

# **PARKINSON & MOVEMENT DISORDER ALLIANCE**

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**AUDITED FINANCIAL STATEMENTS**  
Years ended December 31, 2023 and 2022



**JENNIFER J. PHILLIPS, CPA, PLLC**  
**CERTIFIED PUBLIC ACCOUNTANT**

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
**AUDITED FINANCIAL STATEMENTS**  
Years ended December 31, 2023 and 2022

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JENNIFER J. PHILLIPS, CPA, PLLC  
CERTIFIED PUBLIC ACCOUNTANT

**INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Parkinson & Movement Disorder Alliance  
Phoenix, Arizona

**Opinion**

I have audited the accompanying financial statements of Parkinson & Movement Disorder Alliance (an Arizona nonprofit organization), which comprise the statements of financial position as of December 31, 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 my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parkinson & Movement Disorder Alliance as of December 31, 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.

**Basis for opinion**

I conducted my audits in accordance with auditing standards generally accepted in the United States of America. My responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I am required to be independent of Parkinson & Movement Disorder Alliance and to meet my other ethical responsibilities in accordance with the relevant ethical requirements relating to my audits. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

**Responsibilities of management for the financial statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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 Parkinson & Movement Disorder Alliance's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

**Auditor's responsibilities for the audit of the financial statements**

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- 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 audits 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 Parkinson & Movement Disorder Alliance'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 my judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Parkinson & Movement Disorder Alliance's ability to continue as a going concern for a reasonable period of time.

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



JENNIFER J. PHILLIPS, CPA, PLLC  
Tucson, Arizona

August 12, 2024

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
**STATEMENTS OF FINANCIAL POSITION**  
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 225,122	\$ 101,852
Sponsorship receivables	34,800	7,500
Bequest receivable - Note 11	241,753	-
Prepaid and other assets	<u>26,905</u>	<u>22,500</u>
	<u>\$ 528,580</u>	<u>\$ 131,852</u>
<b>LIABILITIES AND NET ASSETS</b>		
Liabilities:		
Accounts payable	\$ 40,215	\$ 521,406
Accrued expenses	42,323	35,501
Line of credit - Note 5	50,000	50,000
Deferred revenue - sponsorships	<u>410,000</u>	<u>-</u>
	542,538	606,907
Net assets (deficit):		
Without donor restrictions	(264,950)	(482,114)
With donor restrictions - Note 6	<u>250,992</u>	<u>7,059</u>
	<u>(13,958)</u>	<u>(475,055)</u>
	<u>\$ 528,580</u>	<u>\$ 131,852</u>

See Accompanying Notes.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2023

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Public support and revenues:			
Grants, contributions and bequests	\$ 416,396	\$ 248,042	\$ 664,438
In-kind contributions - Note 7	475,000	-	475,000
Corporate sponsorships	2,126,415	-	2,126,415
Fundraising events, net of direct donor benefit costs of \$0	20,706	-	20,706
Registrations and other program fees	26,889	-	26,889
Other	11,967	-	11,967
	<u>3,077,373</u>	<u>248,042</u>	<u>3,325,415</u>
Releases from restrictions	4,109	(4,109)	-
Total public support and revenues	<u>3,081,482</u>	<u>243,933</u>	<u>3,325,415</u>
Expenses:			
Program services	2,644,989	-	2,644,989
Administration	142,105	-	142,105
Fundraising	77,224	-	77,224
Total expenses	<u>2,864,318</u>	<u>-</u>	<u>2,864,318</u>
Change in net assets	217,164	243,933	461,097
Net assets (deficit), beginning of year, as restated - Note 10	<u>(482,114)</u>	<u>7,059</u>	<u>(475,055)</u>
Net assets (deficit), end of year	<u>\$ (264,950)</u>	<u>\$ 250,992</u>	<u>\$ (13,958)</u>

