

Parkinson Foundation of the National Capital Area

Financial Statements
and Independent Auditors' Report

June 30, 2021 and 2020

Parkinson Foundation of the National Capital Area

Financial Statements
June 30, 2021 and 2020

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Parkinson Foundation of the National Capital Area

We have audited the accompanying financial statements of Parkinson Foundation of the National Capital Area ("the Foundation"), which comprise the statements of financial position as of June 30, 2021 and 2020; the related statements of activities, functional expenses, and cash flows for the years 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits 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 from 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.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the Foundation as of June 30, 2021 and 2020, 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.

Rogers + Company PLLC

Vienna, Virginia
March 24, 2022

Parkinson Foundation of the National Capital Area

Statements of Financial Position
June 30, 2021 and 2020

	2021	2020
Assets		
Cash and cash equivalents	\$ 615,794	\$ 681,632
Investments	1,204,038	886,744
Certificates of deposit	1,125,016	917,302
Contributions receivable	-	6,000
Property and equipment, net	39,628	10,189
	\$ 2,984,476	\$ 2,501,867
Total assets		
 Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 64,069	\$ 60,211
Loan payable – Paycheck Protection Program	57,467	57,467
	121,536	117,678
Total liabilities		
 Net Assets		
Without donor restrictions:		
Undesignated	2,050,672	1,776,978
Board-designated quasi-endowment fund	807,148	602,091
	2,857,820	2,379,069
Total without donor restrictions		
With donor restrictions	5,120	5,120
	2,862,940	2,384,189
Total net assets		
 Total liabilities and net assets	\$ 2,984,476	\$ 2,501,867

Parkinson Foundation of the National Capital Area

Statement of Activities For the Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 440,226	\$ -	\$ 440,226
Walk Off Parkinson's	268,168	-	268,168
In-kind contributions	451,876	-	451,876
Sponsorships	112,427	-	112,427
Symposium registrations	40,825	-	40,825
Wellness registrations	43,630	-	43,630
Investment return, net	193,196	-	193,196
Other revenue	60,826	-	60,826
Total revenue and support	1,611,174	-	1,611,174
Expenses			
Program services	932,993	-	932,993
Supporting services:			
Management and general	139,560	-	139,560
Fundraising	59,870	-	59,870
Total supporting services	199,430	-	199,430
Total expenses	1,132,423	-	1,132,423
Change in Net Assets	478,751	-	478,751
Net Assets, beginning of year	2,379,069	5,120	2,384,189
Net Assets, end of year	\$ 2,857,820	\$ 5,120	\$ 2,862,940

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Activities For the Year Ended June 30, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 510,552	\$ -	\$ 510,552
Walk Off Parkinson's	374,226	-	374,226
In-kind contributions	750,424	-	750,424
Sponsorships	55,707	-	55,707
Symposium registrations	44,708	-	44,708
Wellness registrations	49,528	-	49,528
Investment return, net	12,640	-	12,640
Total revenue and support	<u>1,797,785</u>	<u>-</u>	<u>1,797,785</u>
Expenses			
Program services	<u>1,251,638</u>	<u>-</u>	<u>1,251,638</u>
Supporting services:			
Management and general	123,111	-	123,111
Fundraising	<u>88,019</u>	<u>-</u>	<u>88,019</u>
Total supporting services	<u>211,130</u>	<u>-</u>	<u>211,130</u>
Total expenses	<u>1,462,768</u>	<u>-</u>	<u>1,462,768</u>
Change in Net Assets	335,017	-	335,017
Net Assets, beginning of year	<u>2,044,052</u>	<u>5,120</u>	<u>2,049,172</u>
Net Assets, end of year	<u>\$ 2,379,069</u>	<u>\$ 5,120</u>	<u>\$ 2,384,189</u>

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Functional Expenses
For the Year Ended June 30, 2021

