

FINANCIAL STATEMENTS AND OTHER FINANCIAL
INFORMATION

Parkinson's Disease Foundation, Inc.
Year Ended June 30, 2007 With Summarized Financial Information for 2006
With Report of Independent Auditors

Parkinson's Disease Foundation, Inc.

Financial Statements
and Other Financial Information

Year Ended June 30, 2007
With Summarized Financial Information for 2006

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Report of Independent Auditors

Board of Trustees
Parkinson's Disease Foundation, Inc.

We have audited the accompanying statement of financial position of Parkinson's Disease Foundation, Inc. (the Foundation) as of June 30, 2007, and the related statements of activities, functional expenses and cash flows for the year then ended. These financial statements are the responsibility of the Foundation's management. Our responsibility is to express an opinion on these financial statements based on our audit. The prior year summarized comparative information has been derived from the Foundation's 2006 financial statements and, in our report dated April 4, 2007, we expressed an unqualified opinion on those financial statements.

We conducted our audit in accordance with auditing standards generally accepted in the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. We were not engaged to perform an audit of the Foundation's internal control over financial reporting. Our audit included consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Parkinson's Disease Foundation, Inc. as of June 30, 2007, and the changes in its net assets and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States.

Ernst + Young LLP

February 9, 2008

Parkinson's Disease Foundation, Inc.

Statement of Financial Position

	June 30	
	2007	2006
Assets		
Cash and cash equivalents	\$ 1,610,528	\$ 959,130
Contributions and other receivables	230,708	172,966
Other current assets	199,855	41,747
Investments, at fair value	12,530,714	10,922,447
Fixed assets, net of accumulated depreciation of \$289,331 in 2007 (\$175,282 in 2006)	594,687	661,909
Other noncurrent assets	56,331	56,331
Life estate gift	305,000	305,000
Investments—restricted as to use	407,189	408,620
Total assets	<u>\$15,935,012</u>	<u>\$13,528,150</u>
Liabilities and net assets		
Accounts payable and accrued expenses	\$ 858,727	\$ 776,044
Grants payable	1,004,119	688,500
Deferred compensation plan	407,189	408,620
Total liabilities	<u>2,270,035</u>	<u>1,873,164</u>
Net assets:		
Unrestricted	12,617,189	10,602,794
Temporarily restricted	1,047,788	1,052,192
Total net assets	<u>13,664,977</u>	<u>11,654,986</u>
Total liabilities and net assets	<u>\$15,935,012</u>	<u>\$13,528,150</u>

See accompanying notes.

Parkinson's Disease Foundation, Inc.

Statement of Activities

	Year Ended June 30, 2007		Year Ended June 30, 2006		
	Unrestricted	Temporarily Restricted	Total	Temporarily Restricted	Total
Operating support and revenue:					
Contributions	\$ 3,892,541	\$ 288,926	\$ 4,181,467	\$ 77,234	\$ 4,149,393
Bequests	4,139,070	-	4,139,070	1,802,662	1,802,662
Special events	1,017,517	-	1,017,517	643,565	643,565
Direct benefit to donor costs	(314,585)	-	(314,585)	(228,478)	(228,478)
Net special events revenue	702,932	-	702,932	415,087	415,087
Investment income:					
Interest and dividends	523,793	-	523,793	362,471	362,471
Unrealized gains (losses) on investments	524,442	-	524,442	(206,555)	(206,555)
Realized gains on sale of investments	522,290	-	522,290	800,722	800,722
Change in value of split-interest agreements	(50,674)	-	(50,674)	-	-
Net assets released from restrictions	293,330	(293,330)	-	-	-
Total operating support and revenue	10,547,724	(4,404)	10,543,320	7,656,698	7,323,780
Operating expenses:					
Program services:					
Research	4,921,573	-	4,921,573	5,148,694	5,148,694
Public information/patient information and referral services	1,742,344	-	1,742,344	1,699,167	1,699,167
Total program services	6,663,917	-	6,663,917	6,847,861	6,847,861
Supporting services:					
Management and general	627,387	-	627,387	598,300	598,300
Fund-raising	1,242,025	-	1,242,025	1,007,882	1,007,882
Total supporting services	1,869,412	-	1,869,412	1,606,182	1,606,182
Total operating expenses	8,533,329	-	8,533,329	8,454,043	8,454,043
Change in net assets	2,014,395	(4,404)	2,009,991	(797,345)	(1,130,263)
Net assets, beginning of year	10,602,794	1,052,192	11,654,986	11,400,139	12,785,249
Net assets, end of year	\$ 12,617,189	\$ 1,047,788	\$ 13,664,977	\$ 10,602,794	\$ 11,654,986

See accompanying notes.

