

PARKINSON FOUNDATION OF THE HEARTLAND

**Independent Auditors' Report and
Financial Statements**

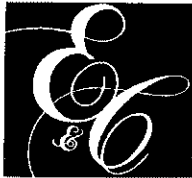
AUGUST 31, 2013 and 2012

PARKINSON FOUNDATION OF THE HEARTLAND

AUGUST 31, 2013 and 2012

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EMERICK & COMPANY, P.C.

David Emerick
Rick Hann

CERTIFIED PUBLIC ACCOUNTANTS & AUDITING PROFESSIONALS

Independent Auditors' Report

Board of Directors Parkinson Foundation of the Heartland Leawood, KS

We have audited the accompanying financial statements of Parkinson Foundation of the Heartland (a nonprofit Foundation), which comprise the statement of financial position as of August 31, 2013, and the related statement 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 these 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.

Auditors' 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 of material misstatement.

An audit involves 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.

Prior Period Financial Statements

The financial statements of Parkinson Foundation of the Heartland as of August 31, 2012 were audited by another independent audit firm whose report dated May 3, 2013 expressed an unmodified opinion on those statements.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parkinson Foundation of the Heartland as of August 31, 2013, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emerich + Company, P.C.

March 12, 2014
Kansas City, Missouri

**PARKINSON FOUNDATION OF THE HEARTLAND
STATEMENTS OF FINANCIAL POSITION
AUGUST 31, 2013 AND 2012**

	<u>2013</u>	<u>2012</u>
Current Assets		
Cash and cash equivalents	\$ 121,679	\$ 74,768
Accounts receivable	-	1,733
	<hr/>	<hr/>
Total Current Assets	121,679	76,501
Property and equipment, net	3,966	7,487
Inventory	-	473
Other assets	4,806	4,325
	<hr/>	<hr/>
Total Assets	<u>\$ 130,451</u>	<u>\$ 88,786</u>
Current Liabilities		
Accounts payable	\$ 32,964	\$ 3,352
Accrued payroll taxes	3,938	918
Equipment lease payable	-	12
	<hr/>	<hr/>
Total Current Liabilities	<u>36,902</u>	<u>4,282</u>
Net Assets		
Unrestricted	88,282	84,504
Temporarily restricted	5,267	-
	<hr/>	<hr/>
Total Net Assets	<u>93,549</u>	<u>84,504</u>
Total Liabilities and Net Assets	<u>\$ 130,451</u>	<u>\$ 88,786</u>

See Notes to Financial Statements

**PARKINSON FOUNDATION OF THE HEARTLAND
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED AUGUST 31, 2013 AND 2012**

	2013	2012
UNRESTRICTED NET ASSETS		
Support and Revenue		
Donations and memorials	\$ 87,833	\$ 97,875
Dues	5,505	8,830
Investment income	125	173
Other income	-	960
Program	9,403	15,661
Fundraising events	279,753	235,973
Cost of fundraising	(95,990)	(80,890)
Video sales	-	254
Cost of sales	-	(19)
	286,629	278,817
Net assets released from restrictions	8,231	-
	294,860	278,817
Expenses		
Program	164,961	246,667
Supporting Services		
Management and General	50,578	73,130
Fundraising	75,543	50,362
Total Expenses	291,082	370,159
Increase/(Decrease) in Unrestricted Net Assets	3,778	(91,342)
TEMPORARILY RESTRICTED NET ASSETS		
Grants	13,498	-
Net assets released from restrictions	(8,231)	-
	5,267	-
Increase in Temporarily Restricted Net Assets	5,267	-
Increase (Decrease) in Net Assets	9,045	(91,342)
Net Assets, Beginning of Year	84,504	175,846
Net Assets, End of Year	\$ 93,549	\$ 84,504