See Accompanying Notes.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
**STATEMENT OF ACTIVITIES**  
Year ended December 31, 2022

	<u>Without donor restrictions</u>	<u>With donor restrictions</u>	<u>Totals</u>
Public support and revenues:			
Grants, contributions and bequests	\$ 233,246	\$ 1,735	\$ 234,981
In-kind contributions - Note 7	624,150	-	624,150
Corporate sponsorships	2,678,400	-	2,678,400
Fundraising events, net of direct donor benefit costs of \$4,870	7,967	-	7,967
Registrations and other program fees	75,277	-	75,277
Other	13,115	-	13,115
	<u>3,632,155</u>	<u>1,735</u>	<u>3,633,890</u>
Releases from restrictions	5,670	(5,670)	-
Total public support and revenues	<u>3,637,825</u>	<u>(3,935)</u>	<u>3,633,890</u>
Expenses:			
Program services	3,960,928	-	3,960,928
Administration	190,937	-	190,937
Fundraising	111,705	-	111,705
Total expenses	<u>4,263,570</u>	<u>-</u>	<u>4,263,570</u>
Change in net assets	(625,745)	(3,935)	(629,680)
Net assets, beginning of year, as restated - Note 10	<u>143,631</u>	<u>10,994</u>	<u>154,625</u>
Net assets (deficit), end of year, as restated - Note 10	<u>\$ (482,114)</u>	<u>\$ 7,059</u>	<u>\$ (475,055)</u>

See Accompanying Notes.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2023

	<b>Program services</b>	<b>Administration</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 864,882	\$ 20,187	\$ 44,847	\$ 929,916
Payroll taxes and benefits	164,256	3,834	8,517	176,607
	<u>1,029,138</u>	<u>24,021</u>	<u>53,364</u>	<u>1,106,523</u>
Grants and honorariums	53,467	51	225	53,743
Advertising	13,080	816	814	14,710
Direct donor benefit	-	-	-	-
Insurance	-	3,624	-	3,624
Interest	-	8,805	-	8,805
Internet/online services	58,445	17,256	3,966	79,667
Licenses and subscriptions	812	24,509	350	25,671
Miscellaneous expense	1,002	1,570	450	3,022
Office supplies/expenses	14,740	220	-	14,960
Postage and printing	4,742	1,067	7,145	12,954
Professional services	822,298	57,921	9,129	889,348
Travel/training	647,265	2,245	1,781	651,291
Total functional expenses	<u>2,644,989</u>	<u>142,105</u>	<u>77,224</u>	<u>2,864,318</u>
Direct donor benefit	-	-	-	-
Total expenses	<u>\$ 2,644,989</u>	<u>\$ 142,105</u>	<u>\$ 77,224</u>	<u>\$ 2,864,318</u>

See Accompanying Notes.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
Year ended December 31, 2022

	<b>Program services</b>	<b>Administration</b>	<b>Fundraising</b>	<b>Total</b>
Salaries and wages	\$ 1,202,582	\$ 48,581	\$ 68,889	\$ 1,320,052
Payroll taxes and benefits	220,561	13,546	12,468	246,575
	<u>1,423,143</u>	<u>62,127</u>	<u>81,357</u>	<u>1,566,627</u>
Grants and honorariums	11,263	1,917	5,585	18,765
Advertising	48,425	1,886	51	50,362
Direct donor benefit	-	-	4,870	4,870
Insurance	-	9,126	-	9,126
Interest	-	1,257	-	1,257
Internet/online services	105,720	19,303	12,581	137,604
Licenses and subscriptions	28,009	239	434	28,682
Miscellaneous expense	-	2,637	-	2,637
Office supplies/expenses	11,220	2,748	153	14,121
Postage and printing	96,011	11,737	6,294	114,042
Professional services	1,044,237	35,682	939	1,080,858
Travel/training	1,192,900	42,278	4,311	1,239,489
Total functional expenses	<u>3,960,928</u>	<u>190,937</u>	<u>116,575</u>	<u>4,268,440</u>
Direct donor benefit	-	-	(4,870)	(4,870)
Total expenses	<u>\$ 3,960,928</u>	<u>\$ 190,937</u>	<u>\$ 111,705</u>	<u>\$ 4,263,570</u>