Parkinson's Disease Foundation, Inc.

Statement of Functional Expenses

Year Ended June 30, 2007

With Summarized Financial Information for 2006

	Program Services				Supporting Services			Total Expenses	
	Research	Information/ Patient Information and Referral Services	Management and General	Fund- Raising	Direct Benefit to Donor Costs	Total	2007	2006	
Salaries	\$ 184,557	\$ 431,639	\$ 208,879	\$ 331,799	\$ 34,140	\$ 574,818	\$ 1,191,014	\$ 1,125,441	
Employee benefits	70,216	127,497	31,105	34,872	-	65,977	263,690	191,220	
Payroll taxes	27,626	60,417	13,964	3,348	-	17,312	105,355	95,410	
Total salaries and related costs	282,399	619,553	253,948	370,019	34,140	658,107	1,560,059	1,412,071	
Grants to institutions	2,601,108	-	-	-	-	-	2,601,108	2,504,809	
Grants to individuals/programs	1,649,558	150,000	-	-	-	-	1,799,558	2,011,826	
Information material	9,465	30,175	-	1,343	16,685	18,028	57,668	61,699	
Consultants	58,605	174,843	43,008	276,776	70,837	390,621	624,069	530,036	
Temporary staff	1,415	15,444	3,611	15,160	4,410	23,181	40,040	77,165	
Printing and publications	22,258	281,545	3,865	79,455	41,763	125,083	428,886	401,054	
Food and beverage	-	-	-	-	99,048	99,048	99,048	89,127	
Postage and shipping	13,415	139,197	8,541	229,246	3,879	241,666	394,278	401,721	
Travel and transportation	22,647	59,614	2,124	3,512	917	6,553	88,814	97,150	
Database and gift processing	2,791	22,006	4,741	116,165	-	120,906	145,703	148,655	
Professional fees	42,038	43,848	138,139	42,977	-	181,116	267,002	272,056	
Conferences and meetings	82,905	8,786	3,743	9,192	-	12,935	104,626	71,508	
Dues and subscriptions	23,892	15,053	4,002	15,863	-	19,865	58,810	43,133	
Telephone	9,566	37,820	8,243	1,369	691	10,303	57,689	50,113	
Occupancy costs	36,132	72,019	35,327	40,597	-	75,924	184,075	189,100	
Supplies	7,518	17,808	21,972	3,158	681	25,811	51,137	48,863	
Insurance	1,487	2,205	37,716	2,205	743	40,664	44,356	38,310	
Investment management fee	-	-	17,432	-	-	17,432	17,432	34,949	
Other expenses	27,002	6,808	18,166	16,740	40,791	75,697	109,507	79,566	
Depreciation	27,372	45,620	22,809	18,248	-	41,057	114,049	119,610	
Subtotal	4,921,573	1,742,344	627,387	1,242,025	314,585	2,183,997	8,847,914	8,682,521	
Direct benefit to donor costs	-	-	-	-	(314,585)	(314,585)	(314,585)	(228,478)	
Total expenses	\$ 4,921,573	\$ 1,742,344	\$ 627,387	\$ 1,242,025	\$ -	\$ 1,869,412	\$ 8,533,329	\$ 8,454,043	

See accompanying notes.

Parkinson's Disease Foundation, Inc.

Statement of Cash Flows

	Year Ended June 30	
	2007	2006
Cash flows from operating activities		
Change in net assets	\$ 2,009,991	\$ (1,130,263)
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation	114,049	119,610
Change in unrealized and realized gains on investments	(1,046,732)	(500,245)
Donated investments	(116,352)	(92,792)
Change in value of split-interest agreements	50,674	-
Changes in operating assets and liabilities:		
Contributions and other receivables	(57,742)	(38,616)
Other current assets	(158,108)	16,619
Accounts payable and accrued expenses	32,009	27,450
Grants payable	315,619	(80,174)
Total adjustments	(866,583)	(548,148)
Net cash provided by (used in) operating activities	1,143,408	(1,678,411)
Cash flows from investing activities		
Purchases of investment securities	(9,486,815)	(10,743,389)
Proceeds from sales of investments	9,041,632	12,958,616
Purchases of fixed assets	(46,827)	(23,683)
Net cash (used in) provided by investing activities	(492,010)	2,191,544
Net increase in cash and cash equivalents	651,398	513,133
Cash and cash equivalents, beginning of year	959,130	445,997
Cash and cash equivalents, end of year	\$ 1,610,528	\$ 959,130
Supplemental non-cash disclosure		
Non-cash (leasehold improvements and capital leases)	\$ -	\$ (365,950)

See accompanying notes.

