



Parkinson Voice Project, Inc.

**Financial Statements
June 30, 2022 and 2021**

Parkinson Voice Project, Inc.
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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, 2022 and 2021, 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, 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 (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.

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.

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.



A Limited Liability Partnership

Arlington, Texas
November 17, 2022

Parkinson Voice Project, Inc.
Statements of Financial Position
June 30, 2022 and 2021

	2022	2021
Assets		
Cash and cash equivalents	\$ 1,456,527	\$ 1,244,587
Pledges receivable, net	6,839,446	349,311
Investments	3,746,890	2,734,342
Other assets	21,767	30,633
Security deposits	9,550	9,550
Property and equipment, net	614,529	738,162
Assets restricted in perpetuity:		
Investments	1,000,000	1,000,000
Total assets	\$ 13,688,709	\$ 6,106,585
Liabilities and Net Assets		
Liabilities:		
Accounts payable	\$ 67,234	\$ 34,704
Accrued expenses	46,825	34,620
Deferred rent	93,067	90,108
Total liabilities	207,126	159,432
Net assets:		
Without donor restrictions:		
Undesignated	2,396,083	2,163,305
Board designated	2,131,303	2,131,303
With donor restrictions	8,954,197	1,652,545
Total net assets	13,481,583	5,947,153
Total liabilities and net assets	\$ 13,688,709	\$ 6,106,585

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
Loss on disposal of property and equipment	(10,949)	-	(10,949)
Net assets released from restrictions	396,837	(396,837)	-
Total revenue and support	2,502,542	7,301,652	9,804,194
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
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

See notes to financial statements.

Parkinson Voice Project, Inc.
Statement of Activities
Year Ended June 30, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and support:			
Contributions	\$ 1,985,649	\$ -	\$ 1,985,649
Government grant	196,887	-	196,887
Program revenue	305,311	-	305,311
Investment income, net	330,644	230,564	561,208
Other	8,544	-	8,544
Net assets released from restrictions	157,339	(157,339)	-
Total revenue and support	2,984,374	73,225	3,057,599
Expenses:			
Program	1,527,204	-	1,527,204
General and administrative	176,224	-	176,224
Fundraising	133,911	-	133,911
Total expenses	1,837,339	-	1,837,339
Change in net assets	1,147,035	73,225	1,220,260
Net assets at beginning of year	3,147,573	1,579,320	4,726,893
Net assets at end of year	\$ 4,294,608	\$ 1,652,545	\$ 5,947,153

See notes to financial statements.

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	<u>\$ 1,927,731</u>	<u>\$ 176,661</u>	<u>\$ 165,372</u>	<u>\$ 2,269,764</u>

See notes to financial statements.

Parkinson Voice Project, Inc.
Statement of Functional Expenses
Year Ended June 30, 2021

	Program	General and Administrative	Fundraising	Total
Salaries	\$ 678,577	\$ 91,002	\$ 60,440	\$ 830,019
Employee benefits and taxes	118,939	14,156	9,154	142,249
Total salaries and related expenses	797,516	105,158	69,594	972,268
Contract services	46,690	4,412	14,410	65,512
Professional fees	23,270	44,904	239	68,413
Supplies	110,726	5,283	1,939	117,948
Travel	408	409	136	953
Meetings and conferences	68,123	2,011	5,610	75,744
Communication	131,833	216	22,984	155,033
Gifts, grants and assistance	23,513	2,310	2,751	28,574
Occupancy	158,669	3,773	1,636	164,078
Equipment rental	3,860	80	40	3,980
Telephone	13,516	455	563	14,534
Insurance	7,194	2,822	203	10,219
Miscellaneous	10,725	1,687	12,454	24,866
Total expenses before depreciation	1,396,043	173,520	132,559	1,702,122
Depreciation	131,161	2,704	1,352	135,217
Total expenses	<u>\$ 1,527,204</u>	<u>\$ 176,224</u>	<u>\$ 133,911</u>	<u>\$ 1,837,339</u>

See notes to financial statements.