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 334,975	\$ 46,661	\$ 41,860	\$ 88,521	\$ 423,496
Walk Off Parkinson's	39,657	-	7,689	7,689	47,346
Parkinson's Response Mobile Unit	2,339	-	-	-	2,339
Symposium	192,242	-	-	-	192,242
Consulting service	17,500	-	-	-	17,500
In-kind expense	214,897	20,805	-	20,805	235,702
Wellness program expenses	92,967	-	-	-	92,967
Occupancy	12,881	1,610	1,611	3,221	16,102
Accounting	-	35,331	-	35,331	35,331
Printing, mailshop, and design	-	505	290	795	795
Computer supplies and expenses	2,599	1,816	255	2,071	4,670
Postage	3,119	1,229	243	1,472	4,591
Membership dues and subscriptions	7,204	3,220	3,798	7,018	14,222
Office supplies and expenses	2,205	4,262	-	4,262	6,467
Bank and credit fees	285	7,183	1,638	8,821	9,106
Insurance	-	10,663	-	10,663	10,663
Telephone	6,255	3,134	-	3,134	9,389
Depreciation and amortization	-	3,061	-	3,061	3,061
Meeting expenses	2	57	-	57	59
Advertising	3,395	-	2,261	2,261	5,656
Travel	215	23	-	23	238
Miscellaneous	256	-	225	225	481
Total Expenses	\$ 932,993	\$ 139,560	\$ 59,870	\$ 199,430	\$ 1,132,423

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Functional Expenses
For the Year Ended June 30, 2020

	Program Services	Supporting Services			Total
		Management and General	Fundraising	Total Supporting Services	
Salaries and benefits	\$ 306,803	\$ 47,415	\$ 38,886	\$ 86,301	\$ 393,104
Walk Off Parkinson's	35,940	-	35,940	35,940	71,880
Parkinson's Response Mobile Unit	5,776	-	-	-	5,776
Symposium	75,930	-	-	-	75,930
In-kind expense	633,894	12,361	-	12,361	646,255
Wellness program expenses	125,709	-	-	-	125,709
Occupancy	22,136	4,442	2,767	7,209	29,345
Accounting	-	35,142	-	35,142	35,142
Printing, mailshop, and design	4,487	-	3,771	3,771	8,258
Computer supplies and expenses	6,030	1,105	627	1,732	7,762
Postage	2,771	586	1,149	1,735	4,506
Membership dues and subscriptions	1,095	-	3,407	3,407	4,502
Office supplies and expenses	4,206	4,807	-	4,807	9,013
Bank and credit fees	168	7,845	643	8,488	8,656
Insurance	3,324	577	-	577	3,901
Telephone	5,682	2,351	16	2,367	8,049
Depreciation	-	3,080	-	3,080	3,080
Meeting expenses	554	947	-	947	1,501
Advertising	8,672	-	-	-	8,672
Travel	7,720	2,365	513	2,878	10,598
Miscellaneous	741	88	300	388	1,129
Total Expenses	\$ 1,251,638	\$ 123,111	\$ 88,019	\$ 211,130	\$ 1,462,768

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statements of Cash Flows
For the Years Ended June 30, 2021 and 2020

	2021	2020
Cash Flows from Operating Activities		
Change in net assets	\$ 478,751	\$ 335,017
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (gain) loss on investments	(196,985)	8,206
Depreciation and amortization	3,061	3,080
Donated securities	(62,307)	(22,625)
Forgiveness on loan payable – Paycheck Protection Program	(57,467)	-
Change in operating assets and liabilities:		
Decrease (increase) in:		
Contributions receivable	6,000	(6,000)
Increase in:		
Accounts payable and accrued expenses	3,858	18,628
	174,911	336,306
Cash Flows from Investing Activities		
Purchases of fixed assets	(32,500)	(1,099)
Purchases of investments	(2,773,015)	(199,613)
Purchases of certificates of deposits	(2,934,714)	(557,019)
Proceeds from sales of investments	2,715,013	25,884
Proceeds from maturities of certificates of deposits	2,727,000	-
	(298,216)	(731,847)
Cash Flows from Financing Activity		
Proceeds from issuance of loan – Paycheck Protection Program	57,467	57,467
	57,467	57,467
Net Decrease in Cash and Cash Equivalents	(65,838)	(338,074)
Cash and Cash Equivalents, beginning of year	681,632	1,019,706
Cash and Cash Equivalents, end of year	\$ 615,794	\$ 681,632
Supplementary Disclosure of Non-Cash Operating and Financing Activities		
Operating activities - donated securities	\$ 62,307	\$ 22,625
Financing activities - forgiveness on loan payable - Paycheck Protection Program	\$ 57,467	\$ -

See accompanying notes.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

1. Nature of Operations

The Parkinson Foundation of the National Capital Area (“the Foundation”) is an independent nonprofit organization with the majority of those it serves residing in Maryland, Virginia, and Washington, D.C. The Foundation provides programs and services for people with Parkinson’s and their carepartners to improve their quality of life.