Parkinson's Disease Foundation, Inc.

Notes to Financial Statements

June 30, 2007

1. Organization and Significant Accounting Policies

Organization

Parkinson's Disease Foundation, Inc. (the Foundation) is a not-for-profit organization established in 1957 by William Black, which primarily funds research projects for the treatment and cure of Parkinson's disease.

Significant Accounting Policies

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Fund Accounting

To ensure observance of limitations and restrictions placed on the use of the resources available to the Foundation, the Foundation's accounts are maintained in accordance with the principles of fund accounting. This is a procedure which classifies resources into net asset classes that are in accordance with specific activities and objectives. In the accompanying financial statements, net assets that have similar characteristics have been combined into two net asset classes: unrestricted and temporarily restricted.

- a. Unrestricted net assets represent funds that are fully available, at the discretion of the Board of Trustees, for the Foundation to utilize in any of its programs or supporting services.
- b. Temporarily restricted net assets contain donor-imposed restrictions that permit the Foundation to use or expend the assets only as or when specified. The restrictions are satisfied either by the passage of time or by actions of the Foundation.

Parkinson's Disease Foundation, Inc.

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Support and Revenue

Contributions, including promises to give, are recognized as revenue when received or pledged unconditionally. Contributions received with donor stipulations that limit the use of the donated assets are reported as temporarily restricted support. When a donor restriction expires, that is, when a time restriction ends or a purpose restriction is fulfilled, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. It is the Foundation's policy to record temporarily restricted contributions received and expended in the same accounting period in the unrestricted net asset class activity.

The Foundation recognizes income from bequests when an unassailable right to the gift has been established by the court and the proceeds are measurable in amount.

Cash and Cash Equivalents

The Foundation considers all highly liquid financial instruments with maturities of three months or less when purchased, other than cash included in investments, to be cash equivalents.

Expense Allocations

Functional expenses which are not specifically attributable to program services or supporting services are allocated by management based on various allocation factors.

Investments

Investments are reported at fair value or, if donated, at estimated fair value on the date of the gift. The Foundation's policy in determining gains or losses on the sale of its investments is to use the first-in, first-out method. Purchases and sales of securities are recorded on a trade date basis.

Parkinson's Disease Foundation, Inc.

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Split-Interest Agreements

The Foundation is the beneficiary of split-interest agreements with donors. The Foundation records the assets of its agreements in the statement of financial position (at fair value). The Foundation also records contribution income and a liability for amounts payable to annuitants using an actuarial calculation at the time of the gift. Adjustments to the calculation for changes in assumptions are made annually. The discount rates used in the calculation at June 30, 2007 and 2006 ranged from 8.0% to 4.2%. At June 30, 2007 and 2006, approximately \$337,000 and \$318,000, respectively, of investments and approximately \$183,000 and \$129,000, respectively, of accrued liabilities in the accompanying statement of financial position related to such agreements.

Life Estate Gift

The life estate gift is temporarily restricted and consists of a personal residence and land conveyed to the Foundation under a life estate deed. The Foundation has valued the gift at the appraised market value at the time of the gift.

Fixed Assets

Fixed assets consist of leasehold improvements, furniture, computer and other office equipment and are stated at cost, less accumulated depreciation. Depreciation of fixed assets is computed on the straight-line basis, half-year convention over an estimated useful life of five to ten years. Leasehold improvements are amortized on the straight-line basis over the lesser of the term of the lease or their estimated useful lives.

Research Grants and Fellowships

The Foundation grants funds to support Parkinson's disease research at several prestigious, tax-exempt hospitals, medical centers, universities and research organizations throughout the world. Research grants and fellowships are recorded as expenses in the year in which they are awarded and are approved for distribution by the Board of Trustees.

Parkinson's Disease Foundation, Inc.

Notes to Financial Statements (continued)

1. Organization and Significant Accounting Policies (continued)

Operating Measure

Operating revenues and expenses reflect the activities in which the Foundation typically engages to fulfill its mission. Changes in the value of investments held on behalf of others in connection with the deferred compensation plan, as well as changes in the value of the related liability, are considered to be nonoperating items.

Risks and Uncertainties

The Foundation invests in various investment securities. 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 statement of financial position.

Summarized Financial Information for Fiscal 2006

The accompanying financial statements include certain prior year summarized comparative information in total but not by functional category. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended June 30, 2006, from which the summarized information was derived.

