AMERICAN PARKINSON DISEASE ASSOCIATION, INC.

FINANCIAL REPORTS
AUGUST 31, 2023 AND 2022

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.

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INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
American Parkinson Disease Association, Inc.
Staten Island, New York

Opinion

We have audited the accompanying financial statements of American Parkinson Disease Association, Inc. (a nonprofit organization) ("APDA"), which comprise the statement of financial position as of August 31, 2023 and 2022, and the related statements of activities and changes in net assets, 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 APDA as of August 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

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of APDA 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 these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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 APDA'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 generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of APDA'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 APDA'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.

Wiss & Company

WISS & COMPANY, LLP

Florham Park, New Jersey
March 29, 2024

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION

	August 31, 2023	August 31, 2022
ASSETS		
Cash and equivalents	$ 11,690,365	$ 9,881,328
Contributions receivable	183,500	19,999
Bequests receivable	1,106,954	4,830,823
Employee retention credit receivable	-	193,391
Long-term investments	3,522,956	3,361,696
Investments held for charitable gift annuities	142,163	158,803
Prepaid expenses and other assets	265,358	324,455
Operating lease right of use assets, net	641,434	-
Property and equipment, net	2,296,515	2,375,799
Beneficial interest in remainder trusts	2,277,371	2,161,241
Beneficial interest in perpetual trusts	1,329,951	1,286,671
Total Assets	$ 23,456,567	$ 24,594,206
LIABILITIES AND NET ASSETS		
LIABILITIES:		
Accounts payable and accrued expenses	$ 548,986	$ 733,665
Grants payable	1,499,750	1,049,535
Charitable gift annuities payable	119,917	159,680
Operating lease liabilities	664,109	-
Total Liabilities	2,832,762	1,942,880
COMMITMENTS		
NET ASSETS:		
Without donor restrictions	15,970,047	17,718,480
With donor restrictions	4,653,758	4,932,846
Total Net Assets	20,623,805	22,651,326
Total Liabilities and Net Assets	$ 23,456,567	$ 24,594,206

See accompanying notes to financial statements.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS

	August 31,					
	2023			2022		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
OPERATING SUPPORT AND REVENUES:						
Contributions	$ 9,888,704	$ 683,418	$ 10,572,122	$ 9,771,168	$ 721,875	$ 10,493,043
Bequests	2,798,598	-	2,798,598	7,918,637	19,812	7,938,449
Contributed services	18,671,875	-	18,671,875	2,670,800	-	2,670,800
Other revenue	91,354	-	91,354	44,994	78	45,072
	31,450,531	683,418	32,133,949	20,405,599	741,765	21,147,364
NET ASSETS RELEASED FROM RESTRICTIONS	1,121,916	(1,121,916)	-	1,506,900	(1,506,900)	-
Total Operating Support and Revenues	32,572,447	(438,498)	32,133,949	21,912,499	(765,135)	21,147,364
EXPENSES:						
Program services:						
Patient and program services	3,776,986	-	3,776,986	2,235,337	-	2,235,337
Research	2,782,983	-	2,782,983	2,329,015	-	2,329,015
Public and professional education	23,862,294	-	23,862,294	7,148,027	-	7,148,027
Total Program Services	30,422,263	-	30,422,263	11,712,379	-	11,712,379
Supporting Services:						
Management and general	1,570,642	-	1,570,642	1,242,524	-	1,242,524
Fundraising	2,562,317	-	2,562,317	2,209,833	-	2,209,833
Total Supporting Services	4,132,959	-	4,132,959	3,452,357	-	3,452,357
Total Expenses	34,555,222	-	34,555,222	15,164,736	-	15,164,736
Change in net assets from operations	(1,982,775)	(438,498)	(2,421,273)	6,747,763	(765,135)	5,982,628
NON-OPERATING (EXPENSES) REVENUES:						
Investment return, net	234,342	-	234,342	(203,299)	1,296	(202,003)
Change in value of split interest and annuity agreements	-	159,410	159,410	(45,594)	(755,048)	(800,642)
Employee retention credit	-	-	-	64,463	-	64,463
Paycheck protection program loan forgiveness	-	-	-	617,952	-	617,952
Total Non-Operating (Expenses) Revenues	234,342	159,410	393,752	433,522	(753,752)	(320,230)
CHANGE IN NET ASSETS	(1,748,433)	(279,088)	(2,027,521)	7,181,285	(1,518,887)	5,662,398
NET ASSETS, BEGINNING OF YEAR	17,718,480	4,932,846	22,651,326	10,537,195	6,451,733	16,988,928
NET ASSETS, END OF YEAR	$ 15,970,047	$ 4,653,758	$ 20,623,805	$ 17,718,480	$ 4,932,846	$ 22,651,326

See accompanying notes to financial statements.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2023