2. Summary of Significant Accounting Policies

Basis of Accounting and Classification of Net Assets

The Foundation’s financial statements are prepared on the accrual basis of accounting. Net assets are reported based on the presence or absence of donor-imposed restrictions.

- *Net Assets Without Donor Restrictions* – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing Board has designated, from net assets without donor restrictions, net assets for a Board-designated quasi-endowment.
- *Net Assets With Donor Restrictions* – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Cash Equivalents

For the purpose of reporting cash flows, the Foundation considers all highly liquid investment instruments purchased with a maturity of three months or less to be cash equivalents. Excluded from this definition of cash equivalents are amounts held for investment.

Investments

Investments are stated at fair value as determined by quoted market prices. Mutual funds are carried at fair value based on their published unit values. All realized and unrealized gains and losses, netted with investment management fees, are included as a component of net investment return in the accompanying statements of activities.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Certificates of Deposit

The Foundation held certificates of deposit totaling \$1,125,016 and \$917,302 at June 30, 2021 and 2020, respectively, with original maturity dates greater than a period of 90 days that are carried at amortized cost. Interest earned on the certificates of deposit is included in the accompanying statements of activities. These certificates of deposit do not qualify as securities as defined in Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 320, *Investments – Debt and Equity Securities*. Therefore, these investments are not included in the fair value disclosures required by FASB ASC 820, *Fair Value Measurements and Disclosures*.

Contributions Receivable

Contributions receivable represent unconditional promises to give. All contributions receivable are expected to be collected within one year, and are recorded at net realizable value at June 30, 2021 and 2020. Management determines the allowance for doubtful accounts based upon review of outstanding receivables, historical collection information, and existing economic conditions. No allowance for doubtful contributions is recorded as management believes that all receivables are fully collectible.

Property and Equipment

Property and equipment acquisitions with a cost greater than \$1,000 and a projected useful life exceeding one year are capitalized and recorded at cost. Depreciation and amortization is computed using the straight-line method over the estimated useful lives of the assets, which is three years for furniture, fixtures, and equipment assets. Upon disposal of depreciable assets, the cost and related accumulated depreciation and amortization are eliminated from the accounts and the resulting gain or loss is credited or charged to income. Expenditures for repairs and maintenance are expensed as incurred.

Revenue Recognition

Revenue Accounted for in Accordance with Contribution Accounting

Grants and contributions, including sponsorships, that are nonreciprocal are recognized as revenue when cash, securities, or other assets; an unconditional promise to give; or a notification of a beneficial interest is received.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

The Foundation reports gifts of cash and other assets as restricted support if they are received or promised with donor stipulations that limit the use of the donated funds to one of the Foundation's programs or to a future year. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

The Foundation also organizes a walk to raise awareness of Parkinson's disease. Contributions received from the walk are recognized when cash, securities, or other assets, or an unconditional promise to give, is received.

Conditional contributions contain a donor-imposed condition that represents a barrier that must be overcome before the Foundation is entitled to the assets transferred or promised. Failure to overcome the barrier gives the donor a right of return of the assets it has transferred or gives the promisor a right of release from its obligation to transfer its assets. Additionally, the Foundation has sponsorship agreements. The agreements contain substantial conditions that must be met prior to recognition of revenue. Conditional contributions are recognized as revenue, either with or without donor restrictions, when donor-imposed conditions are substantially met, and any barriers are overcome. Donor restrictions are also satisfied when qualifying expenditures are incurred for the donor-specified program.

Donated services that meet the criteria for recognition are recognized at fair value at the time of donation. These services benefit the general programs and consist primarily of donated professional services, goods, and materials. The Foundation also receives in-kind contributions of facilities and the use of event space. The value of these donated services and facilities is included in the financial statements as both revenue and expense.