2. Tax-Exempt Status

The Foundation qualifies as a charitable organization as defined by Internal Revenue Code (the Code) Section 501(c)(3) and, accordingly, is exempt from Federal income taxes under Section 501(a) of the Code. Additionally, since the Foundation is publicly supported, contributions to the Foundation qualify for the maximum charitable contribution deduction under the Code. The Foundation is also exempt from New York State and New York City income tax.

3. Contributions

At June 30, 2007, all contributions receivable are expected to be received within one year.

Parkinson's Disease Foundation, Inc.

Notes to Financial Statements (continued)

4. Investments

The cost and fair value of investments were approximately as follows:

	June 30			
	2007		2006	
	Cost	Fair Value	Cost	Fair Value
Structured investments	\$ 300,000	\$ 300,000	\$ —	\$ —
Corporate bonds	—	—	3,000	3,000
Equity investments	44,000	47,000	45,000	45,000
Mutual funds	10,777,000	11,847,000	10,007,000	10,556,000
Assets relating to split-interest agreements	337,000	337,000	318,000	318,000
	\$ 11,458,000	\$ 12,531,000	\$10,373,000	\$10,922,000

5. Fixed Assets

Fixed assets consist approximately of the following:

	June 30	
	2007	2006
Leasehold improvements	\$ 536,000	\$ 527,000
Furniture and office equipment	235,000	227,000
Computer equipment and software	113,000	83,000
	884,000	837,000
Less accumulated depreciation and amortization	289,000	175,000
	\$ 595,000	\$ 662,000

6. Temporarily Restricted Net Assets

Temporarily restricted net assets are summarized approximately as follows:

	June 30	
	2007	2006
Purpose restrictions:		
Public information/patient services	\$ 110,000	\$ 67,000
Research	422,000	484,000
Time restrictions	516,000	501,000
	\$1,048,000	\$1,052,000

Parkinson's Disease Foundation, Inc.

Notes to Financial Statements (continued)

6. Temporarily Restricted Net Assets (continued)

Net assets were released from restrictions based upon the satisfaction of the following purpose restrictions:

	Year Ended June 30	
	2007	2006
Research	\$ 178,000	\$ 398,000
Public information/patient services	115,000	12,000
	<u>\$ 293,000</u>	<u>\$ 410,000</u>

7. Retirement Plan and Tax-Deferred Annuity Plan

The Foundation has a contributory defined contribution retirement plan and a non-contributory, tax-deferred annuity plan for eligible employees. Under the terms of the retirement plan, contributions are made under Section 403(b) of the Code and are invested, at the discretion of the plan participants, in one or more of the funding vehicles available under the plan. Under the tax-deferred annuity plan, benefits are funded by fixed-dollar annuities. Participation in the tax-deferred annuity plan is voluntary. Pension expense was approximately \$94,000 and \$69,000 for the years ended June 30, 2007 and 2006, respectively.

United Parkinson's Foundation, an organization with which the Foundation merged on February 16, 1999, maintained a deferred compensation plan (the Plan), which was a nonqualified defined contribution plan for two key employees. The Plan was terminated, as of the merger date, and the assets were placed in trust with the Foundation. In August 2005, one of the two participants in the Plan entered into a termination agreement in order to liquidate that participant's investments in the Plan. All of the participant's assets were distributed pursuant to the termination agreement. The fair values of the Plan's assets, which consist primarily of equity securities, aggregated approximately \$407,000 and \$409,000 at June 30, 2007 and 2006, respectively, and are reflected as investments restricted as to use in the accompanying statement of financial position. A corresponding liability is reflected in the accompanying statement of financial position.

Parkinson's Disease Foundation, Inc.

Notes to Financial Statements (continued)

8. Commitments

The Foundation leases its New York and Chicago facilities and certain office equipment under noncancellable operating lease agreements. Future minimum lease payments relating to these operating leases are approximately as follows:

Year ending June 30:	
2008	\$ 199,000
2009	204,000
2010	164,000
2011	167,000
2012	171,000
Thereafter	488,000
Total minimum lease payments	<u>\$ 1,393,000</u>

Rent expense for the years ended June 30, 2007 and 2006 was approximately \$184,000 and \$189,000, respectively.

9. Other Matters

Space at Columbia University

The Foundation occupies space on a rent-free basis based upon an agreement signed with Columbia University at the Foundation's inception. The value of this free rent is not reflected in the accompanying financial statements since it has been determined to be immaterial.

Other Financial Information

Report of Independent Auditors on Other Financial Information

Board of Trustees
Parkinson's Disease Foundation, Inc.

