THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2020 and 2019

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Contents

EISNERAMPER

EisnerAmper LLP
733 Third Avenue
New York, NY 10017
T 212.949.8700
F 212.891.4100
www.eisneramper.com

INDEPENDENT AUDITORS' REPORT

The Board of Directors
The Michael J. Fox Foundation for Parkinson's Research

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of The Michael J. Fox Foundation for Parkinson's Research (the "Foundation"), which comprise the consolidated statements of financial position as of December 31, 2020 and 2019, and the related consolidated statements of activities, functional expenses, and cash flows for each of the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

The Foundation's management is responsible for the preparation and fair presentation of these consolidated 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 consolidated 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 consolidated 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 audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of The Michael J. Fox Foundation for Parkinson's Research as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for each of the years then ended, in accordance with accounting principles generally accepted in the United States of America.

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
May 24, 2021

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Financial Position

	December 31, 2020	December 31, 2019
ASSETS		
Cash and cash equivalents	**$ 106,821,911**	$ 66,962,137
Cash and cash equivalents - restricted	**1,961,870**	1,961,870
Contributions receivable, net	**19,451,387**	26,227,084
Investments	**88,822,242**	81,613,399
Split-interest agreements - charitable gift annuities	**3,675,379**	2,390,103
Inventory	**66,708**	62,554
Prepaid expenses and other assets	**2,637,555**	2,588,901
Property and equipment, net	**10,216,059**	11,341,074
	$ 233,653,111	$ 193,147,122
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 4,499,282**	$ 5,204,352
Deferred revenue – special events	**-**	2,000
Grants payable, net (see Note E)	**104,179,370**	99,112,997
Loans payable, net	**1,150,196**	1,150,196
Interest payable	**772,458**	691,746
Paycheck Protection Program loan payable	**3,704,328**	-
Deferred rent obligation	**11,144,505**	11,969,464
Annuities payable	**1,548,747**	1,091,767
	126,998,886	119,222,522
Commitments, contingency and other uncertainty (Notes E and K)		
Net assets:		
Without donor restrictions	**86,579,740**	47,282,619
With donor restrictions:		
Purpose restrictions	**10,568,168**	12,690,442
Time-restricted for future periods	**9,506,317**	13,951,539
Total net assets with donor restrictions	**20,074,485**	26,641,981
Total net assets	**106,654,225**	73,924,600
	$ 233,653,111	$ 193,147,122

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Activities

	Year Ended December 31,					
	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions	**$ 176,572,673**	**$ 18,022,600**	**$194,595,273**	$ 116,669,409	$ 36,867,763	$ 153,537,172
Special events (net of direct benefits to donors of $206,331 and $1,139,197 in 2020 and 2019, respectively)	**5,065,698**	**-**	**5,065,698**	2,512,200	2,862,883	5,375,083
Investment income, net	**1,670,879**	**-**	**1,670,879**	1,858,085	-	1,858,085
Increase in value of split-interest agreements	**-**	**149,961**	**149,961**	-	173,919	173,919
Rental income	**2,168,822**	**-**	**2,168,822**	2,093,810	-	2,093,810
Returned grant	**1,080,000**	**-**	**1,080,000**	-	-	-
Net (losses) gains on foreign translation	**(65,273)**	**-**	**(65,273)**	25,442	-	25,442
Miscellaneous income (net cost of goods sold of $16,134 and $14,014 in 2020 and 2019, respectively)	**3,802**	**-**	**3,802**	34,501	-	34,501
Total public support and revenue before release of restrictions	**186,496,601**	**18,172,561**	**204,669,162**	123,193,447	39,904,565	163,098,012
Net assets released from restrictions	**24,740,057**	**(24,740,057)**	**-**	36,898,537	(36,898,537)	-
Total public support and revenue	**211,236,658**	**(6,567,496)**	**204,669,162**	160,091,984	3,006,028	163,098,012
Expenses:						
Program services	**149,899,180**	**-**	**149,899,180**	118,604,210	-	118,604,210
Supporting services:						
Management and general	**8,158,844**	**-**	**8,158,844**	6,426,946	-	6,426,946
Fund-raising	**13,881,513**	**-**	**13,881,513**	14,121,150	-	14,121,150
Total supporting services	**22,040,357**	**-**	**22,040,357**	20,548,096	-	20,548,096
Total expenses	**171,939,537**	**-**	**171,939,537**	139,152,306	-	139,152,306
Change in net assets	**39,297,121**	**(6,567,496)**	**32,729,625**	20,939,678	3,006,028	23,945,706
Net assets, beginning of year	**47,282,619**	**26,641,981**	**73,924,600**	26,342,941	23,635,953	49,978,894
Net assets, end of year	**$ 86,579,740**	**$ 20,074,485**	**$106,654,225**	$ 47,282,619	$ 26,641,981	$ 73,924,600

