Parkinson Voice Project, Inc.

Financial Statements
June 30, 2023 and 2022

SFC
Certified Public Accountants

Parkinson Voice Project, Inc.
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SFC
Certified Public Accountants

Independent Auditors' Report

To the Board of Directors of
Parkinson Voice Project, Inc.

Opinion

We have audited the accompanying financial statements of Parkinson Voice Project, Inc. (Organization) (a nonprofit organization), which comprise the statements of financial position as of June 30, 2023 and 2022, and 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 Organization as of June 30, 2023 and 2022, 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 (GAAP).

Basis For Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization 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.

Change in Accounting Principle

As discussed in Note 2 to the financial statements, the Organization changed its method of accounting for its leases effective July 1, 2022 as required by the provisions of Financial Accounting Standards Board Accounting Standards Update 2016-02, *Leases*. Our opinion is not modified with respect to that matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, 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.

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 Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

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Auditors' 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 auditors' 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 GAAS 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 GAAS, 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 Organization'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 Organization's ability to continue as a going concern for a reasonable period of time.

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.

Sutton Frost Cary

A Limited Liability Partnership

Arlington, Texas
October 3, 2023

Parkinson Voice Project, Inc.
Statements of Financial Position
June 30, 2023 and 2022

	2023	2022
Assets		
Cash and cash equivalents	$ 2,155,443	$ 1,467,311
Pledges receivable, net	4,985,953	6,839,446
Investments	7,206,695	3,736,106
Other assets	45,403	21,767
Security deposits	9,550	9,550
Property and equipment, net	520,248	614,529
Right-of-use assets - operating leases, net	1,111,795	-
Assets restricted in perpetuity:		
Investments	1,000,000	1,000,000
Total assets	$ 17,035,087	$ 13,688,709
Liabilities and Net Assets		
Liabilities:		
Accounts payable	$ 50,691	$ 67,234
Accrued expenses	64,311	46,825
Deferred rent	-	93,067
Right-of-use liabilities - operating leases	1,209,742	-
Total liabilities	1,324,744	207,126
Net assets:		
Without donor restrictions:		
Undesignated	8,223,573	2,396,083
Board designated	-	2,131,303
With donor restrictions	7,486,770	8,954,197
Total net assets	15,710,343	13,481,583
Total liabilities and net assets	$ 17,035,087	$ 13,688,709

See notes to financial statements.

Parkinson Voice Project, Inc.
Statement of Activities
Year Ended June 30, 2023

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	$ 3,633,181	$ -	$ 3,633,181
Program revenue	394,953	-	394,953
Investment income, net	653,084	-	653,084
Other	372,312	-	372,312
Net assets released from restrictions	1,467,427	(1,467,427)	-
Total revenue and support	6,520,957	(1,467,427)	5,053,530
Expenses:			
Program	2,418,776	-	2,418,776
General and administrative	186,786	-	186,786
Fundraising	212,723	-	212,723
Total expenses	2,818,285	-	2,818,285
Non-operating activity			
Loss on disposal of property and equipment	(6,485)	-	(6,485)
Change in net assets	3,696,187	(1,467,427)	2,228,760
Net assets at beginning of year	4,527,386	8,954,197	13,481,583
Net assets at end of year	$ 8,223,573	$ 7,486,770	$ 15,710,343

See notes to financial statements.

Parkinson Voice Project, Inc.
Statement of Activities
Year Ended June 30, 2022

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	$ 2,115,489	$ 7,983,932	$ 10,099,421
Program revenue	322,552	-	322,552
Investment loss, net	(341,090)	(285,443)	(626,533)
Other	19,703	-	19,703
Net assets released from restrictions	396,837	(396,837)	-
Total revenue and support	2,513,491	7,301,652	9,815,143
Expenses:			
Program	1,927,731	-	1,927,731
General and administrative	176,661	-	176,661
Fundraising	165,372	-	165,372
Total expenses	2,269,764	-	2,269,764
Non-operating activity			
Loss on disposal of property and equipment	(10,949)	-	(10,949)
Change in net assets	232,778	7,301,652	7,534,430
Net assets at beginning of year	4,294,608	1,652,545	5,947,153
Net assets at end of year	$ 4,527,386	$ 8,954,197	$ 13,481,583

