

WISCONSIN PARKINSON ASSOCIATION, INC.

FINANCIAL STATEMENTS

August 31, 2020 and 2019

CONTENTS

Independent Auditors' Report	1
Statements of Financial Position.....	3
Statements of Activities.....	4
Statements of Functional Expenses	5
Statements of Cash Flows	7
Notes to Financial Statements	8

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
Wisconsin Parkinson Association, Inc.
Brookfield, Wisconsin

We have audited the accompanying financial statements of Wisconsin Parkinson Association, Inc., which comprise the statements of financial position as of August 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Wisconsin Parkinson Association, Inc. as of August 31, 2020 and 2019, 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.

Adoption of New Accounting Guidance

As discussed in Note 1 to the financial statements, Wisconsin Parkinson Association, Inc. adopted the Financial Accounting Standards Board's Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, and all subsequently issued clarifying ASUs and ASU No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, as of September 1, 2019. Our opinion is not modified with respect to this matter.

Wegner CPAs, LLP

Wegner CPAs, LLP
Waukesha, Wisconsin
May 7, 2021

WISCONSIN PARKINSON ASSOCIATION, INC.
STATEMENTS OF FINANCIAL POSITION
August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
ASSETS		
CURRENT ASSETS		
Cash	\$ 106,111	\$ 70,721
Accounts receivable	2,850	3,590
Unconditional promises to give	3,265	-
Prepaid expenses	2,721	3,189
	<u>114,947</u>	<u>77,500</u>
FURNITURE AND EQUIPMENT		
Furniture and equipment	15,087	15,087
Accumulated depreciation	(7,128)	(5,359)
	<u>7,959</u>	<u>9,728</u>
OTHER ASSETS		
Investments	209,935	226,061
	<u>209,935</u>	<u>226,061</u>
Total assets	<u>\$ 332,841</u>	<u>\$ 313,289</u>
LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 1,212	\$ 1,698
Accrued payroll and vacation	32,173	21,178
Deferred rent	7,305	8,069
Deferred revenue	30,455	52,760
Paycheck Protection Program loan	79,648	-
	<u>150,793</u>	<u>83,705</u>
NET ASSETS		
Without donor restrictions	174,054	201,030
With donor restrictions	7,994	28,554
	<u>182,048</u>	<u>229,584</u>
Total liabilities and net assets	<u>\$ 332,841</u>	<u>\$ 313,289</u>

See accompanying notes.

WISCONSIN PARKINSON ASSOCIATION, INC.
STATEMENTS OF ACTIVITIES
Years Ended August 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
SUPPORT AND REVENUE						
Contributions						
General donations and grants	\$ 304,106	\$ 3,265	\$ 307,371	\$ 275,262	\$ 500	\$ 275,762
Special events (less costs of direct benefits to donors of \$25,490 and \$24,834, respectively)	131,931	-	131,931	116,324	-	116,324
Memorial donations	69,605	-	69,605	47,135	-	47,135
In-kind donations	4,131	-	4,131	12,370	-	12,370
Contracts and revenue						
Education programs	51,577	-	51,577	96,646	-	96,646
Investment return, net	18,875	-	18,875	9,429	-	9,429
Total support and revenue	580,225	3,265	583,490	557,166	500	557,666
EXPENSES						
Program services						
Education	465,543	-	465,543	596,581	-	596,581
Parkinson Research Institute	23,758	-	23,758	37,960	-	37,960
Total program services	489,301	-	489,301	634,541	-	634,541
Supporting activities						
Management and general	74,040	-	74,040	87,014	-	87,014
Fundraising	67,685	-	67,685	47,207	-	47,207
Total supporting activities	141,725	-	141,725	134,221	-	134,221
Total expenses	631,026	-	631,026	768,762	-	768,762
NET ASSETS RELEASED FROM RESTRICTIONS						
Satisfaction of purpose restrictions	23,825	(23,825)	-	46,622	(46,622)	-
Change in net assets	(26,976)	(20,560)	(47,536)	(164,974)	(46,122)	(211,096)
Net assets at beginning of year	201,030	28,554	229,584	366,004	74,676	440,680
Net assets at end of year	<u>\$ 174,054</u>	<u>\$ 7,994</u>	<u>\$ 182,048</u>	<u>\$ 201,030</u>	<u>\$ 28,554</u>	<u>\$ 229,584</u>

See accompanying notes.

