NATIONAL PARKINSON FOUNDATION, INC.

FINANCIAL STATEMENTS

JUNE 30, 2012 AND 2011

MBAF

MORRISON BROWN ARGIZ & FARRA, LLC

CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

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MORRISON BROWN ARGIZ & FARRA, LLC
CERTIFIED PUBLIC ACCOUNTANTS AND ADVISORS

REPORT OF INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

To the Board of Directors
National Parkinson Foundation, Inc.

We have audited the accompanying statements of financial position of the National Parkinson Foundation, Inc. (the "Foundation") as of June 30, 2012 and 2011, and the related statements of activities, functional expenses and cash flows for the years then ended. These financial statements are the responsibility of the Foundation's management. 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 audits to obtain reasonable assurance about whether the financial statements are free of 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 significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our 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, 2012 and 2011 and the changes in its net assets and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Morrison, Brown, Argiz & Farra

Ft. Lauderdale, Florida
September 10, 2012

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENTS OF FINANCIAL POSITION
JUNE 30,

ASSETS	2012	2011
Cash and cash equivalents	$ 922,689	$ 1,608,068
Receivables:		
Pledges, net of allowance and unamortized discount of approximately $125,936 and $137,254 for 2012 and 2011, respectively	199,325	254,507
Other receivables	50,525	43,376
Prepaid expenses and other assets	194,155	655,264
Investments	17,982,345	18,789,565
Property and equipment, net	259,215	305,696
TOTAL ASSETS	**$ 19,608,254**	**$ 21,656,476**
LIABILITIES AND NET ASSETS		
LIABILITIES		
Accounts payable and accrued expenses	$ 579,212	$ 712,671
Deferred revenue	125,000	290,000
Grants payable	75,000	322,875
Annuities payable	635,898	643,439
TOTAL LIABILITIES	1,415,110	1,968,985
NET ASSETS		
Unrestricted	16,218,329	17,656,763
Temporarily restricted	894,999	950,912
Permanently restricted	1,079,816	1,079,816
TOTAL NET ASSETS	18,193,144	19,687,491
TOTAL LIABILITIES AND NET ASSETS	**$ 19,608,254**	**$ 21,656,476**

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

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2012

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and public support:				
Contributions:				
Private individuals, corporations and private foundations	$ 4,948,574	$ 129,629	$ -	$ 5,078,203
Legacies and bequests	2,486,795	-	-	2,486,795
Special events (less direct costs of $56,460)	243,088	-	-	243,088
In-kind rent income	264,336	-	-	264,336
Interest income & dividend	409,251	-	-	409,251
Net appreciation on investments	762,909	-	-	762,909
Net assets released from restrictions	185,542	(185,542)	-	-
Total revenue and public support	9,300,495	(55,913)	-	9,244,582
Expenses:				
Program services:				
Research	1,561,208	-	-	1,561,208
Public education	2,248,465	-	-	2,248,465
Patient care services	3,222,116	-	-	3,222,116
Chapter services	1,047,935	-	-	1,047,935
Total program services	8,079,724	-	-	8,079,724
Supporting services:				
Management and general	657,331	-	-	657,331
Fundraising	2,001,874	-	-	2,001,874
Total supporting services	2,659,205	-	-	2,659,205
Total expenses	10,738,929	-	-	10,738,929
Change in net assets	(1,438,434)	(55,913)	-	(1,494,347)
Net assets, beginning of year	17,656,763	950,912	1,079,816	19,687,491
Net assets, end of year	**$ 16,218,329**	**$ 894,999**	**$ 1,079,816**	**$ 18,193,144**