Parkinson Voice Project, Inc.
Statement of Functional Expenses
Year Ended June 30, 2023

	Program	General and Administrative	Fundraising	Total
Salaries	$ 1,132,255	$ 101,899	$ 108,290	$ 1,342,444
Employee benefits and taxes	72,259	6,645	6,473	85,377
Total salaries and related expenses	1,204,514	108,544	114,763	1,427,821
Contract services	188,541	2,311	20,938	211,790
Professional fees	25,557	34,306	222	60,085
Supplies	152,595	6,597	2,435	161,627
Travel	44,412	104	545	45,061
Meetings and conferences	143,091	4,857	100	148,048
Communication	140,333	1,073	51,896	193,302
Gifts, grants and assistance	179,473	2,605	3,141	185,219
Occupancy	185,437	4,004	2,058	191,499
Equipment rental	3,677	76	38	3,791
Telephone	13,704	362	434	14,500
Insurance	8,922	2,494	209	11,625
Miscellaneous	13,516	17,082	14,758	45,356
Total expenses before depreciation	2,303,772	184,415	211,537	2,699,724
Depreciation	115,004	2,371	1,186	118,561
Total expenses	$ 2,418,776	$ 186,786	$ 212,723	$ 2,818,285

Parkinson Voice Project, Inc.
Statement of Functional Expenses
Year Ended June 30, 2022

	Program	General and Administrative	Fundraising	Total
Salaries	$ 964,881	$ 88,854	$ 81,312	$ 1,135,047
Employee benefits and taxes	64,135	6,092	5,064	75,291
Total salaries and related expenses	1,029,016	94,946	86,376	1,210,338
Contract services	80,351	9,243	25,070	114,664
Professional fees	22,482	45,895	228	68,605
Supplies	156,464	5,363	2,081	163,908
Travel	13,277	254	1,985	15,516
Meetings and conferences	107,815	6,316	2,024	116,155
Communication	162,087	2,251	28,895	193,233
Gifts, grants and assistance	14,814	2,444	2,421	19,679
Occupancy	176,490	3,608	1,862	181,960
Equipment rental	4,222	87	44	4,353
Telephone	14,286	348	517	15,151
Insurance	6,713	2,702	158	9,573
Miscellaneous	10,816	1,346	12,176	24,338
Total expenses before depreciation	1,798,833	174,803	163,837	2,137,473
Depreciation	128,898	1,858	1,535	132,291
Total expenses	$ 1,927,731	$ 176,661	$ 165,372	$ 2,269,764

Parkinson Voice Project, Inc.
Statements of Cash Flows
Years Ended June 30, 2023 and 2022

	2023	2022
Cash flows from operating activities:		
Change in net assets	$ 2,228,760	$ 7,534,430
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Amortization of right-of-use assets - operating leases	115,062	-
Depreciation	118,561	132,291
Loss on sale of property and equipment	6,485	10,949
Change in discount on pledges receivable	19,777	264,431
Change in allowance for doubtful accounts	15,695	(2,500)
Unrealized and realized (gain) loss on investments	(405,563)	763,969
Changes in operating assets and liabilities:		
Pledges receivable	1,818,021	(6,752,066)
Other assets	(23,636)	8,866
Accounts payable	(16,543)	32,530
Accrued expenses	17,486	12,205
Deferred rent	(93,067)	2,959
Right-of-use liabilities - operating leases	(17,115)	-
Net cash provided by operating activities	3,783,923	2,008,064
Cash flows from investing activities:		
Purchases of property and equipment	(30,765)	(19,607)
Purchases of investments	(5,599,929)	(1,776,517)
Proceeds from sales of investments	2,534,903	-
Net cash used by investing activities	(3,095,791)	(1,796,124)
Change in cash and cash equivalents	688,132	211,940
Cash and cash equivalents at beginning of year	1,467,311	1,255,371
Cash and cash equivalents at end of year	$ 2,155,443	$ 1,467,311
Supplemental disclosure of cash flow information:		
Right-of-use assets obtained in exchange for right-of-use liabilities	$ 1,226,857	$ -

See notes to financial statements.

