

Parkinson Foundation of the National Capital Area

Financial Statements
and Independent Auditor's Report

June 30, 2022 and 2021

Parkinson Foundation of the National Capital Area

Financial Statements
June 30, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

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

Opinion

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, 2022 and 2021; the related statements of activities, functional expenses, and cash flows for the years then ended; and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

Responsibilities of Management for the Financial Statements (continued)

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

Auditor's Responsibilities for the Audit of the Financial Statements (continued)

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Handwritten signature in black ink that reads "Rogers + Company PLLC". The signature is written in a cursive, handwritten style.

Vienna, Virginia
January 18, 2023

Parkinson Foundation of the National Capital Area

Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 984,652	\$ 615,794
Investments	1,062,832	1,204,038
Certificates of deposit	1,570,918	1,125,016
Property and equipment, net	36,567	39,628
Total assets	\$ 3,654,969	\$ 2,984,476
Liabilities and Net Assets		
Liabilities		
Accounts payable and accrued expenses	\$ 98,757	\$ 64,069
Loan payable – Paycheck Protection Program	-	57,467
Total liabilities	98,757	121,536
Net Assets		
Without donor restrictions:		
Undesignated	2,845,290	2,050,672
Board-designated quasi-endowment fund	705,802	807,148
Total without donor restrictions	3,551,092	2,857,820
With donor restrictions	5,120	5,120
Total net assets	3,556,212	2,862,940
Total liabilities and net assets	\$ 3,654,969	\$ 2,984,476

See accompanying notes.

Parkinson Foundation of the National Capital Area

Statement of Activities For the Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Support			
Contributions	\$ 1,054,448	\$ -	\$ 1,054,448
Walk Off Parkinson's	242,520	-	242,520
In-kind contributions	434,178	-	434,178
Sponsorships	83,213	-	83,213
Symposium registrations	29,090	-	29,090
Wellness registrations	34,325	-	34,325
Investment return, net	(130,631)	-	(130,631)
Other revenue	59,748	-	59,748
Total revenue and support	1,806,891	-	1,806,891
Expenses			
Program services	905,713	-	905,713
Supporting services:			
Management and general	134,741	-	134,741
Fundraising	73,165	-	73,165
Total supporting services	207,906	-	207,906
Total expenses	1,113,619	-	1,113,619
Change in Net Assets	693,272	-	693,272
Net Assets, beginning of year	2,857,820	5,120	2,862,940
Net Assets, end of year	\$ 3,551,092	\$ 5,120	\$ 3,556,212

See accompanying notes.

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 Functional Expenses
For the Year Ended June 30, 2022

	Program Services	Supporting Services		Total Supporting Services	Total
		Management and General	Fundraising		
Salaries and benefits	\$ 309,935	\$ 64,311	\$ 38,742	\$ 103,053	\$ 412,988
Walk Off Parkinson's	22,824	-	1,143	1,143	23,967
Parkinson's Response Mobile Unit	3,869	-	-	-	3,869
Symposium	151,784	-	-	-	151,784
Consulting service	40,000	-	10,000	10,000	50,000
In-kind expense	249,925	17	-	17	249,942
Wellness program expenses	78,636	-	-	-	78,636
Occupancy	7,838	1,626	980	2,606	10,444
Accounting	-	36,703	-	36,703	36,703
Legal	-	-	2,000	2,000	2,000
Printing, mailshop, and design	1,918	205	108	313	2,231
Computer supplies and expenses	2,496	465	282	747	3,243
Postage	1,137	1,921	64	1,985	3,122
Membership dues and subscriptions	21,156	3,484	12,525	16,009	37,165
Office supplies and expenses	104	4,801	-	4,801	4,905
Bank and credit fees	430	5,647	5,291	10,938	11,368
Insurance	931	10,660	-	10,660	11,591
Telephone	6,470	1,433	-	1,433	7,903
Depreciation and amortization	-	3,061	-	3,061	3,061
Meeting expenses	132	277	-	277	409
Advertising	5,834	107	1,782	1,889	7,723
Travel	294	23	-	23	317
Miscellaneous	-	-	248	248	248
Total Expenses	\$ 905,713	\$ 134,741	\$ 73,165	\$ 207,906	\$ 1,113,619