See Notes to Financial Statements

**PARKINSON FOUNDATION OF THE HEARTLAND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2013**

	Program	Management and General		Fundraising	Total
	\$	\$	\$	\$	\$
Advertising	214	50	-	-	264
Advocacy	509	-	-	-	509
Brochure	-	-	-	-	-
Conference	130	-	-	-	130
Computer and Technology	3,168	1,541	929	5,638	5,638
Credit Card and Bank Fees	58	87	2,556	2,701	2,701
Educational	-	-	-	-	-
Health Insurance	270	208	207	685	685
Insurance	69	(1,070)	233	(768)	(768)
Meals	-	264	19	283	283
Medical Assistance	1,619	-	-	1,619	1,619
Miscellaneous	153	509	1,675	2,337	2,337
Newsletter	9,648	-	-	9,648	9,648
Payroll	75,339	31,631	51,575	158,545	158,545
Payroll Taxes	7,584	3,221	4,431	15,236	15,236
Postage	2,122	1,067	556	3,745	3,745
Premiums	1,303	-	-	1,303	1,303
Printing	3,020	508	2,289	5,817	5,817
Professional Fees and Consultants	251	5,177	1,541	6,969	6,969
Rent	36,792	6,132	8,176	51,100	51,100
Repairs and Maintenance	-	58	-	58	58
Respite Assistance	1,037	-	-	1,037	1,037
Subscriptions and Memberships	280	172	112	564	564
Supplies	886	233	182	1,301	1,301
Support Group	885	-	-	885	885
Symposium	4,423	-	-	4,423	4,423
Telephone	1,901	336	559	2,796	2,796
Travel and Mileage	66	85	-	151	151
Video Parkinson Care Series Project	-	-	-	-	-
Wellness Group	10,112	-	-	10,112	10,112
Loss on Obsolete Inventory	473	-	-	473	473
Depreciation	2,649	369	503	3,521	3,521
Total Expenses	\$ 164,961	\$ 50,578	\$ 75,543	\$ 291,082	\$ 291,082

See Notes to Financial Statements

**PARKINSON FOUNDATION OF THE HEARTLAND
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2012**

	Management and General			Fundraising	Total
	Program	and General	Fundraising		
Advertising	\$ 50	-	-	-	\$ 50
Advocacy	863	-	-	-	863
Brochure	-	807	-	-	807
Conference	-	395	-	-	395
Computer and Technology	4,537	1,722	2,434	-	8,693
Credit Car and Bank Fees	66	925	310	-	1,301
Educational	217	-	-	-	217
Health Insurance	1,731	5,568	1,508	-	8,807
Insurance	2,394	908	1,205	-	4,507
Meals	602	184	221	-	1,007
Medical Assistance	4,019	-	-	-	4,019
Miscellaneous	165	573	25	-	763
Payroll	136,374	38,252	35,689	-	210,315
Payroll Taxes	11,544	3,511	3,120	-	18,175
Postage	3,050	111	878	-	4,039
Premiums	2,480	-	-	-	2,480
Printing	3,663	107	1,261	-	5,031
Professional Fees and Consultants	4,211	1,252	368	-	5,831
Rent	43,151	4,365	2,659	-	50,175
Repairs and Maintenance	-	99	-	-	99
Respite Assistance	1,431	-	-	-	1,431
Subscriptions and Memberships	119	1,077	-	-	1,196
Supplies	1,196	463	506	-	2,165
Support Group	3,288	-	-	-	3,288
Symposium	6,747	-	-	-	6,747
Telephone	2,193	221	136	-	2,550
Travel and Mileage	2,181	57	42	-	2,280
Video Parkinson Care Series Project	320	-	-	-	320
Wellness Group	10,075	-	-	-	10,075
Loss on Obsolete Inventory	-	8,900	-	-	8,900
Depreciation	-	3,633	-	-	3,633
Total Expenses	\$ 246,667	\$ 73,130	\$ 50,362	\$ 50,362	\$ 370,159

See Notes to Financial Statements

**PARKINSON FOUNDATION OF THE HEARTLAND
STATEMENTS OF CASH FLOWS
YEARS ENDED AUGUST 31, 2013 AND 2012**

	2013	2012
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ 9,045	\$ (91,342)
Adjustments to reconcile change in net assets to net cash used in operating activities:		
Depreciation	3,521	3,633
Loss on software	-	8,900
Unearned Income	-	(729)
Decrease in accounts receivable	1,733	9,170
Decrease in inventory	473	19
(Increase) decrease in other assets	(481)	10,000
Increase (decrease) in accounts payable	29,612	(1,713)
Increase (decrease) in accrued payroll taxes	3,020	(20,030)
Net Cash Provided (Used) in Operating Activities	46,923	(82,092)
CASH FLOWS FROM INVESTING ACTIVITIES		
Property and equipment purchases	-	(2,348)
Net Cash Used by Investing Activities	-	(2,348)
CASH FLOWS FROM FINANCING ACTIVITIES		
Decrease in lease payable	(12)	(1,234)
Net Cash Used by Financing Activities	(12)	(1,234)
Net Increase (Decrease) in Cash	46,911	(85,674)
Cash and Cash Equivalents, Beginning of Year	74,768	160,442
Cash and Cash Equivalents, End of Year	\$ 121,679	\$ 74,768

See Notes to Financial Statements

**Parkinson Foundation of the Heartland
Notes to Financial Statements
August 31, 2013**

NOTE 1: FOUNDATION DESCRIPTION

Founded 24 years ago in Kansas City, the Parkinson Foundation of the Heartland (the Foundation) 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 Foundation offers wellness programs, education seminars and programs, lending library services, and information and referral.