Revenue Accounted for as Contracts with Customers

Revenue is recognized when the Foundation satisfies a performance obligation by transferring a promised good to, or performing a service for, a customer. The amount of revenue recognized reflects the consideration the Foundation expects to receive in exchange for satisfying distinct performance obligations.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

If a performance obligation does not meet the criteria to be considered distinct, the Foundation combines it with other performance obligations until a distinct bundle of goods or services exists. Fees or amounts received in advance of satisfying contractual performance obligations are reflected as deferred revenue in the statements of financial position. Revenue is recognized either over time or at the point in time that contractual obligations are met.

Registration fees are revenue for the symposium and other events and services. Revenue is recognized when the symposium and other events are held and services are provided. Amounts received in advance are deferred and recognized when the performance obligations are met.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Recently Issued Accounting Pronouncement

In February 2016, the FASB issued Accounting Standards Update 2016-02, *Leases*. The update requires a lessee to recognize a right-of-use asset and lease liability, initially measured at the present value of the lease payments, in its statements of financial position. The guidance also expands the required quantitative and qualitative lease disclosures. The guidance is effective beginning in the Foundation's fiscal year 2023.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

2. Summary of Significant Accounting Policies (continued)

Subsequent Events

In preparing these financial statements, the Foundation has evaluated events and transactions for potential recognition or disclosure through March 24, 2022, the date the financial statements were available to be issued.

3. Liquidity and Availability

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following at June 30:

	<u>2021</u>	<u>2020</u>
Cash and cash equivalents	\$ 615,794	\$ 681,632
Investments	1,204,038	886,744
Certificates of deposit – maturities within one year	1,000,016	917,302
Contributions receivable	-	6,000
Less: Board-designated funds	(807,148)	(602,091)
Less: restricted by donors with purpose restrictions	<u>(5,120)</u>	<u>(5,120)</u>
Total available for general expenditures	<u>\$ 2,007,580</u>	<u>\$ 1,884,467</u>

Financial assets that are subject to donor or other internal Board restrictions that make them unavailable for general expenditures within one year of the statements of financial position date have been deducted from funds available for general expenditures.

The Foundation monitors the balance of its cash and cash equivalents on hand, with a goal to maintain balances at levels sufficient to meet at least 90 days of normal operating expenses.

The Foundation structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, as part of its liquidity management, the Foundation invests the excess of its short-term operating needs in money market and mutual funds, and certificates of deposit.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

4. Concentration of Credit Risk

Financial instruments that potentially subject the Foundation to significant concentrations of credit risk consist of cash and cash equivalents, certificates of deposit, and investments. The Foundation maintains cash deposit and transaction accounts, along with certificates of deposit and investments, with various financial institutions and these values, from time to time, exceed insurable limits under the Federal Deposit Insurance Corporation (FDIC) and Securities Investor Protection Corporation (SIPC). The Foundation has not experienced any credit losses on its cash and cash equivalents, certificates of deposit, and investments to date as it relates to FDIC and SIPC insurance limits. Management periodically assesses the financial condition of these financial institutions and believes that the risk of any credit loss is minimal.

5. Investments and Fair Value Measurements

Net investment return consists of the following for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Interest and dividends	\$ 14,776	\$ 28,970
Realized gain	4,351	4,830
Unrealized gain (loss)	192,634	(13,036)
Less: in-kind investment management fees	<u>(18,565)</u>	<u>(8,124)</u>
Total investment return, net	<u>\$ 193,196</u>	<u>\$ 12,640</u>

The Foundation follows FASB ASC 820, *Fair Value Measurements and Disclosures*, for its financial assets. This standard establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. Fair value measurement standards require an entity to maximize the use of observable inputs (such as quoted prices in active markets) and minimize the use of unobservable inputs (such as appraisals or other valuation techniques) to determine fair value. The categorization of a financial instrument within the hierarchy is based upon the pricing transparency of the instrument and does not necessarily correspond to the entity's perceived risk of that instrument.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

5. Investments and Fair Value Measurements (continued)

The inputs used in measuring fair value are categorized into three levels. Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and liabilities and have the highest priority. Level 2 is based upon observable inputs other than quoted market prices, and Level 3 is based on unobservable inputs. Transfers between levels in the fair value hierarchy are recognized at the end of the reporting period.

In general, and where applicable, the Foundation uses quoted prices in active markets for identical assets to determine fair value. This pricing methodology applies to Level 1 investments.