1. Organization

Parkinson Voice Project, Inc. (Organization) is a Texas not-for-profit corporation established in 2005 and exempt from income tax under 501(c)(3) of the U.S. Internal Revenue Code.

One in one hundred adults over the age of 60 will be diagnosed with Parkinson's. Of these individuals, 90% are likely to develop difficulty with speech and communication. Left untreated, speech disorders can lead to serious swallowing complications. The inability to effectively speak and safely swallow can lead to isolation, depression, dependence on others, feeding tubes, multiple hospitalizations, and death. The Organization exists to preserve the speech and swallowing of individuals with Parkinson's and related neurological disorders.

The Organization accomplishes its mission through the following program services:

- SPEAK OUT!® – In 2010, the Organization developed a unique speech therapy program for people with Parkinson's and related neurological disorders. The program combines education, individual speech therapy, group speech therapy, and consistent home practice to help patients regain and retain their speech and swallowing. The Organization has also developed SPEAK OUT! Therapy workbooks and flashcards in several languages, as well as an online training course for speech-language pathologists and graduate students.

- Speech Therapy Clinic – The Organization runs a speech therapy clinic in Richardson, Texas. Its clinical team treats patients in-person and online. All its speech-language pathologists are licensed in Texas, but some also hold licensure in other states (Florida, Maine, Missouri, and New York). The Organization's speech-language pathologists who are licensed in other states can provide online therapy to patients living in those states. Something unique about the Organization is that it has not charged for any of its speech therapy services since 2008. The clinic is funded primarily through donations.

- SPEAK OUT!® Training and Grant Program – The Organization's vision is to make its SPEAK OUT! Therapy Program accessible to people with Parkinson's and related neurological disorders worldwide. To achieve this goal, the organization developed a training program for speech-language pathologists and graduate students. Training is provided through in-person workshops and an online training program.

  To accelerate its replication process, the Organization began awarding training grants to hospitals, universities, and other speech therapy clinics across the U.S. and abroad in 2018. These grants provide free training to speech-language pathologists and graduate students, as well as therapy workbooks and flashcards. Some grant sites receive funding for therapy supplies and equipment. In April 2023, 364 grants were awarded.

- Our Campaign to Reach America – In 2021, the Organization conducted a feasibility study for a project called, "Our Campaign To Reach America." It is an ambitious project whereby the Organization would collaborate with one university speech clinic in every state to make SPEAK OUT! Therapy accessible to patients who would not otherwise have access. These clinics would follow the Organization's funding model (no charge therapy) and would specialize in online treatment. By doing this, SPEAK OUT! would be available to the homebound, those who live in rural areas, and those who didn't have insurance. These clinics would also train their graduate students in SPEAK OUT! and would conduct research on the program with the goal of being published in a scientific journal in three to five years. These clinics would be called "SPEAK OUT! Therapy & Research Centers." Since speech-language pathologists are licensed by state, the goal would be to have one clinic in each state across America.

  In 2023, the Organization received 40 applications from university speech clinics wanting to be named the "SPEAK OUT! Therapy & Research Center" for their state. Sixteen universities were selected. The Organization has been actively working with these clinics to replicate our program in their university clinics. In June 2023, faculty members from the 16 Centers traveled to Richardson, Texas to receive two and a half days of intensive training by our clinical staff and patient volunteers. The CEO of the Organization meets with the Centers each month via ZOOM.

- Online SPEAK OUT!® Home Practice Sessions & Online Parkinson's Sing-Alongs – The Organization hosts LIVE online SPEAK OUT! Home Practice Sessions five days a week on its website, Facebook page, and YouTube channel to help people with Parkinson's remain consistent with their daily exercises. These sessions are also recorded and available 24/7. A report from July 2023 indicates more than 16,723 people are accessing these sessions each week. It is impossible to know how many unique views there are as many patients participate in multiple online sessions each week.