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

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2011

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Revenue and public support:				
Contributions:				
Private individuals, corporations and private foundations	$ 5,286,010	$ 905,491	$ -	$ 6,191,501
Legacies and bequests	3,482,778	21,508	-	3,504,286
Special events (less direct costs of $85,694)	294,292	-	-	294,292
In-kind rent income	264,348	-	-	264,348
Interest income & dividend	428,669	-	-	428,669
Net appreciation on investments	1,927,702	-	-	1,927,702
Net assets released from restrictions	1,509,388	(1,016,577)	(492,811)	-
Total revenue and public support	13,193,187	(89,578)	(492,811)	12,610,798
Expenses:				
Program services:				
Research	1,852,416	-	-	1,852,416
Public education	1,784,665	-	-	1,784,665
Patient care services	3,524,380	-	-	3,524,380
Chapter services	721,200	-	-	721,200
Total program services	7,882,661	-	-	7,882,661
Supporting services:				
Management and general	667,448	-	-	667,448
Fundraising	2,141,962	-	-	2,141,962
Total supporting services	2,809,410	-	-	2,809,410
Total expenses	10,692,071	-	-	10,692,071
Change in net assets	2,501,116	(89,578)	(492,811)	1,918,727
Net assets, beginning of year	15,155,647	1,040,490	1,572,627	17,768,764
Net assets, end of year	**$ 17,656,763**	**$ 950,912**	**$ 1,079,816**	**$ 19,687,491**

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

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2012

	Research	Public Education	Patient Care Services	Chapter Services	Management and General	Fundraising	Totals
Salaries	$ 220,772	$ 557,862	$ 332,652	$ 333,601	$ 288,401	$ 753,684	$ 2,486,972
Payroll taxes and benefits	53,608	132,863	82,020	109,573	69,669	214,179	661,912
Total salaries and benefits	274,380	690,725	414,672	443,174	358,070	967,863	3,148,884
Grants	902,784	150,000	2,195,000	7,841	-	-	3,255,625
Conference and symposium fees	25,301	6,076	36,775	44,945	-	-	113,097
Legal and accounting	-	4,043	-	-	71,284	-	75,327
Professional services	160,572	358,667	165,801	28,218	36,607	22,060	771,925
Outside services	949	186,916	-	56,714	30,425	589,989	864,993
Printing and publications	2,364	311,978	10,861	27,009	830	15,305	368,347
Public awareness	-	105,885	3,351	256,923	-	9,366	375,525
Postage, freight and courier services	94	155,004	2,723	3,965	2,309	154,044	318,139
Food, beverages and meetings	30,265	81,997	92,008	19,066	13,272	2,836	239,444
Telephone	9,749	21,250	17,033	7,495	4,407	13,574	73,508
Repairs and maintenance	6,557	14,752	18,217	3,316	24,189	30,862	97,893
Office supplies	391	11,497	519	4,522	7,452	35,849	60,230
General insurance	17,809	19,788	30,670	15,304	6,515	17,809	107,895
Interest paid to annuitants	-	-	-	-	62,021	-	62,021
Travel and transportation	68,125	42,517	120,710	101,436	9,316	39,700	381,804
Lease and rentals	49,027	72,600	92,052	20,518	20,718	55,739	310,654
Bank and brokerage fees	-	-	-	745	-	33,724	34,469
Miscellaneous	254	783	46	1,850	5,721	567	9,221
	1,274,241	1,543,753	2,785,766	599,867	295,066	1,021,424	7,520,117
Building and equipment depreciation	12,587	13,987	21,678	4,894	4,195	12,587	69,928
TOTAL	**$ 1,561,208**	**$ 2,248,465**	**$ 3,222,116**	**$ 1,047,935**	**$ 657,331**	**$ 2,001,874**	**$ 10,738,929**