The following table presents the Foundation's fair value hierarchy for those investments measured on a recurring basis at June 30, 2021:

	Total fair value	Level 1	Level 2	Level 3
Mutual funds:				
US mid cap	\$ 279,607	\$ 279,607	\$ -	-
Emerging markets	49,650	49,650	-	-
Real estate	27,878	27,878	-	-
International large cap	116,845	116,845	-	-
International small/mid cap	28,551	28,551	-	-
Global bond fund	56,360	56,360	-	-
Short term bond fund	44,079	44,079	-	-
Intermediate-term bond	126,811	126,811	-	-
Inflation-protected bond	55,477	55,477	-	-
Exchange-traded funds	131,447	131,447	-	-
Stocks	21,156	21,156	-	-
Money market funds	266,177	266,177	-	-
Total investments	\$ 1,204,038	\$ 1,204,038	\$ -	-

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

5. Investments and Fair Value Measurements (continued)

The following table presents the Foundation's fair value hierarchy for those investments measured on a recurring basis at June 30, 2020:

	Total fair value	Level 1	Level 2	Level 3
Mutual funds:				
US mid cap	\$ 263,502	\$ 263,502	\$ -	-
Emerging markets	34,358	34,358	-	-
Real estate	21,669	21,669	-	-
International large cap	85,203	85,203	-	-
International small/mid cap	20,250	20,250	-	-
Global bond fund	52,966	52,966	-	-
Short term bond fund	40,079	40,079	-	-
Intermediate-term bond	124,894	124,894	-	-
Inflation-protected bond	53,752	53,752	-	-
Money market funds	190,071	190,071	-	-
Total investments	<u>\$ 886,744</u>	<u>\$ 886,744</u>	<u>\$ -</u>	<u>-</u>

6. Property and Equipment

Property and equipment consists of the following at June 30:

	2021	2020
Website	\$ 32,500	\$ -
Computer equipment	19,541	19,541
Furniture and fixtures	1,136	1,136
Vehicle	5,000	5,000
Total property and equipment	58,177	25,677
Less: accumulated depreciation and amortization	<u>(18,549)</u>	<u>(15,488)</u>
Property and equipment, net	<u>\$ 39,628</u>	<u>\$ 10,189</u>

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

7. Loan Payable – Paycheck Protection Program

The Foundation applied for a loan under the Paycheck Protection Program (PPP) pursuant to Division A, Title 1 of the CARES Act, which was enacted on March 27, 2020. The PPP is a loan designed to provide a direct incentive for small businesses to keep their workers on the payroll through the COVID-19 coronavirus, for which the Foundation qualified. After the loans are granted, the Small Business Administration (SBA) will forgive loans if all employee retention criteria are met, and the funds are used for eligible expenses (which primarily consist of payroll costs, costs used to continue group healthcare benefits, rent, and utilities).

The initial loan was granted to the Foundation on May 6, 2020 in the amount of \$57,467, with terms including a 1.00% fixed interest rate. The loan was scheduled to mature on May 6, 2022. On March 1, 2021, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals. The forgiveness of the loan is reflected in other revenue in the accompanying statement of activities for the year ended June 30, 2021.

The Foundation was granted a second draw on the loan on January 27, 2021 in the amount of \$57,467, including a 1.00% fixed interest rate. The loan was scheduled to mature on January 27, 2026. Subsequent to year end on January 20, 2022, the SBA approved full forgiveness of the loan, and remitted the forgiveness amount to the financial institution, including applicable interest accruals.

At June 30, 2021 and 2020, the outstanding loan amounts are reflected as loan payable in the accompanying statements of financial position.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions total \$5,120 at both June 30, 2021 and 2020, and are available for a research-related project.

9. Board-Designated Quasi-Endowment Fund

The Foundation's Board-designated quasi-endowment fund ("the Fund") was established in 2012 through a capital campaign to help support program services. The principal of the Fund resulted from internal designation and is classified as net assets without donor restrictions. Accordingly, the Fund is not subject to the Virginia Uniform Prudent Management of Institutional Funds Act.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

9. Board-Designated Quasi-Endowment Fund (continued)

Return Objectives, Risk Parameters, and Strategies

The Foundation's investment policy provides for a strategy of long-term growth of the Fund. Under this policy, funds are invested with the goal of maximizing total returns, avoiding unnecessary risk, and generating income to support the spending policy. The Foundation employs a diversified asset allocation that currently places greater emphasis on fixed income investments. The Foundation uses professional fund managers for advice in managing the funds.