	Program Services				Support Services			TOTAL
	Patient and Program Services	Research	Public and Professional Education	Total	Management and General	Fundraising	Total	2023
Salaries	$ 920,414	$ 350,911	$ 1,635,921	$ 2,907,246	$ 690,839	$ 484,452	$ 1,175,291	$ 4,082,537
Payroll tax and fringe benefits	274,420	104,624	487,747	866,791	205,973	144,438	350,411	1,217,202
Grants and awards	1,779,017	2,021,251	-	3,800,268	-	-	-	3,800,268
Donated media	-	-	18,664,875	18,664,875	-	-	-	18,664,875
Outside consulting fees	207,926	79,273	638,466	925,665	167,664	356,198	523,862	1,449,527
Postage	30,213	11,519	647,899	689,631	48,311	561,167	609,478	1,299,109
Stationary and printing	54,348	20,721	562,007	637,076	60,869	455,688	516,557	1,153,633
Meetings and travel	55,259	21,065	98,215	174,539	41,476	29,085	70,561	245,100
Office	56,146	21,406	122,084	199,636	43,102	50,008	93,110	292,746
Computer, equipment, and website	62,494	23,826	136,983	223,303	48,025	56,667	104,692	327,995
Mailings	1,988	758	193,579	196,325	9,690	175,441	185,131	381,456
Occupancy	48,723	18,576	86,598	153,897	36,570	25,644	62,214	216,111
Direct donor benefit	45,108	17,198	80,174	142,480	33,857	23,743	57,600	200,080
Maintenance and repairs	11,311	4,312	20,103	35,726	8,489	5,953	14,442	50,168
Legal	46,243	17,630	82,191	146,064	34,709	24,340	59,049	205,113
Telephone	21,679	8,265	38,532	68,476	16,272	11,411	27,683	96,159
Dues, subscriptions, licenses and fees	15,508	5,913	27,564	48,985	11,640	8,163	19,803	68,788
Insurance	23,210	8,849	41,252	73,311	17,421	12,216	29,637	102,948
Accounting	56,468	21,529	100,365	178,362	42,383	29,721	72,104	250,466
Marketing and advertising	27,426	10,456	128,269	166,151	24,016	87,410	111,426	277,577
Depreciation	36,451	13,897	64,787	115,135	27,359	19,185	46,544	161,679
Other miscellaneous expenses	2,634	1,004	4,683	8,321	1,977	1,387	3,364	11,685
Total	$ 3,776,986	$ 2,782,983	$ 23,862,294	$ 30,422,263	$ 1,570,642	$ 2,562,317	$ 4,132,959	$ 34,555,222

See accompanying notes to financial statements.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED AUGUST 31, 2022

	Program Services				Support Services			TOTAL
	Patient and Program Services	Research	Public and Professional Education	Total	Management and General	Fundraising	Total	2022
Salaries	$ 694,632	$ 301,390	$ 1,199,152	$ 2,195,174	$ 497,775	$ 331,871	$ 829,646	$ 3,024,820
Payroll tax and fringe benefits	219,579	95,272	386,622	701,473	157,351	104,907	262,258	963,731
Grants and awards	610,155	1,623,874	-	2,234,029	-	-	-	2,234,029
Donated media	-	-	2,670,800	2,670,800	-	-	-	2,670,800
Outside consulting fees	199,379	86,507	609,784	895,670	154,741	313,545	468,286	1,363,956
Postage	43,402	18,831	690,447	752,680	59,790	548,523	608,313	1,360,993
Stationary and printing	45,887	19,910	520,969	586,766	53,473	400,710	454,183	1,040,949
Meetings and travel	34,734	15,070	59,962	109,766	24,890	16,595	41,485	151,251
Office	57,485	24,942	139,508	221,935	43,584	71,443	115,027	336,962
Computer, equipment, and website	41,792	18,133	89,767	149,692	30,770	35,076	65,846	215,538
Mailings	5,183	2,249	171,733	179,165	11,301	142,058	153,359	332,524
Occupancy	43,400	18,831	74,923	137,154	31,101	20,735	51,836	188,990
Direct donor benefit	19,505	8,463	33,671	61,639	13,977	9,318	23,295	84,934
Maintenance and repairs	9,879	4,286	17,054	31,219	7,079	4,720	11,799	43,018
Legal	20,868	9,054	36,025	65,947	14,954	9,972	24,926	90,873
Telephone	18,104	7,855	31,253	57,212	12,973	8,649	21,622	78,834
Dues, subscriptions, licenses and fees	12,718	5,518	21,955	40,191	9,114	6,075	15,189	55,380
Insurance	25,444	11,040	36,364	72,848	18,233	12,155	30,388	103,236
Accounting	84,434	36,635	145,760	266,829	60,506	40,340	100,846	367,675
Marketing and advertising	2,750	1,193	132,854	136,797	7,942	111,161	119,103	255,900
Depreciation	31,911	13,846	55,089	100,846	22,868	15,245	38,113	138,959
Other miscellaneous expenses	14,096	6,116	24,335	44,547	10,102	6,735	16,837	61,384
Total	$ 2,235,337	$ 2,329,015	$ 7,148,027	$ 11,712,379	$ 1,242,524	$ 2,209,833	$ 3,452,357	$ 15,164,736

See accompanying notes to financial statements.