Our audit was conducted for the purpose of forming an opinion on the 2007 financial statements taken as a whole. The accompanying schedule of research grant awards for the year ended June 30, 2007 and schedule of investments as of June 30, 2007 are presented for purposes of additional analysis and are not a required part of the 2007 financial statements. Such information has been subjected to the auditing procedures applied in our audit of the 2007 financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2007 financial statements taken as a whole.

Ernst & Young LLP

February 9, 2008

Parkinson's Disease Foundation, Inc.

Schedule of Research Grant Awards

Year Ended June 30, 2007

Grants to institutions

Columbia University	\$ 2,226,108
Rush Presbyterian St. Luke's Medical Center	275,000
Weill Cornell Medical Center	100,000
Total grants to institutions	<u>\$ 2,601,108</u>

Grants to individuals/programs

Fellowships:

Columbia University	\$ 250,000
Weill Cornell Medical College	30,000
	<u>280,000</u>

Summer Fellowships:

Bates College	667
Boston University School of Medicine	1,500
Cambridge University	850
Cornell University	2,000
Dartmouth College	1,675
John Hopkins Medical Center	3,000
Lake Forest College	850
Massachusetts General Hospital	850
Massachusetts Institute of Technology	900
Michigan State University	3,500
Ohio State University	1,500
Pennsylvania State University College of Medicine	825
Royal Free and University College of Medicine	1,500
Rush Presbyterian St. Luke's Medical Center	517
University of British Columbia	1,966
University of California	825
University of Central Florida	1,000
University of Connecticut	950
University of Manitoba	667
University of Michigan	500
University of Ottawa	1,500
University of Toronto	1,500
University of Wisconsin	1,516
Yale University	1,500
	<u>32,058</u>

Parkinson's Disease Foundation, Inc.

Schedule of Research Grant Awards (continued)

Year Ended June 30, 2007

Grants to individuals/programs (continued)

International Research Grants:

Albert Einstein College of Medicine	\$ 50,000
Brigham and Women's Hospital	100,000
Caritas St. Elizabeth Medical Center	50,000
Feinstein Institute for Medical Research	50,000
Foundation for Biomedical Research of the Academy of Athens	50,000
Johns Hopkins University	50,000
Lund University	40,000
Ottawa Hospital Research Institute	50,000
Regents of the University of California	50,000
Sun Health Research Institute	50,000
The General Hospital Corp.	50,000
The University of Virginia	50,000
U.T. Southwestern Medical Center	50,000
University of Crete	50,000
University of North Dakota	50,000
University of Washington	50,000
UT Health Science Center	50,000
Other	(2,500)
	<hr/>
	887,500
Weill/Cote Research Grant	150,000
PD Biomarkers Program	100,000
University of Rochester	200,000
	<hr/>
Total grants to individuals/programs	<u>\$ 1,649,558</u>

Parkinson's Disease Foundation, Inc.

Schedule of Investments

June 30, 2007

Description	Par Value or Number of Shares	Cost	Fair Value
Equity Investments			
Fiserv Inc.	800	\$ 43,352	\$ 45,440
Exxon Mobil Corp.	12	1,004	1,007
Total Equity Investments		44,356	46,447
Mutual Funds			
JPMorgan Short Term Bond Fund Institutional Share Class	374,907	3,569,118	3,550,373
Highbridge Statistical Market Neutral Fund Select Shares Fund	24,540	400,000	404,172
Ishares Russell 1000 Growth Index	8,000	450,430	473,680
Ishares Russell 2000 Growth Index	2,300	179,262	197,455
Ishares Russell 2000 Value Index	2,290	192,368	188,604
Ishares MSCI Japan Index Fund	23,000	330,740	333,730
Third Avenue Value Fund	6,373	370,000	408,395
JPMorgan US Large Cap Core Plus Fund Select	54,601	1,030,000	1,146,057
JPMorgan US Real Estate Fund Select Share Class	8,547	200,000	178,547
JPMorgan Intrepid America Fund	50,784	1,181,615	1,513,352
JPMorgan Intrepid Growth Fund	17,584	350,000	433,260
JPMorgan Intrepid International Fund Select Share Class	42,608	1,000,000	1,103,963
Causeway International Value Fund	49,073	862,588	1,074,689
Managers AMG Funds – Times Square	28,034	361,363	392,762
Mathews Pacific Tiger Fund	16,260	297,915	446,658
Sequoia Fund, Inc.	8	1,218	1,546
Total Mutual Funds		10,776,617	11,847,243
Other Investments			
Structured investments		300,000	300,000
Assets relating to split interest agreements		337,024	337,024
Total Investments		\$ 11,457,997	\$ 12,530,714