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

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED JUNE 30, 2011

	Research	Public Education	Patient Care Services	Chapter Services	Management and General	Fundraising	Totals
Salaries	$ 181,001	$ 518,815	$ 363,467	$ 192,411	$ 285,160	$ 707,695	$ 2,248,549
Payroll taxes and benefits	35,546	117,127	82,932	61,295	65,091	223,488	585,479
Total salaries and benefits	216,547	635,942	446,399	253,706	350,251	931,183	2,834,028
Grants	1,413,443	150,000	2,000,936	49,913	-	-	3,614,292
Conference and symposium fees	3,060	5,199	70,660	55,255	627	20	134,821
Legal and accounting	-	826	-	-	73,194	1,699	75,719
Professional services	18,368	155,883	305,391	37,824	51,011	103,261	671,738
Outside services	91,611	381,050	62,681	193,903	1,599	602,963	1,333,807
Printing and publications	727	115,884	7,952	6,639	1,788	29,404	162,394
Public awareness	-	103,441	5,488	1,738	-	14,852	125,519
Postage, freight and courier services	381	90,767	23,834	587	2,122	167,804	285,495
Food, beverages and meetings	4,853	-	148,607	30,087	7,494	4,168	195,209
Telephone	5,002	21,304	18,052	1,887	3,436	15,450	65,131
Repairs and maintenance	4,057	4,698	10,088	1,898	60,257	27,764	108,762
Office supplies	2,228	5,749	9,756	3,863	9,541	41,787	72,924
General insurance	9,916	13,549	39,502	7,751	6,633	21,727	99,078
Interest paid to annuitants	-	-	-	-	60,667	-	60,667
Travel and transportation	38,355	22,487	221,663	75,435	7,012	49,297	414,249
Lease and rentals	31,300	57,478	128,391	714	21,006	70,192	309,081
Bank and brokerage fees	-	-	-	-	622	35,106	35,728
Miscellaneous	322	-	490	-	2,024	8,958	11,794
	1,623,623	1,128,315	3,053,491	467,494	309,033	1,194,452	7,776,408
Building and equipment depreciation	12,246	20,408	24,491	-	8,164	16,327	81,636
TOTAL	**$ 1,852,416**	**$ 1,784,665**	**$ 3,524,381**	**$ 721,200**	**$ 667,448**	**$ 2,141,962**	**$ 10,692,072**

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

NATIONAL PARKINSON FOUNDATION, INC.

STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30,

	2012	2011
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (1,494,347)	$ 1,918,727
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	69,928	81,636
Net appreciation on investments	(762,909)	(1,927,702)
Pledges and other receivables	48,033	4,878
Prepaid expenses and other assets	461,109	(114,996)
Accounts payable and accrued expenses	(133,459)	27,407
Deferred revenue	(165,000)	290,000
Grants payable	(247,875)	322,875
Annuities payable	(7,541)	(36,960)
TOTAL ADJUSTMENTS	(737,714)	(1,352,862)
NET CASH (USED IN) PROVIDED BY OPERATING ACTIVITIES	(2,232,061)	565,865
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchases of property and equipment	(23,447)	(46,435)
Purchases of investment securities	(6,478,031)	(14,947,410)
Proceeds from sales and maturities of investment securities and principal collections on mortgage-backed securities	8,048,160	14,555,189
NET CASH PROVIDED BY (USED IN) INVESTING ACTIVITIES	1,546,682	(438,656)
NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS	(685,379)	127,209
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	1,608,068	1,480,859
CASH AND CASH EQUIVALENTS AT END OF YEAR	**$ 922,689**	**$ 1,608,068**
SUPPLEMENTAL DISCLOSURES OF NON-CASH TRANSACTIONS:		
In-kind rent	**$ 264,336**	**$ 264,348**

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

1. GENERAL

Organization

The National Parkinson Foundation, Inc. (the "Foundation") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code. The Foundation supports research projects and provides education and outreach programs to benefit Parkinson's disease patients and their caregivers.

Except for educational programs run by the Foundation, the program services listed herein are not actually performed by the Foundation. Rather, the Foundation provides funding to third parties who perform such services. The major categories of program services are defined as follows:

Patient Care Services: Consists of program activities that are designed to align patient care with existing best practices, including education and tools for health care professionals, either indirectly through NPF's Center of Excellence or Care Center networks, or directly through initiatives designed to drive best practice adoption.

Research: Consists of grants to fund research to advance the care of Parkinson's patients through the development of new evidence, analysis of existing evidence, creation of new guidelines/best practices (e.g., through forming a new consensus on a topic where previously there had been no or inconsistent guidelines), and the dissemination of this information through publications in scientific literature or at conferences with an expressed focus on research.

Public Education: Consists of program activities designed primarily to educate the general public, including Parkinson's patients and caregivers and any advocacy support funded by the Foundation.