AMERICAN PARKINSON DISEASE ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS

	Year Ended August 31, 2023	Year Ended August 31, 2022
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in net assets	$ (2,027,521)	$ 5,662,398
Adjustments to reconcile changes in net assets to net cash flows from operating activities:		
Net investment return on long-term investments	(134,289)	196,891
Proceeds from donated investments	(26,971)	(38,755)
Change in value of charitable gift annuities	(9,208)	75,451
Depreciation	161,679	138,959
Amortization of operating lease right of use assets	103,543	-
Change in beneficial interest in remainder trusts	(116,130)	490,550
Change in beneficial interest in perpetual trusts	(43,280)	264,498
Forgiveness of paycheck protection program loan	-	(617,952)
Changes in operating assets and liabilities:		
Contributions receivable	(163,501)	-
Bequests receivable	3,723,869	(4,610,556)
Employee retention credit receivable	193,391	(64,464)
Prepaid expenses and other current assets	59,097	(109,836)
Accounts payable and accrued expenses	(184,679)	(51,532)
Grants payable	450,215	(1,184,150)
Operating lease liabilities	(80,868)	-
Net cash flows from operating activities	1,905,347	151,502
CASH FLOWS FROM INVESTING ACTIVITY-		
Purchase of property and equipment	(82,395)	(72,575)
Net cash flows from investing activity	(82,395)	(72,575)
CASH FLOWS FROM FINANCING ACTIVITY-		
Payments to beneficiaries of charitable gift annuities	(13,915)	(14,537)
Net cash flows from financing activity	(13,915)	(14,537)
NET CHANGE IN CASH AND EQUIVALENTS	1,809,037	64,390
CASH AND EQUIVALENTS, BEGINNING OF YEAR	9,881,328	9,816,938
CASH AND EQUIVALENTS, END OF YEAR	$ 11,690,365	$ 9,881,328
SUPPLEMENTAL CASH FLOW INFORMATION:		
Property and equipment additions financed by accounts payable	$ -	$ 22,600
Right of use assets from operating lease liabilities	$ 744,977	$ -

See accompanying notes to financial statements.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies:

Nature of the Organization - Founded in 1961, the American Parkinson Disease Association, Inc. ("APDA") is a not-for-profit organization committed to serving the Parkinson community through a comprehensive program of research, patient education and support. APDA's mission of "Every day, we provide the support, education, and research that will help everyone impacted by Parkinson's disease live life to the fullest" is accomplished through the following programs:

Patient and Program Services - APDA has developed a network of Chapters and Information and Referral Centers nationwide to promote awareness and provide information to persons suffering from Parkinson's disease.

Research - APDA sponsors research into the cause, diagnosis, treatment and cure of Parkinson's disease.

Public and Professional Education - APDA sponsors educational conferences for professionals, patients, caregivers and families, and publishes a quarterly newsletter, educational booklets and other materials about Parkinson's disease.

APDA has an office in New York and 16 chapters throughout the United States. APDA is supported primarily through public donations.

Cash and Equivalents and Credit Risk - Cash and equivalents include money market accounts and other highly liquid short-term investments, purchased with maturities of three months or less except those included as part of APDA's long-term investments (see Note 4). Cash is maintained in financial institutions that are insured by the Federal Deposit Insurance Corporation ("FDIC") of up to $250,000 each. At times, cash balances may be in excess of the FDIC insurance limit. APDA has not experienced any losses in such accounts and believes it is not exposed to any significant risk on cash.

Bequests and Contributions Receivable - Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. In subsequent years, amortization of the discounts is included in contribution revenue in the statements of activities. APDA determines the allowance for uncollectable receivables based on historical experience, an assessment of economic conditions, and a review of subsequent collections. Receivables are written off when deemed uncollectable.

Employee Retention Credit Receivable - In 2021, APDA claimed Employee Retention Credits ("ERC") totaling $128,927 under the CARES Act, enacted on March 27, 2020. An additional amount of $64,464 was claimed in 2022. ERC revenue represents refundable tax credits against certain employer taxes already paid on Form 941 Employer Quarterly Federal Tax. APDA's policy is to account for the ERC as contributions, which are conditioned upon certain eligibility requirements and the incurrence of qualifying expenses. Amounts claimed are recognized as a revenue and a receivable in the period the conditions have been met. Receivables for refund claims were fully collected during fiscal year ended August 31, 2023.

Long-Term Investments - Investments are stated at fair value based upon quoted market values. Net investment return is reported in the statements of activities and changes in net assets and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses. Net investment return is reported as net assets without donor restriction unless its use is restricted by explicit donor stipulation or by law. Purchases and sales of investments are recorded on a settlement date basis. The cost of securities sold is determined using the specific identification method.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

The investments are protected by the Securities Insurance Protection Corporation ("SIPC"), which provides limited insurance in certain circumstances for securities and cash held in brokerage accounts. The insurance is limited to $500,000 for securities and $250,000 for cash balances. The insurance does not protect against investment losses. At times, such balances may be in excess of SIPC insured limits.

Split Interest Agreements - Generally Accepted Accounting Principles ("GAAP") requires the recording of all unconditional, irrevocable split interest agreements under which APDA is entitled to receive a benefit.