See Accompanying Notes.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
**STATEMENTS OF CASH FLOWS**  
Years ended December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash flows from operating activities:		
Change in net assets	\$ 461,097	\$ (629,680)
(Increase) decrease in operating assets:		
Sponsorship receivables	(27,300)	8,220
Bequest receivable	(241,753)	-
Prepaid and other assets	(4,405)	11,585
Increase (decrease) in operating liabilities:		
Accounts payable	(481,191)	471,766
Accrued expenses	6,822	(20,159)
Deferred revenue - sponsorships	410,000	(718,000)
Net cash provided by (used in) operating activities	<u>123,270</u>	<u>(876,268)</u>
 Cash flows provided by financing activities -		
Net draws (repayments) on line of credit	<u>-</u>	<u>50,000</u>
 Net change in cash and cash equivalents	123,270	(826,268)
 Cash and cash equivalents, beginning of year	<u>101,852</u>	<u>928,120</u>
 Cash and cash equivalents, end of year	<u>\$ 225,122</u>	<u>\$ 101,852</u>
 <u>Supplemental cash flow information</u>		
Cash paid for interest	<u>\$ 8,805</u>	<u>\$ 1,257</u>
No cash paid for income taxes in 2023 or 2022.		

See Accompanying Notes.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
NOTES TO FINANCIAL STATEMENTS  
December 31, 2023 and 2022

**NOTE 1 – Nature of operations**

Parkinson & Movement Disorder Alliance (Alliance) is incorporated in the state of Arizona as a nonprofit dedicated to offering opportunities for people impact by Parkinson's disease and other movement disorders to learn, live more fully and connect to the support community. The Alliance's programs include outreach, live and online education and a medical support network. The Alliance's primary public support comes from grants, contributions and corporate sponsorships.

**NOTE 2 – Summary of significant accounting policies**

*Cash and cash equivalents*

The Alliance considers all cash and highly liquid investments with an original maturity of three months or less which are neither held for nor restricted by donors for long-term purposes, to be cash and cash equivalents. The Alliance had no restricted cash as of either December 31, 2023 or 2022.

The Alliance manages deposit concentration risk by placing cash and cash equivalents with financial institutions believed to be creditworthy. At times, amounts on deposit may exceed insured limits. To date, the Alliance has not experienced losses in any of these accounts. As of both December 31, 2023 and 2022, there were no uninsured cash and cash equivalents.

*Net assets*

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

**Net assets without donor restrictions** – Net assets available for use in general operations and not subject to donor restrictions.

**Net assets with donor restrictions** – Net assets subject to donor (or certain grantor) imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that the resources be maintained in perpetuity.

The Alliance reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends, or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

*Revenue and revenue recognition*

Corporate sponsorship revenue is primarily an exchange transaction based upon the direct benefits sponsors receive. Any contribution element for the difference is immaterial and there is a right of return if the event does not take place. Benefits associated with annual sponsorships are transferred over the course of the year. Related to event sponsorships, all goods and services are transferred when the event occurs. The Alliance recognizes sponsorship revenue in the period earned.

All sponsorship receivables are due within one year. The Alliance determines the allowance for these receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable. At both December 31, 2023 and 2022, receivables were considered fully collectible by management, therefore no allowance for doubtful accounts has been provided.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
NOTES TO FINANCIAL STATEMENTS - continued  
December 31, 2023 and 2022

**NOTE 2 – Summary of significant accounting policies – continued**

The Alliance recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest 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 substantially met. At December 31, 2023 and 2022, conditional contributions approximating \$0 and \$99,720, respectively, have not been recognized in the accompanying financial statements.