See notes to consolidated financial statements.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Functional Expenses

	Year Ended December 31, 2020					Year Ended December 31, 2019				
	Program Services	Supporting Services				Program Services	Supporting Services			
	Research for a Cure	Management and General	Fund-Raising	Total Supporting Services	2020	Research for a Cure	Management and General	Fund-Raising	Total Supporting Services	2019
Grant awards	$ 130,461,001	$ -	$ -	$ -	$ 130,461,001	$ 97,059,315	$ -	$ -	$ -	$ 97,059,315
Salaries and wages	10,026,070	3,363,245	6,390,685	9,753,930	19,780,000	9,505,798	2,538,647	6,228,118	8,766,765	18,272,563
Payroll taxes and employee benefits	2,122,986	722,033	1,409,843	2,131,876	4,254,862	1,776,139	599,497	1,494,323	2,093,820	3,869,959
Data processing and bank fees	24,221	34,094	746,094	780,188	804,409	10,987	2,554	657,527	660,081	671,068
Professional fees	1,809,022	723,002	854,668	1,577,670	3,386,692	2,209,779	384,108	767,390	1,151,498	3,361,277
Recruitment and training costs	65,904	96,724	134,088	230,812	296,716	182,686	146,238	128,701	274,939	457,625
Technology	705,993	222,586	512,398	734,984	1,440,977	668,710	53,894	365,415	419,309	1,088,019
Scientific meetings	461,689	-	-	-	461,689	1,721,596	-	-	-	1,721,596
Travel and meetings	9,040	11,523	114,744	126,267	135,307	15,854	9,914	582,709	592,623	608,477
Postage and delivery	144,939	2,849	296,219	299,068	444,007	105,552	4,714	285,596	290,310	395,862
Office supplies and equipment	32,080	1,151	43,552	44,703	76,783	129,709	56,166	82,140	138,306	268,015
Advertising and publicity	598,418	-	1,380,993	1,380,993	1,979,411	1,090,307	-	775,364	775,364	1,865,671
Insurance	120,354	21,003	40,031	61,034	181,388	72,325	18,621	30,488	49,109	121,434
Printing and production	261,566	394	526,143	526,537	788,103	475,492	5,875	629,917	635,792	1,111,284
Dues and subscriptions	266,564	31,965	41,221	73,186	339,750	202,855	10,410	31,490	41,900	244,755
Occupancy	1,811,851	2,619,390	725,232	3,344,622	5,156,473	2,322,594	2,291,459	755,149	3,046,608	5,369,202
Depreciation and amortization	977,482	228,173	570,129	798,302	1,775,784	1,032,612	227,585	612,192	839,777	1,872,389
Marathon runner fees	-	-	95,473	95,473	95,473	21,900	-	213,960	213,960	235,860
Space rental/catering	-	-	206,331	206,331	206,331	-	-	1,619,868	1,619,868	1,619,868
Merchandise expense	-	16,134	-	16,134	16,134	-	14,014	-	14,014	14,014
Interest	-	80,712	-	80,712	80,712	-	77,264	-	77,264	77,264
Total expenses	149,899,180	8,174,978	14,087,844	22,262,822	172,162,002	118,604,210	6,440,960	15,260,347	21,701,307	140,305,517
Less: Direct benefits to donors	-	-	(206,331)	(206,331)	(206,331)	-	-	(1,139,197)	(1,139,197)	(1,139,197)
Less: Costs of goods sold	-	(16,134)	-	(16,134)	(16,134)	-	(14,014)	-	(14,014)	(14,014)
Total expenses per statements of activities	$ 149,899,180	$ 8,158,844	$ 13,881,513	$ 22,040,357	$ 171,939,537	$ 118,604,210	$ 6,426,946	$ 14,121,150	$ 20,548,096	$ 139,152,306