  In January 2023, the Organization began offering weekly "Parkinson's Sing Alongs". Participation in this ZOOM group for July and the first two weeks of August has averaged 80 participants each week.

- SING OUT!® - Since 2006, the Organization has hosted an annual performance where its patients "show off" their strong voices for family, friends, and community supporters. During the pandemic, it wasn't possible for large groups to gather. Therefore, the annual concert transitioned to a "virtual performance" for 2020, 2021, and 2022. Four hundred and forty-five people with Parkinson's from across the U.S. and abroad performed with their family and friends in 2022.

The Organization will no longer host a virtual concert now that the pandemic is over, and groups can gather in-person. Singing rehearsals are being hosted every Wednesday in the clinic. The Organizations plans to host a SING OUT! Concert this fall, but it will be a much smaller production that will be recorded in the Organization's clinic so it can be shared with the Organization's online community.

The Organization is funded primarily through contributions from the general public.

2. Summary of Significant Accounting Procedures

Basis of Accounting

The Organization prepares its financial statements on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America (GAAP).

Financial Statement Presentation

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

Net assets without donor restrictions - Net assets not subject to donor-imposed stipulations. Net assets without donor restrictions may be designated for specific purposes by action of the board of directors.

Net assets with donor restrictions - Net assets subject to donor stipulations that will be met by actions of the Organization and/or the passage of time.

Some net assets with donor restrictions include a stipulation that assets provided be maintained permanently (perpetual in nature) while permitting the Organization to expend the income generated by the assets in accordance with the provisions of additional donor-imposed stipulations or a board of directors approved spending policy.

Revenues are reported as increases in net assets without donor restrictions unless use of the related assets is limited by donor-imposed restrictions. Expenses are reported as decreases in net assets without donor restrictions.

Gains and losses are reported as increases or decreases in net assets without donor restrictions, unless their use is restricted by explicit donor stipulation or by law. Contributions whose restrictions are met in the same year the contributions are received are reported as net assets without donor restrictions. Expirations of net assets with donor restrictions (i.e., the donor stipulated purpose has been fulfilled and/or the stipulated time period has elapsed) are reported as reclassifications between the applicable classes of net assets.

Financial Instruments and Credit Risk Concentrations

Financial instruments which are potentially subject to concentrations of credit and market risk consist principally of cash and cash equivalents, investments and pledges receivable.

The Organization places cash, which at times may exceed the federally insured limits, with high credit quality financial institutions to minimize risk. Accounts at each institute are insured by the Federal Deposit Insurance Corporation up to $250,000. At June 30, 2023, the Organization had uninsured bank balances totaling $339,189. The Organization has not experienced any losses on such assets.

The Organization’s investments are subject to various risks, such as interest rate, credit and overall market volatility risks. Further, because of the significance of the investments to the Organization’s financial position and the level or risk inherent in most investments, it is reasonably possible that changes in the values of the investments could occur in the near term and such changes could materially affect the amounts reported in the financial statements.

Pledges receivable are unsecured and due from various donors. The Organization evaluates the collectability of pledges receivable and maintains allowances for potential losses, if considered necessary.

For the year ended June 30, 2023, contributions received from two donors totaled 55% of total revenue. For the year ended June 30, 2022, contributions received from one donor totaled 49% of total revenue.

Cash and Cash Equivalents

The Organization considers highly liquid investments with original maturities of three months or less to be cash equivalents. The Organization classifies money market funds held by external investment managers as investments as these funds are not readily available for operations.

Investments

The Organization’s investments consist of mutual funds and are carried at fair value.

Investment transactions are recorded on the trade date, which results in receivables and payables on trades that have not yet settled as of the financial statement date, and dividend income is recorded when earned.

Realized gains and losses are recorded as the difference between historical cost and fair value, and are shown on a net basis. Unrealized gains and losses are recorded for the change in fair value of investments between reporting periods.