WISCONSIN PARKINSON ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended August 31, 2020

	Program Services		Supporting Activities			
	Education	Parkinson Research Institute	Management and General	Fundraising	Direct Benefits to Donors	Total Expenses
Salaries and wages	\$ 284,451	\$ -	\$ 33,816	\$ 32,323	\$ -	\$ 350,590
Payroll taxes	19,135	-	2,215	2,105	-	23,455
Retirement	7,445	-	947	888	-	9,280
Other benefits	46,703	-	4,897	4,700	-	56,300
Professional fees	4,867	-	22,287	-	-	27,154
Printing and design	29,562	3,609	241	8,345	-	41,757
Office expenses	3,387	-	403	385	-	4,175
Telephone and internet	6,066	-	721	689	-	7,476
Postage and mailing	4,241	1,049	-	2,615	-	7,905
Insurance	2,744	-	158	479	-	3,381
Occupancy	26,061	-	3,098	2,962	-	32,121
Travel	6,237	-	431	381	-	7,049
Outreach and marketing	1,537	67	-	549	-	2,153
Event fees and supplies	3,454	19,007	-	9,446	25,490	57,397
Conferences and meetings	7,358	26	69	279	-	7,732
Bank fees	-	-	4,576	-	-	4,576
Grants and awards	10,317	-	-	-	-	10,317
Depreciation	1,435	-	171	163	-	1,769
Miscellaneous	543	-	10	1,376	-	1,929
Total expenses	465,543	23,758	74,040	67,685	25,490	656,516
Less expenses included with support and revenue on the statements of activities	-	-	-	-	(25,490)	(25,490)
Total expenses included in the expenses section of the statements of activities	\$ 465,543	\$ 23,758	\$ 74,040	\$ 67,685	\$ -	\$ 631,026

See accompanying notes.

WISCONSIN PARKINSON ASSOCIATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
Year Ended August 31, 2019

	Program Services		Supporting Activities			
	Education	Parkinson Research Institute	Management and General	Fundraising	Direct Benefits to Donors	Total Expenses
Salaries and wages	\$ 271,313	\$ 86	\$ 39,003	\$ 20,965	\$ -	\$ 331,367
Payroll taxes	18,783	7	2,677	1,368	-	22,835
Retirement	5,654	-	1,035	578	-	7,267
Other benefits	45,884	-	6,714	1,586	-	54,184
Professional fees	5,071	640	23,024	1,045	-	29,780
Printing and design	58,401	7,675	-	13,195	-	79,271
Office expenses	6,738	-	259	320	-	7,317
Telephone and internet	6,972	-	3,903	376	-	11,251
Postage and mailing	10,473	1,551	29	3,541	-	15,594
Insurance	2,119	-	306	128	-	2,553
Occupancy	26,660	-	3,855	1,606	-	32,121
Travel	14,244	-	-	431	-	14,675
Outreach and marketing	7,754	25	-	-	-	7,779
Event fees and supplies	86,785	27,976	-	1,135	24,834	140,730
Conferences and meetings	8,001	-	121	122	-	8,244
Bank fees	-	-	5,960	-	-	5,960
Grants and awards	19,724	-	-	-	-	19,724
Depreciation	1,438	-	119	135	-	1,692
Miscellaneous	567	-	9	676	-	1,252
Total expenses	596,581	37,960	87,014	47,207	24,834	793,596
Less expenses included with support and revenue on the statements of activities	-	-	-	-	(24,834)	(24,834)
Total expenses included in the expenses section of the statements of activities	\$ 596,581	\$ 37,960	\$ 87,014	\$ 47,207	\$ -	\$ 768,762

See accompanying notes.

WISCONSIN PARKINSON ASSOCIATION, INC.
STATEMENTS OF CASH FLOWS
Years Ended August 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Change in net assets	\$ (47,536)	\$ (211,096)
Adjustments to reconcile change in net assets to net cash flows from operating activities		
Depreciation	1,769	1,692
Net unrealized and realized gains on investments	(14,953)	(986)
(Increase) decrease in assets		
Accounts receivable	740	(3,590)
Unconditional promises to give	(3,265)	17,109
Prepaid expenses	468	(1,185)
Increase (decrease) in liabilities		
Accounts payable	(486)	(9,966)
Accrued payroll and vacation	10,995	595
Deferred rent	(764)	39
Deferred revenue	(22,305)	(15)
Net cash flows from operating activities	(75,337)	(207,403)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends retained in investments	(3,921)	(8,401)
Proceeds from the sale of investments	35,000	230,000
Net cash flows from investing activities	31,079	221,599
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from Paycheck Protection Program loan	79,648	-
Change in cash	35,390	14,196
Cash at beginning of year	70,721	56,525
Cash at end of year	<u>\$ 106,111</u>	<u>\$ 70,721</u>

See accompanying notes.

WISCONSIN PARKINSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

Wisconsin Parkinson Association, Inc. (WPA) is a nonprofit organization that provides community awareness, education, and support to people with Parkinson's disease and their families primarily through educational programs and its network of support groups throughout Wisconsin and neighboring states. WPA also raises funds to support Parkinson's training for health care professionals serving the Parkinson's population. Major sources of revenue are contributions from donors and educational program fees including educational fees, exhibitor fees, and sponsorship packages.