Chapter Services: Consists of activities and programs that support the Foundation's chapter network.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Accounting

The financial statements of the Foundation are prepared on the accrual basis of accounting.

Financial Statement Presentation

Net assets and revenues, gains and losses are classified into three classes of net assets based on the existence or absence of donor-imposed restrictions. The three classes of net asset categories are as follows:

Unrestricted – Net assets which are free of donor-imposed restrictions; all revenues, gains, and losses that are not changes in permanently or temporarily restricted net assets.

Temporarily Restricted – Net assets where the use by the Foundation is limited by donor-imposed stipulations that either expire by passage of time or that can be fulfilled or removed by actions of the Foundation pursuant to those stipulations.

Permanently Restricted – Net assets where the use by the Foundation is limited by donor-imposed stipulations that neither expire with the passage of time nor can be fulfilled or otherwise removed by actions of the Foundation.

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, including those regarding fair value, and assumptions that affect reported asset amounts and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts with an original maturity of three months or less which are used in daily operations. Investments in money market funds have been included as a component of investments in the accompanying statements of financial position.

Investments

The Foundation reports its investments under an accounting standard issued by the Financial Accounting Standards Board (the "FASB") on accounting for certain investments held by not-for-profit organizations. Under the standard, a not-for-profit organization is required to report investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statement of financial position.

Purchased securities are stated at fair market value based on the most recently traded price of the security at the financial statement date. Donated securities are recorded at fair value and sold immediately. Investment gains and losses including realized and unrealized gains and losses on investments, interest and dividends are included in the accompanying statements of activities.

Public Support

All contributions are considered to be available for unrestricted use, unless specifically restricted by the donor.

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash deposits and investment securities. The Foundation's investment securities consist mainly of investment grade securities and cash deposits with major financial institutions and brokerage firms. By policy, the Foundation limits the amount of exposure to any one financial institution. Although cash balances may exceed federally insured limits at times during the year, the Foundation has not experienced and does not expect to incur any losses in such accounts.

Property and Equipment, Net

Property and equipment is stated at historical cost less accumulated depreciation, except that donated property and equipment used in the normal course of business is stated at the approximate market value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives, varying from 3 to 15 years, of the respective assets. Repairs and maintenance costs are expensed as incurred. When items are retired or otherwise disposed of, the related costs and accumulated depreciation are removed from the accounts and any resulting gains or losses are credited or charged to operations. It is the Foundation's policy to capitalize all property and equipment greater than $1,000.

Contributions

Contributions received or made, including unconditional promises to give, are recognized as revenues or expenses in the period received or made at their estimated fair value. Contributions are considered to be available for the general programs of the Foundation unless specifically restricted by the donor. The Foundation records gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. However if a restriction is fulfilled in the same period in which the contribution is received, the Foundation reports the support as unrestricted.

The University of Miami donates certain space for use by the Foundation. Revenues and expenses of $264,336 and $264,348 are reflected in the statements of activities for the years ended June 30, 2012 and 2011, respectively, at the estimated value of landlord services of these donated facilities.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Annuities Payable

Charitable gift annuities are recorded at fair value at the date received. The Foundation records a liability for the present value of the annuities payable using Internal Revenue Service actuarial assumptions, discounted using the applicable federal rate at the date of the gift.

A contribution is recorded for the difference between the fair value of the gift and the liability recorded. Investment income and gains or losses are credited or charged to the appropriate investment account, and annuity payments are charged to the liability account. Periodically, an adjustment is made to the liability to record the gain or loss due to recomputation of the liability based upon the revised life expectancy. Upon the death of the donor annuitant, the Foundation recognizes the existing liability as a change in the value of the annuity and the related asset is available for use by the Foundation.

Charitable lead trusts and charitable remainder trusts in which the Foundation is not the trustee are recorded in the temporarily restricted net assets class as a receivable at the present value of the expected future cash inflows and contribution revenue is recognized for the same amount. In the event that the trust has an income beneficiary other than the Foundation, the contribution revenue is reduced by the amount of the present value of the estimated liability due to the income beneficiary.