*In-kind contributions*

Contributed nonfinancial assets include donated professional services, donated equipment, and other in-kind contributions which are recorded at the respective fair values of the goods or services received (Note 7). The Alliance does not sell donated gifts-in-kind. Contributed goods are recorded at fair value at the date of donation.

Donated services are recognized in the financial statements at their fair market value if the following criteria are met:

- The services require specialized skills and the services are provided by individuals possessing those skills.
- The services would typically need to be purchased if not donated.

The Alliance's volunteers contribute significant amounts of time to program services, administration, and fundraising and development activities; however, the financial statements do not reflect the value of these contributed services because they do not meet recognition criteria prescribed by generally accepted accounting principles.

*Functional allocation of expenses*

The Board of Directors has approved a plan to allocate costs to various programs, grants, contracts, agreements and functions.

The general approach of the plan follows:

- All allowable direct costs are charged to programs, grants, activities and functions;
- Allowable direct costs that can be identified to more than one program are prorated individually as direct costs using a base more appropriate to the particular cost being prorated;
- All other allowable general and administrative costs (costs that benefit all programs and cannot be identified to a specific program) are allocated using a base that results in an equitable distribution.

Management believes that the allocation base most equitable is personnel costs reflected on timesheets maintained by staff to charge time to functional areas.

*Advertising*

Advertising costs are expensed as incurred.

*Income tax status*

The Alliance is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. However, income from certain activities not directly related to the Alliance's tax-exempt purpose may be subject to taxation as unrelated business income. In addition, the Alliance qualifies for the charitable

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
NOTES TO FINANCIAL STATEMENTS - continued  
December 31, 2023 and 2022

**NOTE 2 – Summary of significant accounting policies – continued**

contribution deduction under Section 170(b)(1)(A) and has been classified as an organization other than a private foundation under Section 509(a)(1).

Management of the Alliance considers the likelihood of changes by taxing authorities in its filed tax returns and recognizes a liability for or discloses potential significant changes if management believes it is more likely than not for a change to occur, including changes to the organization's status as a not-for-profit entity. Management believes that the Alliance met the requirements to maintain its tax-exempt status and has no income subject to unrelated business income tax, therefore, no provision for income taxes has been provided in these financial statements. Accordingly, the Alliance has not filed an *Exempt Organization Business Income Tax Return* (Form 990-T) with the Internal Revenue Service (IRS) for either of the years ended December 31, 2023 or 2022.

*Use of estimates*

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent 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.

*Reclassifications*

Certain accounts in the prior-year statement of functional expenses have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

**NOTE 3 – Liquidity and availability**

Financial assets available for general expenditure (without donor or other restrictions limiting their use) within one year of the statement of financial position date comprise the following at December 31:

	2023	2022
Cash and cash equivalents	\$ 215,882	\$ 94,792
Sponsorship receivables	34,800	7,500
	\$ 250,682	\$ 102,292

Cash in excess of annual operating requirements is held in the Alliance's general checking account. The Alliance has no board-designated reserves.

**NOTE 4 – Subsequent events**

Management has evaluated subsequent events through August 12, 2024 which is the date the financial statements were available to be issued.

**NOTE 5 – Line of credit**

The Alliance has a \$50,000 unsecured revolving line of credit with a financial institution maturing March 2025. Interest is payable at a variable rate of the prime rate plus 1.95% (10.45% and 9.45% at December 31, 2023 and 2022, respectively). As of both December 31, 2023 and 2022, the balance owed on the line of credit was \$50,000.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
NOTES TO FINANCIAL STATEMENTS - continued  
December 31, 2023 and 2022

**NOTE 6 – Net assets with donor restrictions**

Net assets with donor restrictions were as follows for the year ended December 31, 2023:

