

**BRUCE D. CULLEY, C.P.A., P.C.**

3000 BROOKTREE LANE, SUITE 210

GLADSTONE, MISSOURI 64119

816-453-1040 FAX: 816-453-0721

bruceculley@sbcglobal.net

Member American Institute of  
Certified Public Accountants

Member Missouri Society of  
Certified Public Accountants

**PARKINSON FOUNDATION OF THE HEARTLAND**

**FINANCIAL STATEMENT AUDITS**

**AUGUST 31, 2009 and 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

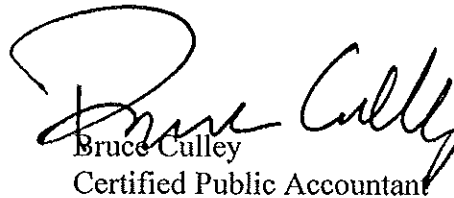
INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Parkinson Foundation of the Heartland  
Leawood, Kansas

I have audited the accompanying Statements of Financial Position of Parkinson Foundation of the Heartland as of August 31, 2009 and 2008, and the related Statements 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, 2009 and 2008, 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  
June 1, 2010

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

	<u>2009</u>	<u>2008</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$ 197,438	\$ 238,051
Accounts Receivable	1,840	2,278
Inventory - DVD's	15,366	15,612
Furniture and Equipment, Net of Accumulated Depreciation of \$75,927 in 2009 and \$72,655 in 2008	8,708	10,780
Prepaid Expenses	50	3,950
Deposits	<u>14,325</u>	<u>14,325</u>
Total Assets	<u>\$ 237,727</u>	<u>\$ 284,996</u>
<b>LIABILITIES</b>		
Accounts Payable	\$ 8,775	\$ 11,509
Payroll Taxes	<u>6,049</u>	<u>4,058</u>
Total Liabilities	14,824	15,567
<b>NET ASSETS</b>		
Unrestricted	<u>222,903</u>	<u>269,429</u>
Total Net Assets	<u>222,903</u>	<u>269,429</u>
Total Liabilities and Net Assets	<u>\$ 237,727</u>	<u>\$ 284,996</u>

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

**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
STATEMENTS OF ACTIVITIES  
FOR THE YEARS ENDED AUGUST 31,**

	Unrestricted	Temporarily Restricted	Total 2009	Total 2008
<b>REVENUES AND GAINS</b>				
Donations and Memorials	\$ 257,892	\$ -	\$ 257,892	\$ 211,611
Dues	24,515	-	24,515	21,192
Investment Income	4,025	-	4,025	4,536
Other Income	-	-	-	4,725
Program	16,141	-	16,141	-
Fundraising				
Basketball	79,602	-	79,602	250,454
Art Show	-	-	-	35,055
Dance	2,553	-	2,553	-
Race	9,112	-	9,112	30,968
Car Show	1,058	-	1,058	-
Golf Tournament	104,721	-	104,721	115,223
House Tour	-	-	-	18,191
Jam	4,656	-	4,656	1,525
Musical Festival	1,152	-	1,152	-
Other Fundraisers	3,328	-	3,328	1,561
Less Cost of Fundraising	(125,695)	-	(125,695)	(166,976)
Video Sales	4,080	-	4,080	13,480
Cost of Sales	(246)	-	(246)	(738)
Total Revenues and Gains	<u>386,894</u>	<u>-</u>	<u>386,894</u>	<u>540,807</u>
<b>EXPENSES</b>				
Programs				
Support Programs	193,640	-	193,640	208,077
Education	118,149	-	118,149	57,597
Research	19,134	-	19,134	48,304
Membership/Publications	12,725	-	12,725	33,713
Supporting Services				
Management and General	37,119	-	37,119	104,314
Fundraising	52,653	-	52,653	38,676
Total Expenses	<u>433,420</u>	<u>-</u>	<u>433,420</u>	<u>490,681</u>
Increase (Decrease) in Net Assets	(46,526)	-	(46,526)	50,126
Net Assets, Beginning of Year	<u>269,429</u>	<u>-</u>	<u>269,429</u>	<u>219,303</u>
Net Assets, End of Year	<u>\$ 222,903</u>	<u>\$ -</u>	<u>\$ 222,903</u>	<u>\$ 269,429</u>