Joint Cost Allocation

The Foundation conducted activities that included requests for contributions, as well as program components. Those activities included direct mail campaigns. Joint costs for the direct mail campaigns included printing, agency fees and postage totaling $640,806 and $698,957 as of June 30, 2012 and 2011, respectively. These joint costs were allocated as follows:

	2012	2011
Fundraising	$ 458,240	$ 485,985
Public Education	182,566	212,972
Total Joint Costs for Mail Campaigns	**$ 640,806**	**$ 698,957**

Net Assets Released from Restrictions

Net assets released from restrictions attributable to satisfied time and purpose restrictions totaled $185,542 and $1,509,388, respectively, for the years ended June 30, 2012 and 2011. Included in these amounts are $492,811 released from permanent restriction for the year ended June 30, 2011 (NOTE 11).

Grants Payable

The Foundation has made conditional promises to give to several institutions for various purposes. Conditional promises to give are not recorded as expense until the conditions are substantially met. At each annual anniversary date of the agreement with these institutions, the Foundation determines whether the institution has substantially met the conditions and then grants the next annual funding commitment to the institution. Grants payable totaled $75,000 and $322,875 as of June 30, 2012 and 2011, respectively.

Deferred revenues

Deferred revenues consist of funds received from grantors to fund programs for which expenses will be incurred in future periods. Revenue will be recognized when funds under the new program have been expended. Deferred revenues totaled $125,000 and $290,000 as of June 30, 2012 and 2011, respectively.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Tax Status

The Foundation qualifies as a tax-exempt organization under Section 501(a) as an organization described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended. Accordingly, no provision for income taxes has been recorded.

The Foundation recognizes and measures tax positions based on their technical merit and assesses the likelihood that the positions will be sustained upon examination based on the facts, circumstances and information available at the end of each period. Interest and penalties on tax liabilities, if any, would be recorded in interest expense and other non-interest expense, respectively.

The U.S. Federal jurisdiction is the major tax jurisdiction where the Foundation files income tax returns. The Foundation is generally no longer subject to U.S. Federal examinations by tax authorities for years before 2008.

Impairment of Long-Lived Assets

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the business climate, indicate that they may be impaired. The Foundation performs its review by comparing the carrying amounts of long-lived assets to the estimated undiscounted cash flows relating to such assets. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows. No write-downs for impairment of long-lived assets were recorded in 2012 or 2011.

Functional Allocation of Expenses

The costs of the Foundation's programs and supporting services have been reported on a functional basis. This requires the allocation of costs among the various programs and supporting services based on estimates made by management.

Reclassifications

Certain items have been reclassified from 2011 to conform to the 2012 presentation.

Subsequent Events

The Foundation has evaluated subsequent events through September 10, 2012, which is the date the financial statements were available to be issued.

Adopted Accounting Pronouncements

Fair Value Measurements

In January 2010, the FASB issued an accounting standard update on fair value measurements and disclosures. The update requires more robust disclosures about (1) the different classes of assets and liabilities measured at fair value, (2) the valuation techniques and inputs used, (3) the activity in Level 3 fair value measurements, and (4) the transfers between Levels 1, 2, and 3. The Foundation's adoption of the new disclosures and clarifications of existing disclosures that were effective for interim and annual reporting periods beginning after December 15, 2009 did not have an effect on the Foundation's financial statements. The disclosures about purchases, sales, issuances, and settlements in the roll forward of activity in Level 3 fair value measurements are effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. The adoption of the Level 3 disclosures did not have an effect on the Foundation's financial statements.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements

Amendments to Achieve Common Fair Value Measurement and Disclosure Requirements in U.S. GAAP and IFRS

In May 2011, the FASB issued an accounting standard update which works to achieve common fair value measurement and disclosure requirements in US GAAP and International Financial Reporting Standards. The update both clarifies the FASB's intent about the application of existing fair value guidance, and also changes certain principles regarding measurement and disclosure. The update is effective prospectively and is effective for annual periods beginning after December 15, 2011. Early application is permitted for interim periods beginning after December 15, 2011. The Foundation is currently evaluating the effect the update will have on its financial statements.