Parkinson Voice Project, Inc.
Statements of Cash Flows
Years Ended June 30, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Change in net assets	\$ 7,534,430	\$ 1,220,260
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	132,291	135,217
Loss on sale of property and equipment	10,949	-
Change in discount on pledges receivable	264,431	(9,150)
Change in allowance for doubtful accounts	(2,500)	-
Unrealized and realized (gain) loss on investments	763,969	(524,367)
Changes in operating assets and liabilities:		
Pledges receivable	(6,752,066)	157,339
Other assets	8,866	27,737
Accounts payable	32,530	10,497
Accrued expenses	12,205	6,791
Deferred rent	2,959	2,959
Net cash provided by operating activities	<u>2,008,064</u>	<u>1,027,283</u>
Cash flows from investing activities:		
Purchases of property and equipment	(19,607)	(38,995)
Purchases of investments	<u>(1,776,517)</u>	<u>(1,162,884)</u>
Net cash used by investing activities	<u>(1,796,124)</u>	<u>(1,201,879)</u>
Cash flows from financing activities:		
Collection of pledge restricted for endowment	<u>-</u>	<u>127,000</u>
Change in cash and cash equivalents	211,940	(47,596)
Cash and cash equivalents at beginning of year	<u>1,244,587</u>	<u>1,292,183</u>
Cash and cash equivalents at end of year	<u>\$ 1,456,527</u>	<u>\$ 1,244,587</u>

Parkinson Voice Project, Inc.

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 communication of individuals with Parkinson's by treating patients in its clinic and training speech-language pathologists and graduate students across the globe.

The Organization accomplishes its mission through the following program services:

- **SPEAK OUT! & The LOUD Crowd** – The Organization has developed an effective speech treatment for patients diagnosed with Parkinson's. The treatment combines education, individual speech therapy (SPEAK OUT!), and ongoing group therapy (The LOUD Crowd). As part of this program, the organization has developed speech therapy workbooks and flashcards. Some of these therapeutic materials are available in seven different languages.
- **Speech Therapy Clinic** – The Organization runs a speech therapy clinic in Richardson, Texas that treats patients in-person and online. Something unique about the clinic is the Organization has not charged for any of its speech therapy services since 2008. The clinic is funded primarily through donations.
- **SPEAK OUT! & LOUD Crowd Training and Grant Program** – The Organization's vision is to make its SPEAK OUT! & LOUD Crowd program accessible to people with Parkinson's 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 program.

To accelerate its replication process and increase access to SPEAK OUT! & LOUD Crowd, 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 SPEAK OUT! & LOUD Crowd training to speech-language pathologists and graduate students. Some grant sites receive funding for LOUD Crowd supplies. In April 2022, 439 grants were awarded.

Parkinson Voice Project, Inc.

Notes to Financial Statements

- Online SPEAK OUT! Home Practice Sessions – 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 June 2022 indicates more than 8,000 people are accessing these sessions each week. It is impossible to know how many unique views there are as many patients participate in these online sessions each week.
- SING OUT! Concert - Since 2006, the Organization has hosted an annual performance where its patients “show off” their strong voices for family, friends, and community supporters. Beginning with the pandemic in 2020 and the inability for large groups to gather, Parkinson Voice Project’s annual performance transitioned into a “virtual choir.” In 2021, 368 people with Parkinson’s from across the U.S. and abroad performed with their family and friends. The organization will host another virtual performance on November 5, 2022.

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.

Parkinson Voice Project, Inc.

Notes to Financial Statements

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 maintains cash and money market accounts at creditworthy financial institutions. At times, amounts on deposit may exceed insured limits or include uninsured investments in money market mutual funds. To date, the Organization has not experienced losses in any of these accounts.

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, 2022, contributions received from one donor totaled 49% of total revenue. No such concentration exists for the year ended June 30, 2021.

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.

Parkinson Voice Project, Inc.

Notes to Financial Statements

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. As of June 30, 2022, no allowance was found necessary. As of June 30, 2021, the Organization had an allowance of \$2,500.

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.

Parkinson Voice Project, Inc.

Notes to Financial Statements

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 2,164 and 1,995 for the years ended June 30, 2022 and 2021, 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, 2022 and 2021. 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, 2022 and 2021, 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, 2022 and 2021 totaled \$9,229 and \$8,998, respectively.

Parkinson Voice Project, Inc.

Notes to Financial Statements

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.