Charitable Gift Annuities - Charitable gift annuities consist of contributions received subject to annuity contracts under which APDA is obligated to make agreed-upon periodic payments during the lives of the donors or designated beneficiaries of the donors. Upon the receipt of a gift annuity, the net present value of the actuarially determined annuity payable is recognized as a liability, and the remainder received in excess of this liability is recorded as contribution revenue. The liability for future payments is decreased by payments made to donors or to the designated beneficiaries. Annual adjustments are made based upon actuarial valuations of the obligations for future annuity payments and reflected as a change in value of split interest agreements in the statements of activities and changes in net assets. As of August 31, 2023 and 2022, APDA has 10 charitable gift annuity contracts outstanding with a gross gift value of $230,228.

APDA is required by state mandate to establish a reserve which amounted to $134,532 and $139,995 at August 31, 2023 and 2022, respectively. At August 31, 2023 and 2022, the total investment assets held for charitable gift annuities were $142,163 and $158,803, respectively, at fair value, which exceeds the minimum requirement. At August 31, 2023 and 2022, the actuarial present value of the annuities payable is $119,917 and $159,680, respectively, which is calculated using applicable mortality tables and Internal Revenue Service discount rates which vary from 2.2% to 6.2%.

Beneficial Interests in Remainder Trusts Held by Others - APDA has been named as an irrevocable beneficiary of charitable remainder trusts held and administered by independent trustees. These trusts were created independently by donors and are administered by outside agents designated by the donors. Therefore, APDA has neither possession nor control over the assets of the trusts. A charitable remainder trust is an arrangement in which the donor establishes and funds a trust with specific distributions to be made to a specified party over a specified period. Upon termination of the trust, the remainder of the trust's assets are paid to the beneficiaries designated by the donor. At the date APDA receives notice of a beneficial interest, a contribution with donor restrictions is recorded in the statements of activities and changes in net assets, and a beneficial interest in remainder trusts is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value reflected as a change in value of split interest agreements in the statements of activities and changes in net assets.

Beneficial Interests in Perpetual Trusts Held by Others - APDA has been named as an irrevocable beneficiary in perpetual trusts held and administered by independent trustees. Under the terms of the trust, APDA has the right to receive its portion of the income earned on the trust assets in perpetuity, but never receives the assets held in trust. At the date APDA receives notice of a beneficial interest, a contribution with donor restrictions of a perpetual nature is recorded in the statements of activities and changes in net assets, and a beneficial interest in perpetual trust is recorded in the statements of financial position at the fair value of the underlying trust assets. Thereafter, beneficial interests in the trusts are reported at the fair value of the trusts' assets in the statements of financial position, with trust distributions and changes in fair value reflected as a change in value of split interest agreements in the statements of activities and changes in net assets.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

Operating and Finance Leases - As of September 1, 2022, APDA categorizes leases with contractual terms longer than twelve months as either operating or finance. The operating leases at August 31, 2023 have terms of 5 to 8 years for property. Former capital leases are now referred to as finance leases and operating leases are now recorded on statements of financial position and referred to as operating leases; both finance and operating leases are considered right of use assets. APDA has elected the practical expedient to not capitalize leases with a term of twelve months or less. These short-term leases are instead expensed as incurred on a straight-line basis. APDA also elected the practical expedient to utilize the risk-free rate for all classes of assets when the rate implicit in the lease is not determinable. Lastly, APDA elected the practical expedient to not separate the lease from non-lease components. At August 31, 2023, management has determined that these assets are not impaired.

Property and Equipment - APDA capitalizes all acquisitions in excess of $2,500 at cost or, if donated, at their fair value at the date of the gift. When fixed assets are sold or retired, the related costs and accumulated depreciation are removed from the accounts and any gain or loss is reported as income.

Depreciation is computed by the straight-line method based on the estimated useful lives of the related assets. Expenditures for maintenance and repairs are expensed as incurred. Estimated useful lives are:

Building	30 years
Building improvements	20 - 30 years
Leasehold improvements	3 - 5 years
Computer and software	3 - 5 years
Furniture and equipment	3 - 7 years

***Long-Lived Assets* -** APDA evaluates all long-lived assets for impairment. Long-lived assets are evaluated for impairment whenever events or changes in circumstances indicate that the carrying value of an asset may not be recoverable. If the carrying amount is not fully recoverable, an impairment loss is recognized to reduce the carrying amount to fair value and is charged to expense in the period of impairment. At August 31, 2023 and 2022, management has determined that these assets are not impaired.

Paycheck Protection Program Loan - In April 2020, APDA applied for and received funding for a Paycheck Protection Program ("PPP") loan totaling $502,700 under the U.S. Small Business Administration ("SBA"), which is part of the Coronavirus Aid, Relief, and Economic Security Act ("CARES"), enacted on March 27, 2020. In March 2021, APDA applied for and received additional PPP funding in the amount of $617,952. Under the terms of the PPP, up to 100% of the principal and accrued interest may be forgiven if certain criteria are met and the loan proceeds are used for qualifying expenses such as payroll costs, benefits, rent, and utilities as described in the CARES Act. Additionally, there is a deferral period from the date of the loan funding in which there are no payments of principal, interest or fees through the date that the SBA remits the borrower's loan forgiveness amount. The loan accrues interest at a rate of 1% and any portion of the principal and interest that is not forgiven is required to be paid through April 2022. APDA's policy is to account for the PPP loan as debt until either (1) the loan is partially or entirely forgiven and the debtor has been legally released, at which point the amount forgiven would be recorded into income or (2) APDA pays off the loan. During the year ended August 31, 2021, APDA was officially forgiven for the first PPP loan in the total amount of $502,700. During the year ended August 31, 2022, APDA was officially forgiven for the second PPP loan in the total amount of $617,952.