3. INVESTMENTS

Investments, which consist of equity and fixed income securities are presented in the statements of financial position at their fair market values and consist of the following at June 30:

Asset Description	2012	2011
Money market funds	$ 7,553,754	$ 343,864
U.S. Treasury Notes	1,233,079	2,337,992
U.S. Treasury Bonds	430,438	300,508
Mortgage-backed securities:		
U.S. government agencies (GNMA)	2,283,010	2,655,797
Other collateralized mortgage obligations	-	29,722
Equity securities and mutual funds	1,841,468	8,728,556
Bond mutual funds	618,830	672,975
Corporate and other government securities	4,021,766	3,720,151
	$ 17,982,345	**$ 18,789,565**

The Foundation's investment return, including income earned on cash deposits, in the Statements of Activities consisted of the following for the years ended June 30:

	2012	2011
Net realized gains	$ 1,042,338	$ 956,085
Net unrealized (losses) gains	(279,429)	971,617
Interest and dividends	409,251	428,669
	$ 1,172,160	**$ 2,356,371**

3. INVESTMENTS (CONTINUED)

The above investment income return is classified in the Statements of Activities for the years ended June 30, 2012 and 2011 as follows:

	2012	2011
Unrestricted	$ 1,172,160	$ 2,356,371

There was no investment income return classified as temporarily or permanently restricted for the years ended June 30, 2012 and 2011.

4. FAIR VALUE MEASUREMENTS

Fair Value Measurements

The FASB ASC 820, *Fair Value Measurement and Disclosures*, establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Foundation has the ability to access.
- Level 2 Inputs to the valuation methodology include:
  - quoted prices for similar assets or liabilities in active markets;
  - quoted prices for identical or similar assets or liabilities in inactive markets;
  - inputs other than quoted prices that are observable for the asset or liability
  - inputs that are derived principally from or corroborated by observable market data by correlation or other means.

  If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 Inputs to the valuation methodology are unobservable and significant to the fair value measurement

The asset or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2012.

4. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value on a Recurring Basis

The Money Market Portfolio is valued at cost which approximates fair value.

The Equity Portfolio consists of exchange traded funds and mutual funds managed primarily through investments held by independent investment advisors with discretionary investment authority. Equity Portfolio investments are valued at the closing price reported in the active market in which the individual securities are traded.

The Fixed Income Portfolio consists of investments in securities issued by the U.S. Treasury, U.S. agencies, and corporate bonds through an independent investment advisor. These investments are valued at the closing price reported in the active market in which the individual securities are traded.

The preceding methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Foundation believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2012 for each of the fair value hierarchy levels:

		Fair Value Measurement at Reporting Date Using:		
Description	**Fair Value 6/30/2012**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Money market funds	$ 7,553,754	$ 7,553,754	$ -	$ -
Fixed Income:				
U.S. Treasury Notes	1,233,079	1,233,079	-	-
U.S. Treasury Bonds	430,438	430,438	-	-
U.S. government agencies (GNMA)	2,283,010	-	2,283,010	-
Bond mutual funds	618,830	618,830	-	-
Corporate & other government securities	4,021,766	-	4,021,766	-
Total fixed income	8,587,123	2,282,347	6,304,776	-
Equity securities and mutual funds:	1,841,468	1,841,468	-	-
	$ 17,982,345	**$ 11,677,569**	**$ 6,304,776**	**$ -**

4. FAIR VALUE MEASUREMENTS (CONTINUED)

Items Measured at Fair Value on a Recurring Basis (Continued)

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2011 for each of the fair value hierarchy levels:

		Fair Value Measurement at Reporting Date Using:		
Description	**Fair Value 6/30/2011**	**Quoted Prices in Active Markets for Identical Assets (Level 1)**	**Significant Other Observable Inputs (Level 2)**	**Significant Unobservable Inputs (Level 3)**
Assets:				
Money market funds	$ 343,864	$ 343,864	$ -	$ -
Fixed Income:				
U.S. Treasury Notes	2,337,992	2,337,992	-	-
U.S. Treasury Bonds	300,508	300,508	-	-
U.S. government agencies (GNMA)	2,655,797	-	2,655,797	-
Other collateralized mortgage obligations	29,722	-	29,722	-
Bond mutual funds	672,975	672,975	-	-
Corporate & other government securities	3,720,151	-	3,720,151	-
Total fixed income	9,717,145	3,311,475	6,405,670	-
Equity securities and mutual funds:	8,728,556	8,728,556	-	-
	$ 18,789,565	**$ 12,383,895**	**$ 6,405,670**	**$ -**

The carrying amounts for cash, cash equivalents, receivables, accounts payable and certain other assets and liabilities approximate fair value due to the short-term nature of these financial instruments.

5. PLEDGES RECEIVABLE

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using rates ranging from 1.18% to 6.5% for the years ended June 30, 2012 and 2011, respectively. Amortization of the discounts is included in contribution revenue.

Pledges receivable include the following unconditional promises as of June 30:

	2012	2011
Amounts due in:		
Less than one year	$ 79,850	$ 89,850
One to five years	175,825	222,325
More than five years	69,586	79,586
Total	325,261	391,761
Less: Allowance for uncollectible pledges	109,721	115,421
Unamortized discount	16,215	21,833
Net pledges receivable	**$ 199,325**	**$ 254,507**

6. AGREEMENT WITH THE UNIVERSITY OF MIAMI

Since October 2002, an agreement has been in effect between the Foundation and the University of Miami (the "University"), in which the Foundation agreed to fund the University's clinical program in Parkinson's disease, and the University agreed not to impose a charge for rent as long as the Foundation continues to provide such funding. In fiscal years 2012 and 2011, the amount of funding provided each year for the University's clinical program in Parkinson's disease was $350,000. The University continued to agree that this level of funding was sufficient to waive rent charges to the Foundation.

7. PROPERTY AND EQUIPMENT, NET

Property and equipment consist of the following as of June 30:

	2012	2011
Leasehold improvements	$ 721,372	$ 718,912
Equipment and furniture	1,292,582	1,271,595
	2,013,954	1,990,507
Less: Accumulated depreciation	(1,754,739)	(1,684,811)
Total	**$ 259,215**	**$ 305,696**

Depreciation expense was $69,928 and $81,636, respectively, for the years ended June 30, 2012 and 2011.

8. RELATED PARTIES

Certain members of the Board of Directors (the "Board") have supported the Foundation financially. Below is a summary of significant transactions with members of the Board as of and for the years ended June 30:

	2012	2011
Net pledges receivable	$ 61,465	$ 83,455
Contributions	155,585	185,866

9. RETIREMENT PLAN

In March 1993, the Foundation established a tax deferred retirement plan available to all employees in accordance with the provisions of Section 403(b) of the Internal Revenue Code. In June 2004, the Foundation updated this plan by converting it to a 401K retirement plan. This plan is similar in substance to the former plan, but offers greater flexibility in investment options and has a larger maximum matching percentage. The Foundation allows the participants to make pre-tax contributions up to defined statutory limits. For the plan year ended June 30, 2010, the Safe Harbor plan was amended to a non-elective matching contribution of three percent. The Foundation's matching contribution to the plan for the years ended June 30, 2012 and 2011, amounted to $73,036 and $65,541, respectively.

10. TEMPORARILY RESTRICTED NET ASSETS

Net assets of the Foundation in the amount of $894,999 and $950,912 as of June 30, 2012 and 2011, are restricted for research and other programmatic expenses.

11. PERMANENTLY RESTRICTED NET ASSETS

Net assets in the amount of $1,079,816 as of June 30, 2012 and 2011 are permanently restricted endowments which are to provide a source of funds predominantly for educational, research and other charitable purposes.

In September 2009, a donor approved the use of $300,000 in permanently restricted net assets to fund the salary of a PhD over a three year period. In June 2010, $200,000 of this amount was released from restriction. In June 2010, the same donor approved the use of $492,811 to fund the third year salary of a PhD and various research grants and has been reflected in the caption, "Net assets released from restrictions," in the Statement of Activities for the year ended June 30, 2011. There were no amounts released from restriction for the year ended June 30, 2012.