Accounting Pronouncement Adopted

The Organization adopted ASU 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (ASU 2020-07). ASU 2020-07 increases transparency of contributed nonfinancial assets for not-profit (NFP) entities through enhancements to presentation and disclosure. The amendments in ASU 2020-07 address stakeholders' concerns about the lack of transparency about the measurement of contributed nonfinancial assets recognized by NFPs, as well as the amount of those contributions used in an NFP's programs and other activities. ASU 2020-07 requires NFPs to present contributed nonfinancial assets (gifts-in-kind) as a separate line item in the statement of activities. The Organization has adopted this ASU on the retrospective basis as of and for the year ended June 30, 2022.

Analysis of various provisions of this standard resulted in no significant changes in the way the Organization recognizes gifts-in-kind, and therefore, no changes were required to net assets as of July 1, 2020.

New Accounting Pronouncement

Changes to GAAP are established by the Financial Accounting Standards Board (FASB) in the form of accounting standards updates (ASUs) to the FASB's Accounting Standards Codification.

The Organization considers the applicability and impact of all ASUs. ASUs not listed below were assessed and determined to be either not applicable or are expected to have minimal impact on the Organization's financial position and changes in net assets.

Parkinson Voice Project, Inc.

Notes to Financial Statements

In 2016, the FASB issued its leasing standard in ASU 2016-02, *Leases*, for both lessees and lessors. Under its core principle, a lessee will recognize right-of-use assets and related lease liabilities on the statement of financial position for all lease arrangements with terms longer than 12 months. The pattern of expense recognition in the statement of activities will depend on a lease's classification. For not-for-profit organizations, the standard takes effect for fiscal years beginning after December 15, 2021.

The Organization is currently assessing the impact that adopting this new guidance will have on the financial statements.

3. Pledges Receivable

The Organization had the following pledges receivable at June 30:

	<u>2022</u>	<u>2021</u>
Amount due in:		
Less than one year	\$ 1,540,696	\$ 51,751
One to five years	<u>5,563,721</u>	<u>300,600</u>
Subtotal	7,104,417	352,351
Allowance for doubtful accounts	-	(2,500)
Unamortized present value discount	<u>(264,971)</u>	<u>(540)</u>
	<u>\$ 6,839,446</u>	<u>\$ 349,311</u>

Pledges due in more than one year are reflected at the net present value of future cash flows using a market discount rate between 0.29% and 3.34% for the year ended June 30, 2022. A market discount rate of 0.01% was used for the year ended June 30, 2021.

At June 30, 2022, 56% of pledges receivable was due from one donor. At June 30, 2021, 71% of pledges receivable were due from two donors.

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, 2022 and 2021, the Organization met the conditions and recognized contribution revenue of \$500,000 in each year.

Parkinson Voice Project, Inc.
Notes to Financial Statements

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.

Parkinson Voice Project, Inc.
Notes to Financial Statements

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

	<u>2022</u>	<u>2021</u>
Mutual funds:		
Money market	\$ 10,784	\$ 11,046
Bond	2,411,250	1,821,444
Equity	<u>2,324,856</u>	<u>1,901,852</u>
	<u>\$ 4,746,890</u>	<u>\$ 3,734,342</u>

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

	<u>2022</u>	<u>2021</u>
Interest and dividend income	\$ 148,605	\$ 44,401
Unrealized gains (losses) on investments	(767,505)	259,851
Realized gains (losses) on investments	3,536	264,516
Investment fees	<u>(11,169)</u>	<u>(7,560)</u>
Investment income (loss), net	<u>\$ (626,533)</u>	<u>\$ 561,208</u>

As of June 30, 2022 and 2021, investments in DFA Investment Grade Portfolio Institutional Class Shares totaled approximately 11% and 13% of total investments, respectively.

6. Property and Equipment

Property and equipment consist of the following at June 30:

	<u>2022</u>	<u>2021</u>
Leasehold improvements	\$ 1,020,060	\$ 1,022,685
Furniture and fixtures	136,745	217,688
Equipment and software	306,399	337,497
Works of art	<u>51,984</u>	<u>51,984</u>
	1,515,188	1,629,854
Accumulated depreciation	<u>(900,659)</u>	<u>(891,692)</u>
	<u>\$ 614,529</u>	<u>\$ 738,162</u>

Depreciation expense totaled \$132,291 and \$135,217 for the years ended June 30, 2022 and 2021, respectively.