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:

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

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-imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

Support and Revenue Recognition - APDA recognizes revenue following applicable guidance, which is determined by the existence or absence of a reciprocal exchange transaction.

Concentrations - For the year ended August 31, 2023, receivables from three sources accounted for 85% of total bequests receivable at August 31, 2023. For the year ended August 31, 2022 approximately 21% of APDA's total operating support and revenues was provided by one source. Receivable from this source accounted for 83% of total bequests receivable at August 31, 2022.

Contributions - APDA 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.

Special events revenue is comprised of an exchange element based upon the direct benefits donors receive and a conditional contribution element for the difference. Special events revenue equal to the fair value of direct benefits to donors is recognized when the special event takes place. The contribution element of special event revenue is recognized immediately, unless there is a right of return if the special event does not take place.

Bequests - APDA has been named beneficiary under various wills. Bequests are recognized as receivables and contributions if they are irrevocable, unconditional, and measurable. If a gift does not meet these criteria, it is not recognized as contribution revenue until the will is declared valid and subject to final distribution. At that time, APDA recognizes the contribution at fair value, net of a discount for likely fees and taxes, based on historical experience. No allowance for doubtful bequests is considered necessary by management for the years ended August 31, 2023 and 2022. Bequests receivable are normally expected to be fully collected within one year and any receivable in excess of one year is subject to discounting.

Contributed Services - Donated services that meet the requirements for recognition are recorded as revenue and expenses in the accompanying statement of activities at their fair value. The majority of the donated service is directly related to APDA's awareness campaign and public education, which is included in public education in the accompanying statement of functional expenses. Contributed services include donated media (television and radio broadcasting and other forms of media, including public service announcements) valued at $18,664,875 and $2,670,800 for the years ended August 31, 2023 and 2022, respectively, in addition to other miscellaneous contributed items for use valued at $7,000 for the year ended August 31, 2023. The fair value of the donated media is determined based on consideration of cash payments typically made by buyers for similar advertising and media, standard discounts given for similarly placed media, the media type and placement and other considerations. All donated services were utilized by APDA and there were no donor-imposed restrictions associated with the donated services.

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

APDA does not recognize any revenue or expense from services contributed by volunteers because it does not meet the criteria for recognition under Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 958, *Not-for-Profit Entities*.

Grants and Awards - Grants and awards given to other organizations are recognized in the period the award is approved by management, and grant recipients are notified and grant conditions, if any, are met. APDA had approximately $100,000 and $0 in conditional grants that are not recognized on the statements of functional expenses, as the conditions have not been met, as of August 31, 2023, and 2022, respectively. Such grants are conditioned on providing progress metric reports at various points throughout the grant term. The reports are designed to provide transparency for funding, center performance, and compliance with the terms of the agreement. Grants that are expected to be paid within one year are recorded at net realizable value. Grants that are expected to be paid in future years are recorded at the present value of their estimated cash flows. The discounts on those grants are computed using risk-free interest rates applicable to the years in which the grants are made. Amortization of the discounts is included in grants and related expenses.

Functional Allocation of Expenses - The costs of providing the various programs and other activities have been summarized on a functional basis. Accordingly, certain costs have been allocated among the programs and supporting services benefited as well as the percentage of time and hours worked by the personnel on the programs. Other expenses are allocated on the basis of direct costs.

Income Taxes - APDA is exempt from income taxes under Section 501(c)(3) of the Internal Revenue Code and, therefore, has made no provision for Federal or State Income taxes in the accompanying financial statements. APDA has been determined by the Internal Revenue Service not to be a "private foundation" within the meaning of Section 509(a)(1) of the Internal Revenue Code.

Other significant tax positions include its determination of whether any amounts are subject to unrelated business income tax ("UBIT"). All significant tax positions have been considered by management and it has been determined that all tax positions would be sustained upon examination by taxing authorities. The most significant jurisdictions in which APDA is required to file tax returns include the U.S. Federal jurisdiction and the State of New York, although APDA files in almost every state. APDA is subject to examination by the Federal taxing authority up to three years from the extended due date of the tax return. As of August 31, 2023, tax years ending in 2020 through 2022 are open to examination, with limited exceptions for various states.

Estimates and Uncertainties - The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the 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 revenue and expenses during the reporting period. Actual results, as determined at a later date, could differ from those estimates.

***Reclassifications* -** Certain prior period amounts have been reclassified for consistency with the current year presentation. These reclassifications were limited to the statements of functional expenses and had no impact on the change in net assets or on total net assets.

