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PARKINSON FOUNDATION OF THE HEARTLAND

FINANCIAL STATEMENT AUDITS

AUGUST 31, 2011 and 2010

PARKINSON FOUNDATION OF THE HEARTLAND

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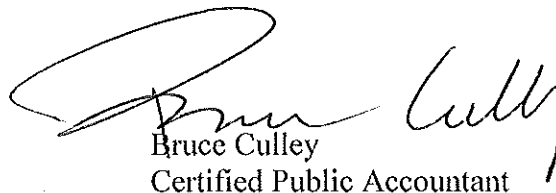
Independent Auditor's Report

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, 2011 and 2010, 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, 2011 and 2010, 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
March 15, 2012

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

	<u>2011</u>	<u>2010</u>
ASSETS		
Cash and Cash Equivalents	\$ 160,442	\$ 192,086
Accounts Receivable	10,903	33,235
Inventory - DVD's	492	663
Furniture, Equipment and Software, Net of Accumulated Depreciation of \$46,829 in 2011 and \$78,666 in 2010	17,673	18,227
Deposits	<u>14,325</u>	<u>14,325</u>
Total Assets	<u>\$ 203,835</u>	<u>\$ 258,536</u>
LIABILITIES		
Accounts Payable	\$ 23,383	\$ 28,951
Payroll Taxes	2,631	6,421
Unearned Income	729	3,389
Equipment Lease Payable	1,246	4,095
Other	<u>-</u>	<u>270</u>
Total Liabilities	27,989	43,126
NET ASSETS		
Unrestricted	<u>175,846</u>	<u>215,410</u>
Total Net Assets	<u>175,846</u>	<u>215,410</u>
Total Liabilities and Net Assets	<u>\$ 203,835</u>	<u>\$ 258,536</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,**

	2011	2010
UNRESTRICTED REVENUES AND GAINS		
Donations and Memorials	\$ 86,314	\$ 298,876
Dues	10,570	14,725
Investment Income	406	933
Other Income	1,319	2,447
Program	7,509	20,355
Fundraising Events	324,346	247,262
Cost of Fundraising	(110,110)	(122,303)
Video Sales	853	3,985
Cost of Sales	(170)	(14,704)
Total Unrestricted Revenues and Gains	321,037	451,576
EXPENSES		
Programs	224,913	276,312
Supporting Services		
Management and General	62,102	84,593
Fundraising	73,586	98,164
Total Expenses	360,601	459,069
Increase (Decrease) in Net Assets	(39,564)	(7,493)
Net Assets, Beginning of Year	215,410	222,903
Net Assets, End of Year	\$ 175,846	\$ 215,410

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, 2011**

	Programs	Management and General	Fundraising	Total
Advertising	\$ 275	\$ -	\$ -	\$ 275
Computer and Technology	3,614	1,706	1,812	7,132
Credit Card and Bank Fees	1,653	-	-	1,653
Health Insurance	5,179	2,669	4,258	12,106
Insurance	2,181	1,037	1,101	4,319
Medical Assistance	1,500	-	-	1,500
Newsletter	5,046	-	-	5,046
Other Programs	1,450	-	-	1,450
Payroll	102,460	47,972	59,052	209,484
Payroll Taxes	9,894	4,798	5,439	20,131
Postage	5,900	-	-	5,900
Premiums	2,884	-	-	2,884
Printing	3,742	-	-	3,742
Professional Fees/Consultants	6,740	2,945	892	10,577
Rent	49,547	-	-	49,547
Repairs and Maintenance	309	-	-	309
Respite Care	900	-	-	900
Supplies	2,360	-	-	2,360
Support Group	1,215	-	-	1,215
Symposium	4,645	-	-	4,645
Telephone	2,054	975	1,032	4,061
Travel and Mileage	899	-	-	899
Video Parkinson Care Series Project	844	-	-	844
Wellness Group	6,167	-	-	6,167
Depreciation	3,455	-	-	3,455
	<u>\$ 224,913</u>	<u>\$ 62,102</u>	<u>\$ 73,586</u>	<u>\$ 360,601</u>
Total				

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, 2010**

	Programs	Management and General	Fundraising	Total
Advertising	\$ -	\$ -	\$ 1,567	\$ 1,567
Advocacy	716	-	-	716
Annual Campaign	-	-	1,737	1,737
Conference	3,685	-	-	3,685
Computer and Technology	5,487	1,297	1,803	8,587
Contract Labor	12,500	2,250	5,250	20,000
Credit Card and Bank Fees	40	1,533	127	1,700
Educational	-	2,363	27	2,390
Health Insurance	1,067	5,555	-	6,622
Insurance	1,192	4,899	385	6,476
Meals	507	934	-	1,441
Medical Assistance	1,700	-	-	1,700
Newsletter	11,096	-	-	11,096
Other Fundraising	-	-	1,541	1,541
Payroll	130,907	42,390	68,367	241,664
Payroll Taxes	10,014	3,243	5,230	18,487
Other Programs	6,552	-	-	6,552
Other	1,569	3,889	-	5,458
Postage	5,022	1,204	1,796	8,022
Premiums	4,378	-	-	4,378
Printing	4,287	425	1,470	6,182
Professional Fees and Consultants	-	5,745	-	5,745
Rent	38,826	6,110	6,594	51,530
Repairs and Maintenance	275	60	-	335
Respite Assistance	832	-	-	832
Supplies	1,745	1,033	378	3,156
Support Group	1,740	-	-	1,740
Symposium	11,551	-	-	11,551
Telephone	5,294	1,209	1,624	8,127
Travel and Mileage	3,444	454	268	4,166
Video Parkinson Care Series Project	3,612	-	-	3,612
Wellness Group	5,535	-	-	5,535
Depreciation	2,739	-	-	2,739
Total	\$ 276,312	\$ 84,593	\$ 98,164	\$ 459,069

