-	6,212	-	6,212
Meals	-	-	505	-	505	432	192	1,129
Medical Assistance	-	-	1,200	-	1,200	-	-	1,200
Newsletter	7,942	-	-	-	7,942	-	-	7,942
Office Equipment	-	-	3,608	-	3,608	637	-	4,245
Other Fundraising	-	-	-	-	-	-	1,240	1,240
Payroll	4,000	-	134,655	-	138,655	32,061	3,412	174,128
Payroll Taxes	-	-	10,301	-	10,301	1,764	261	12,326

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

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2008**

	Education	Membership Publications and Wellness	Program	Research	Total Programs	Management and General	Fund-raising	Total
Postage	-	-	5,704	-	5,704	3,170	3,267	12,141
Premiums	255	-	1,043	-	1,298	-	-	1,298
Printing	6,712	-	393	-	7,105	423	4,946	12,474
Professional Fees/Consultants	-	-	-	-	-	3,774	1,246	5,020
Race	-	-	-	-	-	-	5,831	5,831
Rent	-	20,613	4,805	-	25,418	4,438	801	30,657
Repairs and Maintenance	-	-	-	-	-	530	-	530
Respite Assistance	-	-	1,041	-	1,041	-	-	1,041
Research Grants	-	-	-	48,304	48,304	253	-	48,557
Supplies	-	1,543	1,954	-	3,497	2,019	576	6,092
Support Group	1,091	-	-	-	1,091	-	-	1,091
Symposium	12,497	-	-	-	12,497	-	-	12,497
Telephone	-	-	1,863	-	1,863	8,063	426	10,352
Travel and Mileage	-	-	2,482	-	2,482	84	82	2,648
Utilities	-	8,607	-	-	8,607	1,941	-	10,548
Video Parkinson Care								
Series Project	5,686	-	-	-	5,686	-	-	5,686
Wellness Group	-	2,950	-	-	2,950	-	-	2,950
Organizational Expenses	-	-	-	-	-	170	4,321	4,491
Depreciation	-	-	7,831	-	7,831	3,916	3,916	15,663
Total	\$ 57,597	\$ 33,713	\$ 208,077	\$ 48,304	\$ 347,691	\$ 104,314	\$ 205,652	\$ 657,657

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

**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
Classman Jam	-	-	-	-	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.

**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	\$ 349,919	\$ 378,609	\$ 54,584	\$ 166,164	\$ 599,357

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

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

	<u>2008</u>	<u>2007</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ 50,126	\$ 97,664
Adjustment to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	15,663	18,354
(Increase) Decrease in Current Assets:		
Pledges Receivable	18,947	(21,225)
Inventory	4,917	2,827
Prepaid Rent	(12,975)	-
Deposits	(3,950)	-
Increase (Decrease) in Current Liabilities:		
Payroll Taxes	312	414
Accounts Payable	(11,660)	16,245
Grant Payable	(35,000)	35,000
Total Adjustments	<u>(23,746)</u>	<u>51,615</u>
Net Cash Used in Operating Activities	26,380	149,279
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Furniture and Fixtures	<u>(8,982)</u>	<u>-</u>
Net Cash Used by Investing Activities	<u>(8,982)</u>	<u>-</u>
Net Increase (Decrease) in Cash	17,398	149,279
Cash and Cash Equivalents, Beginning of Year	<u>220,653</u>	<u>71,374</u>
Cash and Cash Equivalents, End of Year	<u>\$ 238,051</u>	<u>\$ 220,653</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, 2008**

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.

PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2008

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.

Temporarily and Permanently Restricted Net Assets

Temporarily restricted net assets are those whose use by the Organization has been limited by donors to a specific time period or purpose. Permanently restricted net assets have been restricted by donors to be maintained by the Organization in perpetuity.

PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2008

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

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.

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.

Contributions

Gifts of cash and other assets received without donor stipulations are reported as unrestricted revenue and net assets. Gifts received with donor stipulation that limits their use are reported as temporarily or permanently restricted revenue and net assets. When a donor stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Gifts having donor stipulations that are satisfied in the period the gift is received are reported as unrestricted revenue and net assets.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2008**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributed Services

During the years ended August 31, 2008 and August 31, 2007, 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.

Functional Allocation of Expenses

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, 2008, was \$15,663 and \$18,354 for the year ended August 31, 2007.

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.

Reclassifications

Certain reclassifications have been made to the 2007 financial statements to conform to the 2008 financial statement presentation. These reclassifications had no effect on the change in net assets.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2008**

NOTE 3 – OPERATING LEASE

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

Years ending August 31,	
2009	\$ 35,550
2010	\$ 48,300
2011	\$ 49,200
2012	\$ 50,100
2013	\$ 51,000
2014	\$ 51,900
2015	\$ 51,900

NOTE 4 – FURNITURE AND FIXTURES

Furniture and equipment consists of the following:

	<u>8-31-08</u>	<u>8-31-07</u>
Office Furniture and Equipment	\$ 83,435	\$ 80,871
Leasehold Improvements	-	32,244
	83,435	113,115
Less: Accumulated Depreciation	<u>(72,655)</u>	<u>(95,654)</u>
Total	<u>\$ 10,780</u>	<u>\$ 17,461</u>

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2008**

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	\$ 4,805	\$ 801	\$ 801	\$ 6,407
Supplies	1,884	314	314	2,512
Meals	505	192	193	890
Printing	393	185	781	1,359
Phone and Web	887	178	118	1,183
Travel and Mileage	2,482	-	82	2,564
Advertising	327	-	-	327
Postage	1,297	543	1,113	2,953
Other Program Expenses	150	-	-	150
Hoopla	-	-	8,518	8,518
Symposium	2,262	-	-	2,262
Caregivers Lunch/Support Group	1,981	-	-	1,981
Conference	7,391	-	-	7,391
Contract Labor	22,490	22,490	11,245	56,225
Newsletter	6,340	-	-	6,340
Professional Fees	-	353	-	353
Grants	20,000	-	-	20,000
Annual Campaign	-	-	910	910
Golf Tournaments	-	-	37,745	37,745
Other Administration Expenses	-	110	-	110
Other Fundraising	-	-	40	40
Total	<u>\$ 73,194</u>	<u>\$ 25,166</u>	<u>\$ 61,860</u>	<u>\$ 160,220</u>

The Oklahoma City revenue was as follows:

	<u>Income</u>
Donations and Memorials	\$ 21,074
Dues	8,903
Program	24,659
Fundraising Events	158,379
Miscellaneous	140
Total	<u>\$ 213,155</u>

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2008**

NOTE 6 – SIGNIFICANT ESTIMATES AND CONCENTRATIONS

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Current Economic Conditions

The current economic environment presents not-for-profit organizations with unprecedented circumstances and challenges, which in some cases have resulted in large declines in the fair value of investments and other assets, declines in contributions, constraints on liquidity and difficulty obtaining financing. The financial statements have been prepared using values and information currently available to the Organization.

Current economic conditions have made it difficult for many donors to continue to contribute to not-for-profit organizations. A significant decline in contribution revenue could have an adverse impact on the Organization's future operating results.