The accompany 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, 2009**

	Support Programs	Education	Research	Membership/ Publications	Total Programs	Management and General	Fundraising	Total
	\$	\$	\$	\$	\$	\$	\$	\$
Advertising	100	250	-	-	350	-	110	460
Advocacy	637	-	-	-	637	-	-	637
Annual Campaign	-	-	-	-	-	-	395	395
Computer and Technology	4,250	5,339	-	-	9,589	183	199	9,971
Conference	3,676	3,676	-	-	7,352	-	-	7,352
Contract Labor	34,262	18,060	-	-	52,322	1,362	6,546	60,230
Credit Card and Bank Fees	1,551	1,424	-	126	3,101	-	68	3,169
Educational	-	3,815	198	-	4,013	-	-	4,013
Health Insurance	3,196	3,196	-	-	6,392	743	297	7,432
Insurance	-	4,563	-	-	4,563	190	-	4,753
John Knox Partnership	708	-	-	-	708	-	-	708
Meals	2,248	652	107	-	3,007	35	28	3,070
Medical Assistance	1,500	-	-	-	1,500	-	-	1,500
Membership	-	-	-	3,085	3,085	-	-	3,085
Miscellaneous	50	9	410	-	469	9	1	479
Moving Expense	205	2,199	-	-	2,404	102	51	2,557
Newsletter	-	23,509	-	-	23,509	-	-	23,509
Office Equipment	2,107	2,389	-	-	4,496	187	-	4,683

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, 2009**

	Support Programs	Education	Research	Membership/ Publications	Total Programs	Management and General	Fundraising	Total
Office Expenses	772	1,114	153	-	2,039	139	11	2,189
Other Fundraising	-	-	-	-	-	-	1,569	1,569
Payroll	87,453	6,589	-	-	94,042	27,577	38,728	160,347
Payroll Taxes	6,690	505	-	-	7,195	2,110	2,963	12,268
Parkinson Care Series Project	-	952	-	-	952	-	-	952
Postage	4,889	4,122	-	428	9,439	114	-	9,553
Premiums	4,472	4,472	-	-	8,944	-	-	8,944
Printing	1,955	2,430	-	130	4,515	174	47	4,736
Professional Fees/Consultants	2,377	3,403	2,284	355	8,419	342	110	8,871
Rent	14,162	11,424	9,481	8,509	43,576	1,719	1,062	46,357
Repairs and Maintenance	58	612	-	-	670	28	14	712
Research	-	-	3,866	-	3,866	-	-	3,866
Supplies	1,340	3,000	-	92	4,432	181	-	4,613
Support Group	3,073	-	-	-	3,073	-	-	3,073
Symposium	-	3,995	-	-	3,995	-	-	3,995
Telephone	3,612	3,049	2,635	-	9,296	396	213	9,905
Travel and Mileage	3,533	2,573	-	-	6,106	127	26	6,259
Wellness Group	3,936	-	-	-	3,936	-	-	3,936
Depreciation	828	828	-	-	1,656	1,401	215	3,272
<b>Total</b>	<b>\$ 193,640</b>	<b>\$ 118,149</b>	<b>\$ 19,134</b>	<b>\$ 12,725</b>	<b>\$ 343,648</b>	<b>\$ 37,119</b>	<b>\$ 52,653</b>	<b>\$ 433,420</b>

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**

	Support Programs	Education	Research	Membership/ Publications	Total Programs	Management and General	Fund-raising	Total
Advertising	\$ 327	\$ -	\$ -	\$ -	\$ 327	\$ -	\$ -	\$ 327
Advocacy	850	-	-	-	850	-	-	850
Annual Campaign	-	-	-	-	-	-	2,328	2,328
Conference	300	9,784	-	-	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	134,655	4,000	-	-	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**