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>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in Net Assets	\$ (39,564)	\$ (7,493)
Adjustment to Reconcile Change in Net Assets to Net Cash Used in Operating Activities		
Depreciation	3,455	2,739
(Increase) Decrease in Current Assets		
Accounts Receivable	22,332	(31,395)
Inventory	170	14,703
Prepaid Items		50
Increase (Decrease) in Current Liabilities		
Payroll Taxes	(3,790)	372
Accounts Payable	(5,568)	20,176
Unearned Income	(2,660)	-
Other	(270)	3,659
Total Adjustments	<u>13,669</u>	<u>10,304</u>
Net Cash Provided (Used) in Operating Activities	(25,895)	2,811
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase in Furniture and Fixtures	-	(6,258)
Increase in Purchased Software	<u>(2,900)</u>	<u>(6,000)</u>
Net Cash Provided (Used) by Investing Activities	(2,900)	(12,258)
CASH FLOWS FROM FINANCING ACTIVITIES		
Increase in Lease Payable	-	4,095
Decrease in Lease Payable	<u>(2,849)</u>	<u>-</u>
Net Cash Provided (Used) by Financing Activities	<u>(2,849)</u>	<u>4,095</u>
Net Increase (Decrease) in Cash	(31,644)	(5,352)
Cash and Cash Equivalents, Beginning of Year	<u>192,086</u>	<u>197,438</u>
Cash and Cash Equivalents, End of Year	<u>\$ 160,442</u>	<u>\$ 192,086</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, 2011**

NOTE 1 – ORGANIZATION DESCRIPTION

Founded 23 years ago in Kansas City, the Parkinson Foundation of the Heartland (the Organization) 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 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 events, contributions, memorials, and investments held by the Organization. The Organization disburses the funds received for programs, services, education and support for those with Parkinson's disease and their caregivers; continuing education programs for health care providers and necessary operating costs.

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. 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 are included in the Parkinson Foundation of the Heartland's operations for seven months (September 1, 2009 to March 31, 2010) in the comparative numbers for fiscal 2010.

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 2008.

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2011**

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, 2011 and 2010, 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, 2011, the Organization's cash accounts did not exceed federally insured limits.

Basis of Presentation

The Organization has adopted FASB ASC Topic 958 on Not-for-Profit Entities' financial statements. The provisions of the new standard have been applied to the periods 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 – 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, 2011**

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, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Contributed Services

During the years ended August 31, 2011 and 2010, 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 ends August 31, 2011 and 2010, was \$3,455 and \$2,739 respectively.

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 2010 financial statements to conform to the 2011 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, 2011**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – CONTINUED

Subsequent Event

Subsequent events have been evaluated through March 15, 2012, 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>	
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>8-31-11</u>	<u>8-31-10</u>
Office Furniture and Equipment	\$ 55,602	\$ 90,893
Software	8,900	6,000
Less: Accumulated Depreciation	<u>(46,829)</u>	<u>(78,666)</u>
Total	<u>\$ 17,673</u>	<u>\$ 18,227</u>

NOTE 5 – AFFILIATE OFFICE, OKLAHOMA CITY

Parkinson Foundation of the Heartland operated an affiliate office in Oklahoma City until March 31, 2010. The receipts and disbursements of the Oklahoma City office are consolidated with those of Kansas City for the first seven months of fiscal 2010. The Oklahoma City office expenses through March 31, 2010, included in the functional expenses on page five are as follows:

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2011**

NOTE 5 – AFFILIATE OFFICE, OKLAHOMA CITY – CONTINUED

	<u>Programs</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Rent	\$ 1,577	\$ 789	\$ 789	\$ 3,155
Supplies	214	70	125	409
Meals	153	42	-	195
Printing	66	257	15	338
Telephone and Web	409	101	108	618
Travel	951	118	171	1,240
Postage	1,062	12	357	1,431
Other Program Expenses	640	-	-	640
Symposium	5,314	-	-	5,314
Caregivers Lunch/ Support Group	2,765	-	-	2,765
Contract Labor	12,500	2,250	5,250	20,000
Newsletter	2,654	-	-	2,654
Annual Campaign	-	-	1,021	1,021
Salaries	3,937	1,312	-	5,249
Payroll Taxes	301	100	-	401
Total	<u>\$ 32,543</u>	<u>\$ 5,051</u>	<u>\$ 7,836</u>	<u>\$ 45,430</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

**PARKINSON FOUNDATION OF THE HEARTLAND
(A NOT-FOR-PROFIT CORPORATION)
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
AUGUST 31, 2011**

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

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.

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:

		<u>Fair Value Measurements Using</u>		
		<u>Quoted Prices</u>		
		<u>In Active</u>	<u>Significant</u>	
		<u>Markets for</u>	<u>Other</u>	<u>Significant</u>
		<u>Identical</u>	<u>Observable</u>	<u>Unobservable</u>
		<u>Assets</u>	<u>Inputs</u>	<u>Inputs</u>
		<u>(Level 1)</u>	<u>(Level 2)</u>	<u>(Level3)</u>
		<u>Fair Value</u>		
<i>August 31, 2011</i>				
Money Market Funds	<u>\$ 124,977</u>	<u>\$ 124,977</u>		
<i>August 31, 2010</i>				
Money Market Funds	<u>\$ 150,661</u>	<u>\$ 150,661</u>		