Pledges Receivable

Pledges receivable that are expected to be collected within one year are recorded at net realizable value. Pledges receivable that are expected to be collected in more than one year are recorded at the present value of the expected future cash flows.

An allowance for doubtful pledges is estimated based on management's analysis of historical payment trends, specific known collection risks, write-off trends and current economic conditions and is adjusted for those pledges receivable for which collection is uncertain. Pledges receivable are considered to be fully collectible by management at June 30, 2022. At June 30, 2023, the allowance for doubtful pledges totaled $15,695.

Property and Equipment

Property and equipment are recorded at cost or, if donated, at estimated fair market value at the date of the donation. The Organization capitalizes expenditures for property and equipment with a value greater than $5,000. Depreciation is computed using the straight-line method over estimated useful lives of 3 to 15 years. Leasehold improvements are amortized over the shorter of the lease term or useful life of the asset.

Deferred Rent

The Organization has entered into an office lease agreement, which contains a provision for future rent increases. In accordance with GAAP, rent cost is accounted for on a straight-line basis over the rent term. Deferred rent was eliminated for the year ending June 30, 2023 due to the implementation of Accounting Standards Board Accounting Standards Update 2016-02, *Leases*. See Note 8 for lease implementation.

Revenue Recognition

The Organization recognizes contributions when cash, securities or other assets or an unconditional promise to give is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return – are not recognized until the conditions on which they depend have been met. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the amounts expected to be collected. All contributions are considered available for unrestricted use unless specifically restricted by the donor.

Donated supplies are reflected as contributions at their estimated fair values at date of receipt. Contributions of services are recorded at estimated fair value if the services received create or enhance nonfinancial assets or require specialized skills and would typically need to be purchased if not provided by donation.

A substantial number of volunteers made significant contributions of their time to the Organization. The value of this contributed time is not reflected in these financial statements because it does not meet the criteria for recognition under GAAP. Volunteer hours totaled 2,728 and 2,164 for the years ended June 30, 2023 and 2022, respectively.

Federal Income Tax

The Organization is exempt from federal income taxes under section 501(c)(3) of the Internal Revenue Code (IRC) and has not been classified as a private foundation as defined in the IRC. Income generated from activities unrelated to the Organization's exempt purposes is subject to tax under IRC Section 511. The Organization had no unrelated business income for the years ended June 30, 2023 and 2022. Accordingly, no provision has been made for federal income tax in the accompanying financial statements.

GAAP requires the evaluation of tax positions taken in the course of preparing the Organization's tax return and recognition of a tax liability (or asset) if the Organization has taken an uncertain position that more likely than not would not be sustained upon examination by the Internal Revenue Service.

Management has analyzed the tax positions taken by the Organization, and has concluded that as of June 30, 2023 and 2022, there are no uncertain tax positions taken or expected to be taken that would require recognition of a liability (or asset) or disclosure in the financial statements.

Advertising

Advertising and promotional costs are expensed as incurred and for the years ended June 30, 2023 and 2022 totaled $11,365 and $9,229, respectively.

Allocation of Functional 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 expenses that are allocated include occupancy, equipment rental, and depreciation, which are allocated on a square footage basis, as well as salaries and employee benefits and taxes, which are allocated on the basis of estimates of time and effort. Contract services, supplies, telephone, insurance and miscellaneous are allocated based on a combination of square footage, time and effort, and direct allocations. All other expenses have been directly allocated.

Estimates and Assumptions

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

Reclassification

Certain items in the 2022 financial statements have been reclassified to conform with current year classifications, specifically, cash and cash equivalents and investments in the statement of financial position. Such reclassification had no effect on previously reported changes in net assets.

Accounting Pronouncement Adopted

The Organization adopted ASU No. 2016-02, *Leases* (Topic 842). The guidance in the ASU supersedes the current leasing guidance. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the statement of financial position for all leases with terms longer than 12 months. Leases are classified as either finance or operating, with classification affecting the pattern of expense recognition in the statement of activities. The ASU also required expanded disclosures related to the amount, timing and uncertainty of cash flows arising from leases. The Organization elected to adopt the transition relief provisions from ASU 2016-02 and recorded the impact of adoption as of July 1, 2022, using the modified retrospective method resulting in the recording of a right-of-use asset and operating lease liability totaling $1,226,857. No changes were required to net assets as of July 1, 2022.