Composition of Funds

For the purposes of this disclosure, the Fund's net assets include those assets of unrestricted funds that were raised as a result of a capital campaign, but exclude any contributions receivable.

Changes in Board-Designated Quasi-Endowment Fund

Changes in the Fund were as follows for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Board-designated quasi-endowment fund, beginning balance	\$ 602,091	\$ 596,421
Interest and dividends	12,975	18,711
Unrealized gain (loss)	<u>192,082</u>	<u>(13,041)</u>
Board-designated quasi-endowment fund, ending balance	<u>\$ 807,148</u>	<u>\$ 602,091</u>

10. In-Kind Contributions

During the years ended June 30, 2021 and 2020, the Foundation was the beneficiary of donated services and materials, which allowed the Foundation to provide greater resources toward various programs.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2021 and 2020

10. In-Kind Contributions (continued)

The following in-kind contributions have been included in the accompanying statements of activities for the years ended June 30:

	<u>2021</u>	<u>2020</u>
Facility use	\$ 77,350	\$ 246,439
Fitness centers access fees	5,426	164,560
Instructor fees	39,075	95,493
Symposium	181,507	67,648
Advertising	89,577	58,881
Parkinson Pointers in-kind	21,500	52,895
Office rent and parking	16,102	29,345
Professional services	21,315	22,558
Other	24	12,605
	<u> </u>	<u> </u>
Total in-kind contributions	<u>\$ 451,876</u>	<u>\$ 750,424</u>

11. Commitments and Contingencies

License Agreements

In November 2016, the Foundation entered into a license agreement to use an office space in Silver Spring, Maryland. This license agreement commenced on November 15, 2016, continued for two years at no cost, and was renewed on a month-to-month basis at no cost starting November 2018. The license agreement was terminated on November 14, 2020.

The Foundation entered into a new license agreement for use of an office space at a different location in Silver Spring, Maryland, on a month-to-month basis at no cost, commencing on November 15, 2020.

For the years ended June 30, 2021 and 2020, the Foundation recorded in-kind contribution for donated rent and corresponding occupancy expenses of \$16,102 and \$29,345, respectively.

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12. Retirement Plan

The Foundation participates in a standardized 401(k) profit sharing plan. All employees may participate after the completion of three consecutive months of eligible service beginning on the employee's date of hire. Employees may defer salary as a percentage of eligible compensation. The Foundation makes matching contributions in an amount equal to 100% of an employee's contributions, not to exceed 6% of the employee's annual salary. Pension expense was \$18,847 and \$15,565 for the years ended June 30, 2021 and 2020, respectively.

13. Functionalized Expenses

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The Foundation allocates the majority of its expenses directly to specific functions. The expenses that are allocated indirectly include salaries, payroll taxes, and employee benefits, which are allocated on the basis of estimates of time and effort. Additionally, other natural expenses are allocated utilizing an overhead cost allocation methodology based on actual staff time and effort spent on the specific function for each category of expenses.

14. Income Taxes

The Foundation is recognized as a tax-exempt organization under Internal Revenue Code (IRC) Section 501(c)(3), and is exempt from income taxes except for taxes on unrelated business activities. No tax expense is recorded in the accompanying financial statements as there was no unrelated business income. Contributions to the Foundation are deductible as provided in IRC Section 170(b)(1)(A)(vi). Management has evaluated the Foundation's tax positions and concluded that the Foundation's financial statements do not include any uncertain tax positions.

15. COVID-19 Pandemic

The COVID-19 outbreak in the United States and around the world has caused business disruption due to mandatory lockdowns implemented in most states in order to slow down the spread of the virus. The Foundation's management has been monitoring the situation and implementing certain changes in its operations and upcoming events in order to mitigate the impact of this pandemic, including cancelling certain events and transitioning to virtual operations. While the disruption is currently expected to be temporary, there is considerable uncertainty around its duration, and the full financial impact cannot be reasonably estimated at this time.