Accounts Receivable

Accounts receivable primarily consist of educational fees due from exhibitors at WPA's educational programs. Accounts receivable are reported at the amount management expects to collect from outstanding balances. As of August 31, 2020 and 2019, management has determined based on historical experience that all amounts are fully collectible and no allowance for doubtful accounts is necessary.

Promises to Give

Unconditional promises to give are recognized as revenues in the period received and as assets, decreases of liabilities, or expenses depending on the form of the benefits received. Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional.

Furniture and Equipment

Furniture and equipment are capitalized and carried at cost or, if donated, at the estimated fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful life of the asset.

Investments

WPA reports investments in equity securities with readily determinable fair values at their fair values in the statements of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statements of activities.

Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statements of financial position.

Income Tax Status

WPA is an exempt public charity under Section 501(c)(3) of the Internal Revenue Code and therefore is not subject to federal and state income or franchise taxes.

WISCONSIN PARKINSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Revenue Recognition

WPA provides educational opportunities through various programs and hosts an annual educational program in August. Revenue from these programs include educational fees, exhibitor fees, and sponsorship packages, which are recognized when the program takes place. The portion of sponsorships considered a contribution is conditional upon the program taking place and is also recognized when the programs takes place. WPA generally bills for these programs prior to or on the date the program are held. Any revenues collected in advance of a program are deferred and recognized as revenue in the future period when the program is held.

Donated Services

Donated services are recognized as contributions if the services create or enhance nonfinancial assets or they require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. Donated printing and design for the years ended August 31, 2020 and 2019 was \$4,131 and \$12,370, respectively, and included in education program service expenses in the statements of activities.

Contributions

Contributions that are restricted by the donor are reported 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. 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.

Date of Management's Review

Management has evaluated subsequent events through May 7, 2021, the date which the financial statements were available to be issued.

Expense Allocation

The financial statements report certain expenses that are attributable to more than one program service or supporting activity. Therefore, these expenses are allocated among program services and supporting activities on a reasonable basis that is consistently applied (generally, allocations are based on estimates of time and effort). Allocated expenses include salaries and wages, payroll taxes, retirement, other benefits, office expenses, telephone and internet, occupancy, and depreciation.

WISCONSIN PARKINSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

The following program services and supporting activities are included in the accompanying financial statements:

Education—WPA provides educational opportunities for people with Parkinson's disease and the public through community-based programs and health fairs. These workshops include half-day events around the state of Wisconsin, as well as an annual full-day symposium.

Parkinson Research Institute— WPA provides medical education to communicate existing and new medical knowledge related to treatment alternatives and pursuit of a cure for Parkinson's disease. Parkinson Research Institute also includes WPA support for Parkinson's research efforts seeking a cure for Parkinson's disease, as well as improving the lives of those affected.

Management and General—Includes accounting and production of financial reports, oversight of the annual budget, supervision of departments and programs, maintenance of personnel records, attending general board and committee meetings, and any other administrative and office services necessary for WPA.

Fundraising—Activities to encourage and secure private financial support from individuals, foundations, and corporations.

Adoption of New Accounting Guidance

On May 28, 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*. The ASU and all subsequently issued clarifying ASUs supersede the revenue recognition requirements and most industry-specific guidance in U.S. generally accepted accounting principles. The core principle of the new guidance is that an entity recognizes revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The new guidance also includes disclosure requirements that will provide users of the financial statements with information about the nature, amount, timing, and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

WPA adopted the requirements of the new guidance as of September 1, 2019, using the modified retrospective method of transition. In applying the new guidance, WPA elected to use the practical expedient that allows the guidance to be applied only to contracts that were not complete as of September 1, 2019.

The majority of WPA's revenue is recognized at a point in time based on the transfer of control. Most of WPA's contracts do not contain variable consideration and contract modifications are generally minimal.

The adoption of the new guidance did not have a significant impact on WPA's financial statements. WPA's revenue arrangements generally consist of a single performance obligation to transfer promised goods or services. Based on WPA's evaluation process and review of its contracts with customers, the timing and amount of revenue recognized previously is consistent with how revenue is recognized under the new guidance.

WISCONSIN PARKINSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Also, on June 21, 2018, the FASB issued ASU No. 2018-08, *Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The ASU provides a more robust framework for evaluating whether transactions such as grants and similar contracts with government agencies and others should be accounted for as exchange transactions that is, revenue from contracts with customers) or contributions. The ASU also assists entities in determining whether a contribution is conditional. WPA adopted the requirements of the ASU as of September 1, 2019. The changes in the ASU have been applied on a modified prospective basis, that is, the changes have been applied to agreements that are either not completed as of September 1, 2019, or entered into after that date. The impact of adopting the ASU was not material to the financial statements for the year ended August 31, 2020.