The Foundation receives income primarily from dues, special events, contributions, and memorials. The Foundation disburses the funds received for programs, services, education and support for those with Parkinson's disease and their caregivers; continuing education programs and health care providers and necessary operating costs.

Effective September 1, 1995, the Foundation 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 Foundation changed its name to the Parkinson Foundation of the Heartland. The Foundation is a chapter of the National Parkinson Foundation.

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The accompanying financial statements have been prepared on the accrual basis of accounting in accordance with generally accepted accounting principles (GAAP).

Revenues, expenses, gains, and losses are classified based on the existence or absence of donor-imposed restrictions. Accordingly, the net assets are classified and reported as follows:

Unrestricted net assets - Net assets that are not subject to any donor-imposed stipulations.

Temporarily restricted net assets - Net assets subject to donor-imposed restrictions on their use that may be met by actions of the Foundation or the passage of time. When a donor restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and are reported in the statement of activities and changes in net assets as net assets released from restrictions.

Permanently restricted net assets - Net assets subject to donor-imposed or other legal restrictions requiring that the principal be maintained permanently by the Organization.

Income Tax

The Organization is exempt from federal income taxes under Internal Revenue Code (IRC) Section 501(c)(3) and had no unrelated business income subject to income tax.

Cash Equivalents

The Foundation considers all liquid investments with original maturities of three months or less to be cash equivalents.

**Parkinson Foundation of the Heartland
Notes to Financial Statements
August 31, 2013**

NOTE 2: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses, and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Contributed Services

During the years ended August 31, 2013 and 2012, the value of contributed services meeting the requirements of recognition in the financial statements was not material and has not been recorded. In addition, a portion of the Foundation'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, management and general and fundraising categories based on management's estimate of usage.

Property and Equipment

Property and equipment purchases are recorded at cost. Depreciation is computed using the straight-line method over the estimated useful lives (five to seven years). Depreciation reported in the financial statements for the years ending August 31, 2013 and 2012, was \$3,521 and \$3,633 respectively.

Subsequent Event

Subsequent events have been evaluated through March 12, 2014, which is the date the financial statements were available to be issued.

NOTE 3: LEASES

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

Years ending August 31,

2014	\$51,900
2015	\$51,900

**Parkinson Foundation of the Heartland
Notes to Financial Statements
August 31, 2013**

NOTE 3: LEASES (Continued)

The Foundation is committed under a non-cancelable lease. Future minimum operating lease commitments are as follows:

Years ending August 31,	
2014	\$2,352
2015	\$1,372

NOTE 4: PROPERTY AND EQUIPMENT

Property and equipment consists of the following:

	<u>2013</u>	<u>2012</u>
Office Furniture, and Equipment	\$ 57,949	\$ 57,949
Less: Accumulated Depreciation	<u>53,983</u>	<u>50,462</u>
Total	<u>\$ 3,966</u>	<u>\$ 7,487</u>

NOTE 5: TEMPORARILY RESTRICTED NET ASSETS

Temporarily restricted net assets are transferred to unrestricted income when the donor imposed restrictions are satisfied. The following funds were released from temporarily restricted net assets during the year ended August 31, 2013:

Wellness	\$ 5,500
Dance for Parkinson's	<u>2,731</u>
	<u>\$ 8,231</u>

Temporarily restricted net assets were available for the following purposes at August 31, 2013:

Symposium	\$ 2,998
Dance for Parkinson's	<u>2,731</u>
	<u>\$ 5,267</u>

NOTE 6: INCOME TAXES AND POSITIONS

As a tax-exempt Foundation under IRC Section 501(c)(3), the Foundation is required to file a Form 990, Return of Foundation Exempt from Income Tax, each year. The information in this return is used by the IRS to substantiate the Foundation's continuing tax exempt status. The last three years of these returns are open to IRS examination. In addition, if the Foundation has unrelated business income, it is required to file a form 990-T, Exempt Foundation Business Income Tax Return, and pay tax on any net income. It is the determination of management that this is not required for the year included in these financial statements.

**Parkinson Foundation of the Heartland
Notes to Financial Statements
August 31, 2013**

NOTE 7: RELATED PARTIES

The Foundation has an agreement with National Parkinson Foundation (NPF) whereby the Foundation is a chapter of NPF. NPF provides support to the Foundation, including insurance coverage, educational materials, technical guidance, advice and consulting services on chapter activities.

The Foundation is required to share a portion of revenue generated from NPF signature fundraising events as well as major or planned gifts for which NPF provides assistance to the Foundation. As of August 31, 2013, approximately \$26,000 was owed to NPF for proceeds from a fundraising event.

The Foundation received a \$5,000 grant from NPF during the year ended August 31, 2013.