12. ENDOWMENTS

The Foundation's endowment consists of two separate investment funds established for a variety of purposes. Its endowment includes donor-restricted endowment funds. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

12. ENDOWMENTS (CONTINUED)

In June 2011, the State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Foundation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified in permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

In accordance with the FUPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

(1) The duration and preservation of the fund

(2) The purposes of the Foundation and the donor-restricted endowment fund

(3) General economic conditions

(4) The expected total return from income and the appreciation of investments

(5) Other resources of the Foundation

(6) The investment policies of the Foundation

For the years ended June 30, 2012 and 2011, the Foundation has elected not to add appreciation for cost of living or other spending policies to its permanently restricted endowment for inflation and other economic conditions.

Summary of endowment net assets at June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 672,398	$ 1,079,816	$ 1,752,214
Board restricted endowment funds	16,230,131	-	-	16,230,131
Total endowment net assets	**$ 16,230,131**	**$ 672,398**	**$ 1,079,816**	**$ 17,982,345**

Summary of endowment net assets at June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Donor restricted endowment funds	$ -	$ 679,940	$ 1,079,816	$ 1,759,756
Board restricted endowment funds	17,029,809	-	-	17,029,809
Total endowment net assets	**$ 17,029,809**	**$ 679,940**	**$ 1,079,816**	**$ 18,789,565**

12. ENDOWMENTS (CONTINUED)

Change in endowment net assets at June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ 17,029,809	$ 679,940	$ 1,079,816	$ 18,789,565
Interest and dividends	409,251	-	-	409,251
Net investment appreciation	762,909	-	-	762,909
Net funds transferred to operations	(1,971,838)	(7,542)	-	(1,979,380)
Endowment net assets, ending	**$ 16,230,131**	**$ 672,398**	**$ 1,079,816**	**$ 17,982,345**

Change in endowment net assets at June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Endowment net assets, beginning	$ 14,180,115	$ 716,900	$ 1,572,627	$ 16,469,642
Interest and dividends	428,669	-	-	428,669
Net investments appreciation	1,927,702	-	-	1,927,702
Net assets released from restriction	-	-	(492,811)	(492,811)
Net funds transferred from operations	493,323	(36,960)	-	456,363
Endowment net assets, ending	**$ 17,029,809**	**$ 679,940**	**$ 1,079,816**	**$ 18,789,565**

Summary of endowment assets at June 30, 2012:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investments	**$ 16,230,131**	**$ 672,398**	**$ 1,079,816**	**$ 17,982,345**

Summary of endowment assets at June 30, 2011:

	Unrestricted	Temporarily Restricted	Permanently Restricted	Total
Investments	**$ 17,029,809**	**$ 679,940**	**$ 1,079,816**	**$ 18,789,565**

Permanently Restricted Net Assets at June 30:	2012	2011
The portion of perpetual endowment funds that is required to be retained permanently either by explicit donor stipulation or law	**$ 1,079,816**	**$ 1,079,816**

12. ENDOWMENTS (CONTINUED)

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies in the endowment funds as of June 30, 2012 or 2011.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment to achieve preservation of capital while achieving long-term growth in assets consistent with reduced levels of risk and volatility of returns; maintenance of sufficient income and liquidity to meet anticipated withdrawals and to achieve a rate of return that exceeds the total return of the established indices. Endowment assets include board restricted investments and those assets of donor-restricted funds that the Foundation must hold in perpetuity or for a donor-specified period(s). Under this policy, as approved by the Board of Directors, the endowment assets are completely invested in fixed income and equity securities which assume a moderate level of investment risk. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

To satisfy its long-term rate-of-return objectives, the Foundation relies on a total return strategy in which investment returns are achieved through both capital appreciation (realized and unrealized) and current yield (interest and dividends).

Spending Policy and How the Investment Objectives Relate to Spending Policy

The Foundation has a distribution policy for grants that balances a realistic achievable rate of return, expenses and its financial objectives. The distribution policy for grants is reviewed annually as part of the annual budgeting process.