Newly Adopted Accounting Standards - On September 1, 2022, APDA adopted ASU No. 2016-02, "Leases (Topic 842)," which replaces the existing guidance in ASC 840 – Leases. This ASU requires a dual approach for lessee accounting under which a lessee would account for leases as finance leases or operating leases. Both finance leases and operating leases result in the lessee recognizing a right-of-use asset and a corresponding lease liability. For finance leases, the lessee recognizes interest expense and amortization of the right-of-use asset and for operating leases, the lessee would recognize a straight-line lease expense. This ASU is effective for fiscal years beginning after December 15, 2021. APDA adopted the standard using the effective

Note 1 - Nature of the Organization and Summary of Significant Accounting Policies (continued):

date method, and therefore did not adjust prior period amounts and continues to report those in accordance with historic accounting policies resulting in a statement of financial position presentation that is not comparable to the prior period in the first year of adoption. With adoption, APDA elected the package of three practical expedients, including to retain the historical lease classification, relief from reviewing expired or existing contracts to determine if they contain leases, as well as not reviewing previously capitalized initial direct costs to see if they would qualify for capitalization under Topic 842. APDA also elected to not separate lease and non-lease components. The adoption of this ASU resulted in the recognition of operating lease assets and liabilities of approximately $745,000 with no adjustment to opening net assets and no effect on the change in net assets.

Recently Issued Accounting Pronouncements - In June 2016, the FASB issued Accounting Standards Update ("ASU") 2016-13 *Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments*, including subsequently issued ASUs, to clarify the implementation guidance in ASU 2016-13. The amendment requires a financial asset (or group of financial assets) such as trade receivables, to be assessed for impairment under a current expected credit loss model rather than an incurred loss model. The measurement of expected credit losses is based on relevant information about past events, including historical experience, current conditions and reasonable and supportable forecasts that affect the collectability of the reported amount. ASU 2016-13 took effect for private companies' fiscal years beginning after December 15, 2022. Early adoption is permitted. APDA is evaluating the impact of adopting this new accounting guidance on the financial statements.

Subsequent Events - Management has reviewed and evaluated all events and transactions from August 31, 2023 through March 29, 2024 the date that the financial statements were available for issuance. The effects of those events and transactions that provide additional pertinent information about conditions that existed at the statement of financial position date have been recognized in the accompanying financial statements.

Note 2 - Liquidity and Availability:

Management regularly monitors the availability of resources required to meet its operating needs. For purposes of analyzing resources available to meet general expenses over a 12-month period, management considers all expenses related to its ongoing activities. Financial assets available for general expense, that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, are comprised of the following:

	August 31, 2023	August 31, 2022
Financial assets at year end:		
Cash and equivalents	$ 11,690,365	$ 9,881,328
Contributions receivable	183,500	19,999
Bequests receivable	1,106,954	4,830,823
Empoyee retention credit receivable	-	193,391
Long-term investments	3,522,956	3,361,696
Less: Purpose Restrictions (Note 8)	(707,763)	(1,139,882)
Less: Special Events (Note 8)	(163,296)	(169,675)
Less: Endowments (Note 9)	(175,377)	(175,377)
Financial assets available to meet general expenditures over the next twelve months	$ 15,457,339	$ 16,802,303

Management does not anticipate an unanticipated liquidity need, as there are sufficient financial assets available to meet operating needs over the next twelve months.

Note 3 – Contributions and Bequests Receivable:

Contributions and bequests receivable are due as follows:

	August 31, 2023	August 31, 2022
Contributions receivable:		
Less than one year	$ 183,500	$ 19,999
Bequests receivable:		
Less than one year	$ 1,106,954	$ 4,830,823

Note 4 - Investments at Fair Value - Recurring:

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

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

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

Following is a description of the valuation methodologies used for assets measured at fair value.

- Mutual Funds - equities and fixed income: Valued at the closing price reported from an actively traded exchange.
- Beneficial Interest in Trusts (held by others): Valued using the fair value of fund investments as reported by a third party.

Note 4 - Investments at Fair Value – Recurring (continued):

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

The following table sets forth by level, within the fair value hierarchy, APDA's assets at fair value:

	Fair Value as of August 31, 2023			
	Level 1	*Level 2*	*Level 3*	*Total*
Long-term investments:				
Cash	$ 266,935	$ -	$ -	$ 266,935
Mutual Funds- Fixed Income	8,673	-	-	8,673
Mutual Funds- Equities	3,247,348	-	-	3,247,348
Total long-term investments	$ 3,522,956	$ -	$ -	$ 3,522,956
Investments in charitable gift annuities:				
Cash	$ 588	$ -	$ -	$ 588
Mutual Funds - Fixed Income	141,575	-	-	141,575
Total investments in charitable gift annuities	$ 142,163	$ -	$ -	$ 142,163
Beneficial interest in remainder trusts	$ -	$ -	$ 2,277,371	$ 2,277,371
Beneficial interest in perpetual trusts	$ -	$ -	$ 1,329,951	$ 1,329,951

	Fair Value as of August 31, 2022			
	Level 1	*Level 2*	*Level 3*	*Total*
Long-term investments:				
Cash	$ 426,558	$ -	$ -	$ 426,558
Mutual Funds- Fixed Income	18,156	-	-	18,156
Mutual Funds- Equities	2,916,982	-	-	2,916,982
Total long-term investments	$ 3,361,696	$ -	$ -	$ 3,361,696
Investments in charitable gift annuities:				
Cash	$ 2,353	$ -	$ -	$ 2,353
Mutual Funds - Fixed Income	156,450	-	-	156,450
Total investments in charitable gift annuities	$ 158,803	$ -	$ -	$ 158,803
Beneficial interest in remainder trusts	$ -	$ -	$ 2,161,241	$ 2,161,241
Beneficial interest in perpetual trusts	$ -	$ -	$ 1,286,671	$ 1,286,671