	Support Programs	Education	Research	Membership/ Publications	Total Programs	Management and General	Fundraising	Total
Postage	5,704	-	-	-	5,704	3,170	3,267	12,141
Premiums	1,043	255	-	-	1,298	-	-	1,298
Printing	393	6,712	-	-	7,105	423	4,946	12,474
Professional Fees/Consultants	-	-	-	-	-	3,774	1,246	5,020
Rent	4,805	-	-	20,613	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	1,954	-	-	1,543	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
<b>Total</b>	<b>\$ 208,077</b>	<b>\$ 57,597</b>	<b>\$ 48,304</b>	<b>\$ 33,713</b>	<b>\$ 347,691</b>	<b>\$ 104,314</b>	<b>\$ 38,676</b>	<b>\$ 490,681</b>

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

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

	<u>2009</u>	<u>2008</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Change in Net Assets	\$ (46,526)	\$ 50,126
Adjustment to Reconcile Change in Net Assets to Net Cash Used in Operating Activities:		
Depreciation	3,272	15,663
(Increase) Decrease in Current Assets:		
Accounts Receivable	438	18,947
Inventory	246	4,917
Prepaid Rent	3,900	(12,975)
Deposits	-	(3,950)
Increase (Decrease) in Current Liabilities:		
Payroll Taxes	1,991	312
Accounts Payable	(2,734)	(11,660)
Grant Payable	-	(35,000)
Total Adjustments	<u>7,113</u>	<u>(23,746)</u>
Net Cash Used in Operating Activities	(39,413)	26,380
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Increase in Furniture and Fixtures	<u>(1,200)</u>	<u>(8,982)</u>
Net Cash Used by Investing Activities	<u>(1,200)</u>	<u>(8,982)</u>
Net Increase (Decrease) in Cash	(40,613)	17,398
Cash and Cash Equivalents, Beginning of Year	<u>238,051</u>	<u>220,653</u>
Cash and Cash Equivalents, End of Year	<u>\$ 197,438</u>	<u>\$ 238,051</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, 2009**

**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 Organization. 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 Taxes***

The Organization is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Organization is subject to federal income tax on any unrelated business taxable income.

The Organization files tax returns in the U.S. federal jurisdiction. With a few exceptions, the Organization is no longer subject to U.S. federal examinations by tax authorities for years before 2006.

**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***Cash Equivalents***

The Organization considers all liquid investments with original maturities of three months or less to be cash equivalents. At August 31, 2009 and 2008, cash equivalents consisted of money market accounts.

One or more of the financial institutions holding the Organization's cash accounts are participating in the FDIC's Transaction Account Guarantee Program. Under the program, through June 30, 2010, all noninterest-bearing transaction accounts at these institutions are fully guaranteed by the FDIC for the entire amount in the account.

For financial institutions opting out of the FDIC's Transaction Account Guarantee Program or interest-bearing cash accounts, the FDIC's insurance limits increased to \$250,000, effective October 3, 2008. The increase in federally insured limits is currently set to expire December 31, 2013. At August 31, 2009, the Organization's cash accounts did not exceed federally insured limits.

***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, 2008, 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:

**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

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.

***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.

**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED**

***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.

***Contributed Services***

During the years ended August 31, 2009 and 2008, 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 is 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, administrative and fundraising categories based on management's estimate of usage.

***Computer and 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, 2009, was \$3,272 and \$15,663 for the year ended August 31, 2008.

**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**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.

***Reclassifications***

Certain reclassifications have been made to the 2008 financial statements to conform to the 2009 financial statement presentation. These reclassifications had no effect on the change in net assets.

***Subsequent Event***

Subsequent events have been evaluated through June 15, 2010, which is the date the financial statements were issued.