	<u>Beginning balance</u>	<u>Contributions</u>	<u>Releases</u>	<u>Ending balance</u>
Specified purpose:				
Paws Walk	\$ 4,495	\$ 3,819	\$ (3,023)	\$ 5,291
Support Group of So. New Mexico	2,564	2,470	(1,086)	3,948
Timing - bequest receivable	<u>-</u>	<u>241,753</u>	<u>-</u>	<u>241,753</u>
	<u>\$ 7,059</u>	<u>\$ 248,042</u>	<u>\$ (4,109)</u>	<u>\$ 250,992</u>

Net assets with donor restrictions were as follows for the year ended December 31, 2022:

	<u>Beginning balance</u>	<u>Contributions</u>	<u>Releases</u>	<u>Ending balance</u>
Specified purpose:				
Move IT	\$ 550	\$ -	\$ (550)	\$ -
Pal Wellness	575	600	(1,175)	-
Paws Walk	4,621	-	(126)	4,495
Support Group of So. New Mexico	<u>5,248</u>	<u>1,135</u>	<u>(3,819)</u>	<u>2,564</u>
	<u>\$ 10,994</u>	<u>\$ 1,735</u>	<u>\$ (5,670)</u>	<u>\$ 7,059</u>

**NOTE 7 – In-kind contributions**

The Alliance received in-kind contributions which are included in the statements of functional expenses as follows for the years ended December 31, 2023 and 2022:

	<u>2023</u>	<u>2022</u>
Professional services	\$ 475,000	\$ 622,500
Travel/training	<u>-</u>	<u>1,650</u>
	<u>\$ 475,000</u>	<u>\$ 624,150</u>

Contributed services are provided by medical experts who present in-person and online workshops to people impacted by movement disorders. Contributed professional services are used in program services and are recognized at fair value based on current rates for similar services.

Contributed travel and training costs are valued using the actual costs incurred by the volunteer. Contributed travel and training is used in program services. All gifts-in-kind received during the years ended December 31, 2023 and 2022 were unrestricted.

**NOTE 8 – Related party transactions**

During the year ended December 31, 2022, a family member of the former CEO was compensated \$15,200 for professional services related to community development.

**PARKINSON & MOVEMENT DISORDER ALLIANCE**  
NOTES TO FINANCIAL STATEMENTS - continued  
December 31, 2023 and 2022

**NOTE 9 – Retirement plan**

The Alliance has a 401(k)-retirement plan (Plan) available for all employees to defer compensation. The Alliance may make discretionary employer profit-sharing contributions to the Plan. The Alliance did not make contributions to the Plan for either of the years ended December 31, 2023 or 2022. Employees are eligible to participate in the Plan's profit-sharing contributions after one year of service.

Participants are vested in the Plan as follows, based on years of service:

Less than 2	0%
2	20%
3	40%
4	60%
5	80%
6	100%

**NOTE 10 – Prior period adjustments**

During the year ended December 31, 2023, the following correction was made to net assets at December 31, 2022 and 2021:

	Net assets without donor restrictions	Net assets with donor restrictions	Total
Balance at December 31, 2021, as originally reported	\$ 143,631	\$ 728,994	\$ 872,625
Understatement of deferred revenue	-	(718,000)	(718,000)
Balance at December 31, 2021, restated	143,631	10,994	154,625
Change in net assets - 2022, as originally reported	(550,889)	(721,935)	(1,272,824)
Understatement of revenue	-	718,000	718,000
Understatement of accounts payable	(74,856)	-	(74,856)
Balance at December 31, 2022, restated	\$ (482,114)	\$ 7,059	\$ (475,055)

**NOTE 11 – Bequests receivable**

During the year ended December 31, 2023, the Alliance received notification that they had been named the beneficiary of a bequest of cash and cash equivalents. As the amount to be received was probable and estimable, it was included in bequests receivable as of December 31, 2023 in the amount of \$241,753. Payment was received during the year ended December 31, 2024.