3. Pledges Receivable

The Organization had the following pledges receivable at June 30:

	2023	2022
Amount due in:		
Less than one year	$ 1,429,606	$ 1,540,696
One to five years	3,856,790	5,563,721
Subtotal	5,286,396	7,104,417
Allowance for doubtful accounts	(15,695)	-
Unamortized present value discount	(284,748)	(264,971)
	$ 4,985,953	$ 6,839,446

Pledges due in more than one year are reflected at the net present value of future cash flows using a market discount rate of 4.49% for the year ended June 30, 2023. A market discount rate between 0.29% and 3.34% was used for the year ended June 30, 2022.

At June 30, 2023, 60% of pledges receivable was due from one donor. At June 30, 2022, 56% of pledges receivable were due from one donor.

4. Conditional Promises to Give

In August 2019, the Organization was awarded a conditional grant totaling $2,000,000, to be received in four annual installments of $500,000 beginning in fiscal year ending June 30, 2020. The grant is conditioned upon the Organization raising $500,000 each year by December 31. During the years ended June 30, 2023 and 2022, the Organization met the conditions and recognized contribution revenue of $500,000 in each year.

5. Investments

Under the fair value measurements and disclosures topic of the codification, ASC 820, disclosures are required about how fair value is determined for assets and liabilities and a hierarchy for which these assets and liabilities must be grouped is established, based on significant levels of inputs as follows:

Level 1 Inputs to the valuation methodology are quoted prices available in active markets for identical investments as of the reporting date;

Level 2 Inputs to the valuation methodology are other than quoted prices in active markets, which are either directly or indirectly observable as of the reporting date, and fair value can be determined through the use of models or other valuation methodologies;

Level 3 Inputs to the valuation methodology are unobservable inputs in situations where there is little or no market activity for the asset or liability and the reporting entity makes estimates or assumptions related to the pricing of the asset or liability including assumptions regarding risk.

A financial instrument's level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. The following is a description of the valuation methodologies used for instruments measured at fair value, including the general classification of such instruments pursuant to the valuation hierarchy.

Mutual Funds

These investments are public investment vehicles valued using the net asset value (NAV) provided by the administrator of the fund. The NAV is based on the value of the underlying asset owned by the fund, less its liabilities, and then divided by the number of shares outstanding. The NAV is a quoted price in an active market.

The preceding method 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 Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine fair value of certain financial instruments could result in a different fair value measurement at the reporting date. The investments held by the Organization are measured using Level 1 inputs.

The following table presents the investments at fair value as of June 30:

	2023	2022
Mutual funds:		
Bond	$ 3,215,751	$ 2,411,250
Equity	4,990,944	2,324,856
	$ 8,206,695	$ 4,736,106

Investment income (loss), including interest and dividends earned on cash and cash equivalents, consists of the following for the year ended June 30:

	2023	2022
Interest and dividend income	$ 264,046	$ 148,605
Unrealized gains (losses) on investments	663,721	(767,505)
Realized gains (losses) on investments	(258,158)	3,536
Investment fees	(16,525)	(11,169)
Investment income (loss), net	$ 653,084	$ (626,533)

The following table presents securities which represent 10% or more of total investments at June 30:

	2023	2022
DFA Five-Year Global Fixed Income Portfolio	13%	-
DFA Global Core Plus Fixed Income Portfolio	15%	-
DFA US Core Equity 2 Portfolio	19%	-
DFA Investment Grade Portfolio	-	11%

6. Property and Equipment

Property and equipment consist of the following at June 30:

	2023	2022
Leasehold improvements	$ 1,020,060	$ 1,020,060
Furniture and fixtures	136,745	136,745
Equipment and software	287,326	306,399
Works of art	51,984	51,984
	1,496,115	1,515,188
Accumulated depreciation	(975,867)	(900,659)
	$ 520,248	$ 614,529

Depreciation expense totaled $118,561 and $132,291 for the years ended June 30, 2023 and 2022, respectively.