Parkinson Voice Project, Inc.
Notes to Financial Statements

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, 2022 and 2021, the Organization's matching contributions to the Benefit Plan totaled \$25,043 and \$27,094, respectively. No discretionary contributions were made during the years ended June 30, 2022 or 2021.

8. Lease Commitment

The Organization leases its office space under a non-cancellable operating lease agreement expiring December 31, 2031. The lease includes fixed rent escalations, which are amortized on a straight-line basis. The lease requires the Organization pay common area maintenance costs. Total rent expense for the office lease for the years ended June 30, 2022 and 2021 was \$144,367.

The following is a schedule of future minimum lease payments required under the non-cancellable lease agreement for the years ending June 30:

2023	\$	101,004
2024		101,004
2025		101,004
2026		111,102
Thereafter		565,339

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 as of June 30, 2022 and 2021.

Parkinson Voice Project, Inc.
Notes to Financial Statements

10. Net Assets With Donor Restrictions

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

	<u>2022</u>	<u>2021</u>
Time restricted	\$ 5,678,805	\$ 352,351
Endowment earnings	152,635	300,194
Restricted in perpetuity	<u>1,000,000</u>	<u>1,000,000</u>
	<u>\$ 6,831,440</u>	<u>\$ 1,652,545</u>

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, 2022 and 2021, 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

Parkinson Voice Project, Inc.
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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, 2022 and 2021 are summarized as follows:

	Accumulated investment earnings	Original gift amount	Total
	<u> </u>	<u> </u>	<u> </u>
Endowment net assets, July 1, 2020	\$ 69,630	\$ 1,000,000	\$ 1,069,630
Investment earnings	<u>230,564</u>	<u>-</u>	<u>230,564</u>
Endowment net assets, June 30, 2021	300,194	1,000,000	1,300,194
Investment earnings	<u>(147,559)</u>	<u>-</u>	<u>(147,559)</u>
Endowment net assets, June 30, 2022	<u>\$ 152,635</u>	<u>\$ 1,000,000</u>	<u>\$ 1,152,635</u>

Parkinson Voice Project, Inc.
Notes to Financial Statements

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, 2022 and 2021 for general expenditures are as follows:

	2022	2021
Cash and cash equivalents	\$ 1,456,527	\$ 1,244,587
Pledges receivable, net	6,839,446	349,311
Investments	4,746,890	3,734,342
Total financial assets	13,042,863	5,328,240
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	152,635	300,194
Pledges receivable collectible beyond one year	5,678,805	300,600
Board-designated funds	2,131,303	2,131,303
Financial assets not available for general expenditures	8,962,743	3,732,097
Total financial assets available to meet cash needs for general expenditures within one year	\$ 4,080,120	\$ 1,596,143

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, 2022 and 2021, the Organization received contributions from members of the board of directors totaling \$1,164,793 and \$133,123, respectively. Pledges receivable outstanding from members of the board of directors at June 30, 2022 and 2021 totaled \$4,897,500 and \$100,000, respectively.

Parkinson Voice Project, Inc.
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14. Paycheck Protection Program Loans

On April 16, 2020, the Organization entered into an unsecured loan (PPP loan) in the aggregate amount of \$196,887 with a bank pursuant to the Paycheck Protection Program (PPP), which is sponsored by the Small Business Administration, and is part of the Coronavirus Aid, Relief and Economic Security Act, as amended by the Paycheck Protection Program Flexibility Act of 2020. The Organization used all of the proceeds to make eligible payments by June 30, 2020. The Organization elected to account for the PPP loan as a conditional grant in accordance with FASB ASC Topic 958. Accordingly, the PPP loan is reported as grant revenue in the accompanying statement of activities for the year ended June 30, 2020. The Organization received formal forgiveness on January 29, 2021.

On February 8, 2021, the Organization received another PPP loan totaling \$196,887 under the second iteration of the PPP, which has similar terms as the original. The Organization used all of the proceeds to make eligible payment by June 30, 2021. Accordingly, the second PPP loan is reported as grant revenue in the accompanying statement of activities for the year ended June 30, 2021.

15. Subsequent Events

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