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 Supporting Services	Total
		Management and General	Fundraising		
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

Statements of Cash Flows
For the Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash Flows from Operating Activities		
Change in net assets	\$ 693,272	\$ 478,751
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized loss (gain) on investments	142,210	(196,985)
Depreciation and amortization	3,061	3,061
Donated securities	(6,069)	(62,307)
Forgiveness on loan payable – Paycheck Protection Program	(57,467)	(57,467)
Change in operating assets and liabilities:		
Decrease in:		
Contributions receivable	-	6,000
Increase in:		
Accounts payable and accrued expenses	34,688	3,858
Net cash provided by operating activities	<u>809,695</u>	<u>174,911</u>
Cash Flows from Investing Activities		
Purchases of fixed assets	-	(32,500)
Purchases of investments	(28,198)	(2,773,015)
Purchases of certificates of deposits	(1,575,000)	(2,934,714)
Proceeds from sales of investments	33,263	2,715,013
Proceeds from maturities of certificates of deposits	1,129,098	2,727,000
Net cash used in investing activities	<u>(440,837)</u>	<u>(298,216)</u>
Cash Flows from Financing Activity		
Proceeds from issuance of loan – Paycheck Protection Program	-	57,467
Net cash provided by financing activity	<u>-</u>	<u>57,467</u>
Net Increase (Decrease) in Cash and Cash Equivalents	368,858	(65,838)
Cash and Cash Equivalents, beginning of year	<u>615,794</u>	<u>681,632</u>
Cash and Cash Equivalents, end of year	<u>\$ 984,652</u>	<u>\$ 615,794</u>
Supplementary Disclosure of Non-Cash Operating and Financing Activities		
Operating activities – donated securities	<u>\$ 6,069</u>	<u>\$ 62,307</u>
Financing activities – forgiveness on loan payable – Paycheck Protection Program	<u>\$ 57,467</u>	<u>\$ 57,467</u>

See accompanying notes.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2022 and 2021

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, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Certificates of Deposit

The Foundation held certificates of deposit totaling \$1,570,918 and \$1,125,016 at June 30, 2022 and 2021, 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, 2022 and 2021. 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. 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.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for in Accordance with Contribution Accounting (continued)

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. 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.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2022 and 2021

2. Summary of Significant Accounting Policies (continued)

Revenue Recognition (continued)

Revenue Accounted for as Contracts with Customers (continued)

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 September 2020, the FASB issued Accounting Standards Update (ASU) 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*. This guidance is intended to increase transparency of contributed nonfinancial assets for nonprofit entities through enhancements in presentation and disclosure requirements. Nonprofit entities will be required to present contributed nonfinancial assets as a separate line item in the statements of activities, apart from contributions of cash and other financial contributions. Nonprofit entities will also be required to disclose various information related to contributed nonfinancial assets. This ASU will be effective for the Foundation beginning in fiscal year 2023.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2022 and 2021

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 January 18, 2023, 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>2022</u>	<u>2021</u>
Cash and cash equivalents	\$ 984,652	\$ 615,794
Investments	1,062,832	1,204,038
Certificates of deposit	1,570,918	1,125,016
Less: Board-designated quasi-endowment fund	(705,802)	(807,148)
Less: restricted by donors with purpose restrictions	<u>(5,120)</u>	<u>(5,120)</u>
Total available for general expenditures	<u>\$ 2,907,480</u>	<u>\$ 2,132,580</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, 2022 and 2021

4. Concentrations of Risk

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.