Note 4 - Investments at Fair Value – Recurring (continued):

	Fair Value Measurements at Report Date Using Significant Unobservable Inputs (Level 3)	
	Beneficial Interests	
	August 31,	
	2023	
	Remainder	Perpetual
Balance, at beginning of year	$ 2,161,241	$ 1,286,671
Investment return, net	127,134	73,280
Distributions	(11,004)	(30,000)
Balance, at end of year	$ 2,277,371	$ 1,329,951
	2022	
	Remainder	Perpetual
Balance, at beginning of year	$ 2,651,791	$ 1,551,169
Investment return, net	(478,323)	(217,150)
Distributions	(12,227)	(47,348)
Balance, at end of year	$ 2,161,241	$ 1,286,671

Note 5 - Property and Equipment:

Property and equipment consisted of the following:

	August 31,	
	2023	2022
Land	$ 696,071	$ 696,071
Building	2,820,627	2,820,627
Improvements	612,464	548,435
Computer and software	181,804	163,438
Furniture and equipment	170,244	170,244
	4,481,210	4,398,815
Less: Accumulated depreciation	(2,184,695)	(2,023,016)
Property and equipment, net	$ 2,296,515	$ 2,375,799

Note 6 - Grants Payable:

APDA has agreements with various institutions that are payable in installments. Some agreements are conditional on continued appropriate performance, reporting requirements, and adequate funding and others are unconditional. APDA has unconditional grant commitments payable as follows as of:

Year Ending August 31,	
2024	$ 1,199,750
2025	300,000
	$ 1,499,750

Note 7 - Leases:

APDA leases office space from unrelated companies under non-cancelable operating leases expiring through 2029. The operating lease right of use assets and operating lease liabilities are payable in monthly installments. Total costs recognized in the statements of functional expenses related to operating lease costs and included with Occupancy totaled $124,653 for the year ended August 31, 2023. The weighted-average remaining lease term for the operating leases is 4.96 years and the weighted-average risk-free rate is 3.38%. Cost of these assets totaled $744,977 and accumulated amortization totaled $103,543 for a net asset total of $641,434 at August 31, 2023.

As of August 31, 2023, APDA's lease liability was as follows:

	Operating Leases
Gross undiscounted lease liabilities	$ 721,448
Less: Imputed interest	(57,339)
Present value of lease liabilties	664,109
Less: Current portion of lease liabilities	(118,640)
Long-term lease liabilties	$ 545,469

The following summarizes APDA's undiscounted principal commitments of the lease liabilities discussed above:

Year Ending August 31,	Operating Leases
2024	$ 138,858
2025	142,778
2026	146,764
2027	150,817
2028	116,087
Thereafter	26,144
	$ 721,448

Rent expense for the year ended August 31, 2022 totaled $128,660 and is included in occupancy in the statements of functional expenses.

As of August 31, 2023, operating cash flows from operating leases totaled approximately $102,000, which includes both principal and interest payments.

Note 8 – Net Assets with Donor Restrictions:

Net assets with donor restrictions are available for the following purposes as stipulated by donors:

	Year Ended August 31, 2023	Year Ended August 31, 2022
Subject to expenditure for specified purpose:		
Specific research activities	$ 240,045	$ 245,481
Patient services	142,092	485,224
Local chapters and other uses	325,626	409,177
	707,763	1,139,882
Subject to the passsage of time		
Special events	163,296	169,675
Beneficial interest in remainder trusts	2,277,371	2,161,241
	2,440,667	2,330,916
Endowments (see Note 9)		
Subject to appropriation and expenditure when a specified event occurs:		
Restricted by donors for research	2,447	2,447
Perpetual in nature, earnings from which are subject to endowment spending policies and appropriation	172,930	172,930
	175,377	175,377
Beneficial interest in perpetual trusts	1,329,951	1,286,671
	$ 4,653,758	$ 4,932,846

Note 9 - Endowment Funds:

APDA maintains a donor-restricted fund whose purpose is to provide long-term support for its patient services, research, and education programs. As required by accounting principles generally accepted in the United States of America, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

Interpretation of Relevant Law

Management has interpreted the New York Prudent Management of Institutional Funds Act (NYPMIFA) 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, APDA classifies as permanently restricted net assets (a) the original value of gifts donated to the permanent endowment, (b) original gift of subsequent gifts to the permanent endowment, and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund that is not classified as permanently restricted net assets is classified as temporarily restricted net assets until those amounts are appropriated for expenditure by APDA in a manner consistent with the standard of prudence prescribed by NYPMIFA. In accordance with NYPMIFA, APDA considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

Note 9 - Endowment Funds (continued):

(1) The duration and preservation of the endowment fund;

(2) The purposes of the institution and the endowment fund;

(3) General economic conditions;

(4) The possible effect of inflation or deflation;

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

(6) Other resources of the institution;

(7) Where appropriate and circumstances would otherwise warrant, alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the institution; and

(8) The investment policy of the institution

Investment Objectives

APDA has adopted an investment policy that primarily emphasizes the preservation of the capital and secondarily maximizes the total return. Investment returns are expected to provide adequate funds to sufficiently support designated needs and preserve or enhance the real value of APDA. In establishing the investment objectives of APDA, management has taken into account the time horizon available for investment, the nature of APDA's cash flows and liabilities, and other factors that affect APDA's risk tolerance.