7. Employee Benefit Plan

In January 2009, the Organization adopted the Parkinson Voice Project Inc. 401(k) Profit Sharing Plan and Trust (Benefit Plan) which covers eligible employees. The Organization provides for matching contributions of 100% of the employee's contribution up to 5% of their salary and may provide for a discretionary contribution. For the years ended June 30, 2023 and 2022, the Organization's matching contributions to the Benefit Plan totaled $33,846 and $25,043, respectively. No discretionary contributions were made during the years ended June 30, 2023 or 2022.

8. Lease Commitments

In evaluating its contracts, the Organization separately identifies lease and nonlease components, such as common area and other maintenance costs, in calculating the right-of-use (ROU) assets and lease liabilities for its retail spaces. The Organization has elected the practical expedient to not separate lease and nonlease components and classifies the contract as a lease if consideration in the contract allocated to the lease component is greater than the consideration allocated to the nonlease component.

Leases result in the recognition of ROU assets and lease liabilities on the statement of financial position. ROU assets represent the right to use an underlying asset for the lease term, and lease liabilities represent the obligation to make lease payments arising from the lease, measured on a discounted basis. The Organization determines lease classification as operating or finance at the lease commencement date.

At lease inception, the lease liability is measured at the present value of the lease payments over the lease term. The ROU asset equals the lease liability adjusted for any initial direct costs, prepaid or deferred rent, and lease incentives. The Organization uses the implicit rate when readily determinable. As most of the leases do not provide an implicit rate, the Organization uses the risk free rate based on the information available at the commencement date to determine the present value of lease payments. Risk-free rates used to determine the present value of lease payments were derived by reference to the interest paid on short-term government debt.

The lease term may include options to extend or to terminate the lease that the Organization is reasonably certain to exercise. The Organization has elected not to record leases with an initial term of 12 months or less on the statement of financial position. Lease expense on such leases is recognized on a straight-line basis over the lease term.

Nature of Leases

The Organization has entered into operating lease arrangements for a building and equipment used for operations. The building lease requires the Organization to pay all executory costs (property taxes, maintenance and insurance) and expires in December 2031. The equipment lease expires in September 2026. Termination of the leases is generally prohibited unless there is a violation under the lease agreement.

The following are the minimum lease payments under the leases for the years ending June 30::

2024	$ 148,639
2025	148,639
2026	158,740
2027	166,172
2028	165,282
Thereafter	578,487
Total future undisclosed lease payments	$ 1,365,959
Less present value discount	(156,217)
Lease liabilities	$ 1,209,742

The following is the lease cost and other required information for each lease for the year ended June 30, 2023:

Total lease cost	$ 151,376
Other information:	
Cash paid for amounts included in	
the measurement of lease liabilities:	
Cash flows from operating leases	$ 146,497
Right-of-use asset obtained in exchange	
for new lease liabilities	$ 1,226,857
Weighted-average remaining lease term	8.45 years
Weighted-average discount rate	2.89%

9. Net Assets Without Donor Restrictions

Net assets without donor restrictions totaling $2,131,303 were designated by the board of directors for general operating purposes at June 30, 2022. There were no assets without donor restrictions that were designated by the board of directors as of June 30, 2023.

10. Net Assets With Donor Restrictions

Net assets with donor restrictions are available for the following purposes at June 30:

	2023	2022
Time restricted	$ 6,230,936	$ 5,678,805
Endowment earnings	255,834	152,635
Restricted in perpetuity	1,000,000	1,000,000
	$ 7,486,770	$ 6,831,440

11. Endowment Fund

The Organization has one donor-restricted endowment fund established to support the position of one Speech-Language Pathologist in the speech therapy treatment of individuals with Parkinson's and other neurological disorders. The balance required by the donor to be held in perpetuity totaled $1,000,000 as of June 30, 2023 and 2022, respectively. As required by GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The board of directors of the Organization has interpreted the Texas Uniform Prudent Management of Institutional Funds Act (TUPMIFA) 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 Organization classifies the original value of gifts donated to the permanent endowment as net assets with donor restrictions.