See notes to consolidated financial statements.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Cash Flows

	Year Ended December 31, 2020	Year Ended December 31, 2019
Cash flows from operating activities:		
Change in net assets	**$ 32,729,625**	$ 23,945,706
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**1,775,784**	1,872,389
Net realized and unrealized gains	**(459,086)**	(94,828)
Donated securities	**(122,159,602)**	(73,557,879)
Proceeds from donated securities	**121,918,872**	73,644,858
Donations of split-interest agreements	**(678,335)**	(271,774)
Changes in:		
Contributions receivable, net	**6,775,697**	(1,690,739)
Value of split-interest agreements, net	**(149,961)**	(173,919)
Inventory	**(4,154)**	(38,701)
Prepaid expenses and other assets	**(48,654)**	(691,349)
Accounts payable and accrued expenses	**(705,070)**	777,419
Deferred revenue	**(2,000)**	(55,500)
Grants payable, net	**5,066,373**	12,857,342
Deferred rent obligation	**(824,959)**	(374,135)
Net cash provided by operating activities	**43,234,530**	36,148,890
Cash flows from investing activities:		
Purchases of property and equipment	**(650,769)**	(1,478,186)
Purchases of investments	**(31,475,043)**	(31,869,810)
Proceeds from sales of investments	**24,966,016**	10,395,643
Net cash used in investing activities	**(7,159,796)**	(22,952,353)
Cash flows from financing activities:		
Proceeds from Paycheck Protection Program	**3,704,328**	-
Interest payments accrued on loan payable	**80,712**	77,264
Net cash provided by financing activities	**3,785,040**	77,264
Net increase in cash, cash equivalents, and restricted cash	**39,859,774**	13,273,801
Cash, cash equivalents, and restricted cash, beginning of year	**68,924,007**	55,650,206
Cash, cash equivalents and restricted cash, end of year	**$ 108,783,781**	$ 68,924,007

See notes to consolidated financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

[1] Organization:

Actor Michael J. Fox established The Michael J. Fox Foundation for Parkinson's Research ("MJFF U.S."), incorporated in Delaware in 2000, after publicly disclosing in 1998 that he had been diagnosed with Parkinson's disease seven years earlier, at age 29.

In 2009, The Michael J. Fox Foundation for Parkinson's Research in Canada ("MJFF Canada") was established as an officially registered tax-exempt charity in Canada. Due to MJFF U.S.'s financial influence over MJFF Canada and the two entities having governing-board members in common, the financial statements of the two entities have been consolidated (together, the "Foundation"). All significant intercompany accounts and transactions have been eliminated in consolidation. MJFF Canada's assets and liabilities and its operations were not significant at December 31, 2020 and 2019, and they are not reported separately in the consolidated financial statements.

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code"), and from state and local taxes under comparable laws. MJFF Canada is exempt from similar taxes under Canadian law.

Today, the Foundation is the world's largest not-for-profit funder of Parkinson's research. It is dedicated to accelerating a cure and improved therapies for the estimated six million people worldwide living with Parkinson's disease today. The Foundation pursues its goals through an aggressively funded, highly targeted research program, coupled with the active global engagement of scientists, Parkinson's patients and care partners, business leaders, clinical-trial participants and donors.