NOTE 2—INVESTMENTS

Investments are comprised of the following:

	2020	2019
Mutual fund	\$ 117,837	\$ 134,907
Money market	92,098	91,154
	\$ 209,935	\$ 226,061

NOTE 3—FAIR VALUE MEASUREMENTS

Fair values of assets measured on a recurring basis are as follows:

	Quoted Price in Active Markets for Identical Assets (Level 1)	
	2020	2019
Mutual fund	\$ 117,837	\$ 134,907

Fair values for the mutual fund are determined by reference to quoted market price and other relevant information generated by market transactions.

NOTE 4—PENSION PLAN

WPA sponsors a Simple IRA savings plan. Employee contributions are subject to certain limits based on federal tax law. Annually, WPA may choose to make discretionary matching contributions between 0% and 3% for participating employees, dependent on the participant's deferral. Pension expense for the years ended August 31, 2020 and 2019 was \$9,280 and \$7,267, respectively.

WISCONSIN PARKINSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 5—NET ASSETS

The Association's board of directors have designated net assets without donor restrictions for the following purposes:

	2020	2019
Designated for unemployment compensation reserves	\$ 5,176	\$ 5,174
Undesignated	168,878	195,856
	\$ 174,054	\$ 201,030

Net assets with donor restrictions are restricted for the following purposes:

	2020	2019
Punt with Pack event	\$ 500	\$ 500
Parkinson Research Institute	4,229	28,054
Time restrictions	3,265	-
	\$ 7,994	\$ 28,554

NOTE 6—OPERATING LEASES

WPA leases office space under a non-cancellable operating lease that expires in August 2023. Lease payments of \$2,791 are required through May 31, 2021 with 2.5% annual increases each June 1 through the term of the lease. Lease expense for the years ended August 31, 2020 and 2019 was \$32,121 per year. Future minimum lease payments for the years ending August 31 are:

2021	\$ 33,706
2022	34,549
2023	35,412

NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN

The Coronavirus Aid, Relief and Economic Security Act ("CARES Act Assistance") enacted by the Federal government created the Paycheck Protection Program ("PPP") to offer cash flow assistance to nonprofit and small business employers, with the intent that employers would retain employees, despite economic uncertainty caused by the pandemic. This assistance is in the form of loans guaranteed by the Small Business Administration. If specified conditions are met, borrowers are eligible for forgiveness of principal and accrued interest. Conditions for forgiveness include use of the proceeds during a specified time period for specified purposes, primarily employee compensation.

WISCONSIN PARKINSON ASSOCIATION, INC.
NOTES TO FINANCIAL STATEMENTS
August 31, 2020 and 2019

NOTE 7—PAYCHECK PROTECTION PROGRAM LOAN (continued)

On April 16, 2020, WPA received a PPP loan of \$79,648. Pending determination by the lender that the conditions for forgiveness had been satisfied, the full amount of the loan has been reported as a liability in the Statement of Financial Position as of August 31, 2020. On November 26, 2020, the lender determined that the conditions for forgiveness had been satisfied and forgave this PPP loan. As a result, the Statement of Activities for the year ending August 31, 2021 will include income for the amount forgiven.

On January 29, 2021, WPA received a second PPP loan of \$83,036. WPA believes, but cannot assure, that the conditions for forgiveness for the second PPP loan will be satisfied.

NOTE 8—LIQUIDITY AND AVAILABILITY

The following reflects WPA's financial assets at August 31, 2020 and 2019, reduced by amounts not available for general expenditures within one year of the dates of the statements of financial position because of donor-imposed or other restrictions:

	2020	2019
Total financial assets at end of year:		
Cash	\$ 106,111	\$ 70,721
Accounts receivable	2,850	3,590
Unconditional promises to give	3,265	-
Investments	209,935	226,061
Total financial assets at end of year	322,161	300,372
Less amounts unavailable for general expenditures within one year:		
Restricted by donors with purpose restrictions	(4,729)	(28,554)
Restricted by donors with time restrictions	(3,265)	-
Designated for unemployment compensation reserve	(5,176)	(5,174)
Financial assets available to meet cash needs for general expenditures within one year	\$ 308,991	\$ 266,644

As part of WPA's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

NOTE 9—RISKS AND UNCERTAINTY

The COVID-19 outbreak has caused disruption for nonprofit organizations and other businesses and has resulted in significant volatility in the financial markets. There have been mandated and voluntary closings of businesses including cancellations of events and meetings. WPA has cancelled certain planned in-person events in 2020 and 2021 and converted to virtual events. While the disruption is currently expected to be temporary, there is considerable uncertainty around the duration of restrictions on gatherings and potential economic impacts. At this time, the potential related financial impact cannot be reasonably estimated.