Strategies Employed for Achieving Objectives

To satisfy its long-term objectives, APDA will ensure appropriate diversification to marketable equity securities. There shall be no Securities and Exchange Commission unregistered securities, private placement, venture capital, or direct investments in real or personal property. Approved investments include among others equity securities and fixed income securities.

Spending Policy

APDA has a policy of appropriating for expenditure the amount needed to cover the expenses of the related endowment projects. The spending policy is followed unless the fair value of endowment assets is less than its respective historical dollar value or there are specific donor stipulations to the contrary.

Changes in Donor-Restricted Endowment Net Assets

	Year Ended August 31,	
	2023	2022
	With Donor Restrictions	
Endowment net assets, beginning of year	$ 175,377	$ 174,081
Investment return, net	-	1,296
Appropriation for expenditure	-	-
Endowment net assets, end of year	$ 175,377	$ 175,377

Note 10 - Allocation of Joint Costs:

During the years ended August 31, 2023 and 2022, APDA incurred joint costs for mailings that included fund-raising appeals. Such joint costs were allocated as follows:

	August 31, 2023	August 31, 2022
Fundraising costs	$ 1,510,702	$ 1,433,381
Management and general	71,015	77,914
Public and professional education	1,646,278	1,671,653
	$ 3,227,995	$ 3,182,948

Note 11 - Retirement Plans:

APDA is a member of the New York City Cultural Institutions Retirement System ("CIRS") which administers three separate multiemployer plans – a savings plan, a pension plan, and a group life and welfare benefits plan.

Savings Plan

The savings plan is a 401(k)-retirement plan which allows employees to defer up to 50% of their salaries on a pre-tax basis up to a maximum of $22,500 and $20,500 in 2023 and 2022, respectively, or $30,000 and $27,000 in 2023 and 2022, respectively, for employees age 50 and older.

Employees are 100% vested in their accounts which include their contributions, employer-matching contributions and investment gains, if any. During the fiscal years ended August 31, 2023 and 2022, employer matching was suspended and no contribution was required. APDA did not make any contributions to the savings plan during the fiscal years ended August 31, 2023 and 2022.

Multi-Employer Pension Plan

Certain employees are covered by a collectively bargained, multi-employer pension plan. Contributions are determined in accordance with the provisions of negotiated labor contracts and generally are based on the number of hours worked.

Under U.S. legislation regarding such pension plans, a company is required to continue funding its proportionate share of a plan's unfunded vested benefits in the event of withdrawal (as defined by the legislation) from a plan or plan termination. APDA may have a potential obligation as a participant. The information required to determine the total amount of the contingent obligation, is not readily available. However, APDA has no present intention of withdrawing from any of these plans, nor has APDA been informed that there is any intention to terminate such plans.

APDA's contribution to the pension plan during the fiscal years ended August 31, 2023 and 2022 totaled $312,378 and $262,947, respectively. APDA's contributions do not represent more than 5% of the total contributions received by the plan for both periods presented.

Note 11 - Retirement Plans (continued):

APDA's participation in these plans is outlined in the following table. The most recent Pension Protection Act Zone Status available in 2023 and 2022 is for the Plan's year-end at June 30, 2023 and 2022, respectively. Among other factors, generally, plans in the red zone are less than 65 percent funded, plans in the yellow zone are less than 80 percent funded, and plans in the green zone are at least 80 percent funded. The FIP/RP Status Pending / Implemented Column indicates plans for which a funding improvement plan ("FIP") or a rehabilitation plan ("RP") is either pending or has been implemented. Unless otherwise noted, the information for this table was obtained from the Forms 5500 filed for each plan's year-end at June 30, 2023 and 2022, respectively. The multi-employer contributions listed in the table below are APDA's multi-employer contributions made in fiscal years ended August 31, 2023 and 2022.

The following table contains information about APDA's multi-employer pension plan:

Pension Fund	EIN/Plan Number	Pension Protection Act Zone Status 2023	2022	FIP/RP Status Pending/ Implemented	Contributions 2023	2022	Surcharge Imposed	Collective Bargaining Agreement Exp. Date
The Cultural Institutions Pension Fund	11-2001170	Green	Green	N/A	$ 312,378	$ 262,947	No	6/30/2025

Group Life and Welfare Plan

Full time employees are eligible for life insurance following three months of employment under the group life and welfare plan. APDA's contribution to the Group Life and Welfare Plan the fiscal years ended August 31, 2023 and 2022 totaled $6,191 and $5,212, respectively.

Note 12 - Related Parties:

There is a member of the Board of Directors that is also the Chairman of the Scientific Advisory Board. In addition, this member heads the Department of Neurology at the University of Alabama at Birmingham and received research funding in the amount of $93,750 and $112,500, advanced center funding in the amount of $100,000 and $100,000, and Information and Referral funding in the amount of $54,000 and $34,650 for the fiscal years ended August 31, 2023 and 2022, respectively.