In addition to funding more than $1 billion in research programs through the end of December 31, 2020, the Foundation has fundamentally altered the trajectory of progress toward a cure. Positioned at the global hub of Parkinson's research, the Foundation: (i) forges groundbreaking collaborations with industry leaders, academic scientists and government research funders; (ii) leverages new technologies to amplify the patient voice in Parkinson's research; (iii) mobilizes patients and loved ones to increase the flow of participants into clinical trials; and (iv) coordinates community engagement efforts including patient policy advocacy, education and community building through the grassroots involvement of thousands of Team Fox members around the world.

From inception, the Foundation has invested in high-risk, high-reward research targets - an approach that in a few short years has transformed the field of Parkinson's disease research. The Foundation partners with the Parkinson's research community, speeding financial and intellectual resources to the scientists who are carrying out projects with the greatest promise to impact patients' lives in the near term. This includes strengthening the Parkinson's drug development pipeline by pushing forward investigations of genetic and other emerging targets with the best chance of stopping or slowing Parkinson's disease progression, as well as by addressing patients' unmet symptomatic needs. To date, the Foundation has evaluated work on more than 600 therapeutic targets, and has supported more than 125 clinical trials.

[2] Basis of accounting:

The consolidated financial statements of the Foundation have been prepared using the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America ("U.S. GAAP"), as applicable to not-for-profit organizations.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[3] Use of estimates:

The preparation of consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, public support and revenue and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

[4] Cash, cash equivalents, and restricted cash:

For financial-statement purposes, cash and cash equivalents are comprised of highly liquid financial instruments (such as U.S. Treasury notes or certificates of deposits) with original maturities of three months or less at the date of acquisition. Cash and cash equivalents includes approximately $1,962,000 of restricted cash relating to the Foundation's letters of credits for both 2020 and 2019, respectively (see Note K[3]).

Canadian cash equivalents expressed in United States dollars were approximately $1,164,000 and $702,000 for 2020 and 2019, respectively. Foreign-currency translation gains or losses are the inherent result of the process of translating Canadian dollars into U.S. dollars for financial-reporting purposes. The gains and losses on this translation are included in the accompanying consolidated statements of activities.

The Foundation maintains significant balances of cash and highly liquid investments in anticipation of immediate needs for cash flow funding of committed research payments during the subsequent year.

[5] Investments:

Investments include certificates of deposit with original maturities of between four and twelve months at the date of acquisition, valued at amortized cost, which approximates fair value, as well as investments in common stock with readily determinable fair values were reported at their fair value as of year-end in the consolidated statements of financial position.

Investment transactions are recorded on a trade-date basis. Realized gains and losses on investments sold, and unrealized appreciation and depreciation on investments held, are reported in the statements of activities as increases or decreases in net assets without donor restriction unless their use is restricted through donor stipulation. Realized gains and losses on investments are determined by comparison of the cost of acquisition to proceeds at the time of disposition. Unrealized gains and losses on investments are determined by comparing the investment's cost to the fair value at the end of each year. The earnings from dividends and interest are recognized when earned.

Donated securities are recorded at their estimated fair values, or by their net asset values as determined by the Foundation's management on the date of donation. The Foundation's policy is to sell donated securities immediately, and, accordingly, for purposes of the consolidated statements of cash flows, donated securities and the proceeds generated from their sale are included as operating activities.

Investment expenses include the services of investment advisors. The balances of investment advisory fees disclosed in Note C are those specific fees charged by the Foundation's investment advisors in each year.

[6] Split-interest agreements:

A portion of the Foundation's assets result from deferred-giving vehicles subject to split-interest agreements. As of December 31, 2020 the Foundation has a beneficial interest in nineteen charitable gift annuities, held by a third party.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[6] Split-interest agreements: (continued)

The Foundation's liabilities associated with the charitable gift annuities are calculated on the basis of actuarial data commonly used by not-for-profit organizations which includes discount rates published by the Internal Revenue Service ("IRS") to determine the net present value of the obligations pertaining to these deferred-giving arrangements. The liabilities associated with these gifts are satisfied by the third party who manages the assets and the Foundation is entitled to the remainder interest.

[7] Inventory:

The Foundation's inventory consists of merchandise available for sale which is valued at the lower of cost and net realizable value at year-end, determined on a first-in, first-out method.