Revenue Risk

For the year ended June 30, 2022, \$480,000 of the Foundation's revenue was generated from one donor, which was from a bequest and amounts to 27% of the Foundation's total revenue and support for the year. There was no revenue concentration in donors for the year ended June 30, 2021.

5. Investments and Fair Value Measurements

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

	<u>2022</u>	<u>2021</u>
Interest and dividends	\$ 34,860	\$ 14,776
Realized gain	6,299	4,351
Unrealized (loss) gain	(148,509)	192,634
Less: in-kind investment management fees	<u>(23,281)</u>	<u>(18,565)</u>
Total investment return, net	<u>\$ (130,631)</u>	<u>\$ 193,196</u>

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2022 and 2021

5. Investments and Fair Value Measurements (continued)

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.

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, 2022:

	Total fair value	Level 1	Level 2	Level 3
Mutual funds:				
US mid cap	\$ 234,989	\$ 234,989	\$ -	-
Emerging markets	38,737	38,737	-	-
Real estate	25,614	25,614	-	-
International large cap	94,565	94,565	-	-
International small/mid cap	22,837	22,837	-	-
Global bond fund	61,335	61,335	-	-
Short term bond fund	43,266	43,266	-	-
Intermediate-term bond	125,250	125,250	-	-
Inflation-protected bond	48,915	48,915	-	-
Exchange-traded funds	99,398	99,398	-	-
Stocks	15,880	15,880	-	-
Money market funds	252,046	252,046	-	-
Total investments	\$ 1,062,832	\$ 1,062,832	\$ -	-

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2022 and 2021

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, 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	<u>\$ 1,204,038</u>	<u>\$ 1,204,038</u>	<u>\$ -</u>	<u>-</u>

6. Property and Equipment

Property and equipment consists of the following at June 30:

	2022	2021
Website	\$ 32,500	\$ 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	58,177
Less: accumulated depreciation and amortization	<u>(21,610)</u>	<u>(18,549)</u>
Property and equipment, net	<u>\$ 36,567</u>	<u>\$ 39,628</u>

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
June 30, 2022 and 2021

7. Loan Payable – Paycheck Protection Program

The Foundation applied for two loans 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. At June 30, 2021, the outstanding loan amount is reflected as loan payable in the accompanying statements of financial position. 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. The forgiveness of the loan is reflected in other revenue in the accompanying statement of activities for the year ended June 30, 2022.

8. Net Assets With Donor Restrictions

Net assets with donor restrictions total \$5,120 at both June 30, 2022 and 2021, 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, 2022 and 2021

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>2022</u>	<u>2021</u>
Board-designated quasi-endowment fund, beginning balance	\$ 807,148	\$ 602,091
Interest and dividends	32,702	12,975
Unrealized (loss) gain	<u>(134,048)</u>	<u>192,082</u>
Board-designated quasi-endowment fund, ending balance	<u>\$ 705,802</u>	<u>\$ 807,148</u>

10. In-Kind Contributions

During the years ended June 30, 2022 and 2021, 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, 2022 and 2021

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>2022</u>	<u>2021</u>
Facility use	\$ 87,375	\$ 77,350
Fitness centers access fees	5,112	5,426
Instructor fees	56,645	39,075
Symposium	150,511	181,507
Advertising	84,793	89,577
Parkinson Pointers in-kind	16,000	21,500
Office rent and parking	10,444	16,102
Professional services	23,281	21,315
Other	17	24
	<u> </u>	<u> </u>
Total in-kind contributions	<u>\$ 434,178</u>	<u>\$ 451,876</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, 2022 and 2021, the Foundation recorded in-kind contribution for donated rent and corresponding occupancy expenses of \$10,444 and \$16,102, respectively.

Parkinson Foundation of the National Capital Area

Notes to Financial Statements
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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 \$18,860 and \$18,847 for the years ended June 30, 2022 and 2021, 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 Section 501(c)(3) of the Internal Revenue Code (IRC), 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.