The earnings from the original gift are classified as net asset with donor restrictions until those amounts are appropriated for expenditure by the Organization in a manner consistent with the standard of prudence prescribed by TUPMIFA. In accordance with TUPMIFA, the Organization, in making a determination to appropriate or accumulate donor-restricted endowment funds acts in good faith, with the care that an ordinarily prudent person in a like position would exercise under similar circumstances, and considers if relevant, the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- The duration and preservation of the fund
- The purposes of the Organization and the donor-restricted endowment fund

- General economic conditions
- The possible effect of inflation and deflation
- The expected total return from income and the appreciation of investments
- Other resources of the Organization
- The Organization’s investment policy

The Organization's investment and spending policies for endowment assets attempt to provide a predictable stream of funding sufficient to support the programs of the Organization and donor objectives and to preserve or increase the purchasing power of the assets supported by its endowment.

The investment policy establishes an achievable return objective through diversification of asset classes. As identified in the investment policy, the investment committee will maintain reasonable diversification at all times within both equity and bond securities so as to provide for the investment objectives while avoiding undue risk concentration in any single asset class or investment category.

The spending policy calculates the amount of money annually distributed from the Organization’s endowed funds. The current spending policy is to distribute an amount not greater than 5% of the principal balance of the fund at the beginning of the year the distribution is made.

Changes in the endowment fund with donor restrictions for the years ended June 30, 2023 and 2022 are summarized as follows:

	Accumulated investment earnings	Original gift amount	Total
Endowment net assets, July 1, 2021	$ 300,194	$ 1,000,000	$ 1,300,194
Investment loss	(147,559)	-	(147,559)
Endowment net assets, June 30, 2022	152,635	1,000,000	1,152,635
Investment earnings	103,199	-	103,199
Endowment net assets, June 30, 2023	$ 255,834	$ 1,000,000	$ 1,255,834

12. Liquidity and Availability of Resources

The Organization's financial assets available within one year of the statement of financial position date of June 30, 2023 and 2022 for general expenditures are as follows:

	2023	2022
Cash and cash equivalents	$ 2,155,443	$ 1,467,311
Pledges receivable, net	4,985,953	6,839,446
Investments	8,206,695	4,736,106
Total financial assets	15,348,091	13,042,863
Less amounts not available for general expenditures within one year:		
Donor restricted endowment to be retained in perpetuity	1,000,000	1,000,000
Future expendable donor-restricted endowment	255,834	152,635
Pledges receivable collectible beyond one year	3,856,790	5,678,805
Board-designated funds	-	2,131,303
Financial assets not available for general expenditures	5,112,624	8,962,743
Total financial assets available to meet cash needs for general expenditures within one year	$ 10,235,467	$ 4,080,120

The Organization receives significant contributions restricted by donors, and considers contributions restricted for programs which are ongoing, major and central to its annual operations to be available to meet cash needs for general expenditures within one year. In the event the need arises to utilize the board-designated fund for liquidity purposes, the fund could be drawn upon through board resolution.

The Organization has a goal to maintain financial assets, which consist of cash and receivables on hand to meet 60 days of normal operating expenses, which are, on average, approximately $385,000. The Organization has a policy to structure its financial assets to be available for general expenditures, liabilities and other obligations as they come due.

13. Related Party Transactions

During the years ended June 30, 2023 and 2022, the Organization received contributions from members of the board of directors totaling $1,170,543 and $1,164,793, respectively. Pledges receivable outstanding from members of the board of directors at June 30, 2023 and 2022 totaled $3,602,877 and $4,897,500, respectively.

14. Subsequent Events

Management has evaluated subsequent events through October 3, 2023, the date which the financial statements were available to be issued and concluded that no additional disclosures are required.