**NOTE 3 – OPERATING LEASE**

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

<u>Years ending August 31,</u>	
2010	\$ 48,300
2011	\$ 49,200
2012	\$ 50,100
2013	\$ 51,000
2014	\$ 51,900
2015	\$ 51,900

**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**NOTE 4 – FURNITURE AND FIXTURES**

Furniture and equipment consists of the following:

	8-31-09	8-31-08
Office Furniture and Equipment	\$ 84,635	\$ 83,435
Less: Accumulated Depreciation	<u>(75,927)</u>	<u>(72,655)</u>
Total	<u>\$ 8,708</u>	<u>\$ 10,780</u>

**NOTE 5 – AFFILIATE OFFICE, OKLAHOMA CITY**

Parkinson Foundation of the Heartland operates an affiliate office in Oklahoma City. The office conducts fundraising events, solicits contributions and provides educational services 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 2009:

	Programs	Administration	Fundraising	Total
Rent	\$ 6,375	\$ 136	\$ 271	\$ 6,782
Supplies	1,471	61	-	1,532
Meals	342	15	17	374
Printing	1,583	66	-	1,649
Telephone and Web	1,335	57	44	1,436
Travel	2,698	112	-	2,810
Advertising	310	-	110	420
Postage	3,729	114	-	3,843
Other Program Expenses	410	-	-	410
Hoopla	-	-	11,693	11,693
Symposium	580	-	-	580
Caregivers Lunch/Support Group	2,026	-	-	2,026
Concert	-	-	2,500	2,500
Conference	7,352	-	-	7,352
Contract Labor	48,400	1,100	5,500	55,000
Newsletter	6,187	-	-	6,187
Professional Fees	169	7	-	176
Grants	2,361	-	-	2,361
Golf Tournaments	-	-	39,015	39,015
Other Administration Expenses	-	-	42	42
Total	<u>\$ 85,328</u>	<u>\$ 1,668</u>	<u>\$ 59,192</u>	<u>\$ 146,188</u>



**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**NOTE 5 – AFFILIATE OFFICE, OKLAHOMA CITY – CONTINUED**

The Oklahoma City revenue was as follows:

Donations and Memorials	\$ 46,604
Dues	15,460
Program	10,500
Fundraising Events	<u>142,684</u>
Total	<u>\$ 215,248</u>

**NOTE 6 – DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES**

ASC Topic 820, *Fair Value Measurements*, defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. Topic 820 also specifies a fair value hierarchy which requires an entity to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. The standard describes three levels of inputs that may be used to measure fair value:

- Level 1    Quoted prices in active markets for identical assets or liabilities
  
- Level 2    Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in active 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

Following is a description of the inputs and valuation methodologies used for assets and liabilities measured at fair value on a recurring basis and recognized in the accompanying statement of financial position, as well as the general classification of such assets and liabilities pursuant to the valuation hierarchy.

**PARKINSON FOUNDATION OF THE HEARTLAND  
(A NOT-FOR-PROFIT CORPORATION)  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**NOTE 6 – DISCLOSURES ABOUT FAIR VALUE OF ASSETS AND LIABILITIES –  
CONTINUED**

*Investments*

Where quoted market prices are available in an active market, securities are classified within Level 1 of the valuation hierarchy. Level 1 securities include highly liquid money market funds, U.S. Treasuries and exchange traded equities and mutual funds. If quoted market prices are not available, then fair values are estimated by using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. Level 2 securities include fixed income securities and pooled investments. In certain cases where Level 1 or Level 2 inputs are not available, securities are classified within Level 3 of the hierarchy.

The following table presents the fair value measurements of assets and liabilities recognized in the accompanying Statement of Financial Position measured at fair value on a recurring basis and level within the fair value hierarchy in which the fair measurements fall at August 31, 2009 and 2008.

		2009		
		<u>Fair Value Measurements Using</u>		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Money Market Funds	<u>\$ 150,909</u>	<u>\$ 150,909</u>		
		2008		
		<u>Fair Value Measurements Using</u>		
		Quoted Prices In Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
	<u>Fair Value</u>			
Money Market Funds	<u>\$ 217,717</u>	<u>\$ 217,217</u>		

**PARKINSON FOUNDATION OF THE HEARTLAND  
A NOT-FOR-PROFIT CORPORATION  
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED  
AUGUST 31, 2009**

**NOTE 7 – 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.

**NOTE 8 – SUBSEQUENT EVENT**

Effective March 31, 2010, the Oklahoma City branch office was incorporated as a new not for profit corporation with its own board and management. The financial results of the branch will be included in the Parkinson Foundation of the Heartland's operations for six months (September 1, 2009 to March 31, 2010). No assets were transferred as part of the spin-off of the operations.