[8] Property and equipment:

Property and equipment are stated at their original costs at dates of acquisition, or, if contributed, at their fair values at the dates of donation, less accumulated depreciation. The Foundation capitalizes computer hardware and software, furniture and fixtures, and leasehold improvements with a cost of $2,500 or more, whereas minor costs of repair and maintenance are expensed as incurred. Depreciation of computer hardware and software and furniture and fixtures is provided using the straight-line method over the estimated useful lives of the assets, ranging from three to seven years. Leasehold improvements are amortized over the remaining lease term.

Management evaluates the recoverability of the investment in long-lived assets on an on-going basis and recognizes any impairment in the year of determination. Long-lived assets were tested for impairment as of December 31, 2020 and 2019, respectively, and in the opinion of management, there were no impairments. However, it is reasonably possible that relevant conditions could change in the near term and necessitate a change in management's estimate of the recoverability of these assets.

[9] Grants payable:

The Foundation records unconditional grant expenses for research grants after approval by the Board of Directors, based upon: (i) the recommendations of the Research Committee of the Board, with the guidance and input of the Scientific Advisory Board and other highly regarded scientists who serve on grant-review committees specializing in Parkinson's disease research; and (ii) the availability of funding. Unconditional grants not expected to be paid within the following year are reported at their discounted present values.

[10] Deferred rent obligation:

For financial reporting purposes, the aggregate minimum rent expense is recognized using the straight-line method over the terms of the lease. The accumulative difference between rent expense incurred by the Foundation and the rental amounts paid, which are attributable to scheduled rent increases, is reported as a deferred rent obligation in the consolidated statements of financial position.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[11] Accrued vacation:

Based on their tenure, the Foundation's employees are entitled to be paid for unused vacation time for a period up to five days, in the event that they leave the Foundation. During 2020, the Foundation updated its vacation policy, allowing employees to carry over up to 18 days of unused vacation time into the subsequent year. At each year-end, the Foundation must recognize a liability for the amount that would be incurred if all employees with such unused vacation time were to leave. At December 31, 2020 and 2019, this accrued vacation obligation was approximately $392,640 and $219,000, respectively, and was reported in the accompanying consolidated statements of financial position as a part of accounts payable and accrued expenses.

[12] Paycheck Protection Program loan payable:

On March 27, 2020, Congress enacted the Coronavirus Aid Relief, and Economic Security (‘CARES”) Act. The Paycheck Protection Program (“PPP”) established by the CARES Act, implemented by the U.S. Small Business Administration (“SBA”), provides businesses, including certain not-for-profit organizations, with funds to pay payroll and other costs during the coronavirus ("COVID-19") outbreak. During 2020, the Foundation applied for and received PPP funds.

There are two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities can elect to treat the funds as a loan or as a conditional contribution. The Foundation has elected to record the PPP funds as a loan under the Financial Accounting Standards Board’s (the “FASB”) Accounting Standards Codification (“ASC”) 470 *Debt*. The Foundation is in the process of applying for loan forgiveness, which will be recognized when the application is formally approved by the bank and the SBA; however, no assurance can be provided that the Foundation will be eligible for forgiveness, in whole, or in part (see Note O).

[13] Net assets:

(i) *Net assets without donor restrictions:*

The Foundation’s net assets without donor restrictions represent those resources that are available for current operations, as there are no restrictions by donors regarding their use.

(ii) *Net assets with donor restrictions:*

Net assets with donor restrictions represent those resources that are subject to donor imposed restrictions, such as specific purposes and/or a specified period of time. When a donor restriction expires, that is, when a stipulated time restriction ends, or a purpose restriction is accomplished, net assets with donor restrictions are reclassified as net assets without donor restrictions and are reported in the consolidated statements of activities as "net assets released from restrictions".

[14] Revenue recognition:

(i) Contributions and grants:

Contributions and grants to the Foundation are recognized as revenue upon the receipt of cash, other assets, or of unconditional pledges. Contributions are reported as "with donor restrictions" if they are received with purpose restrictions or time considerations as to their use. Conditional contributions are recognized when the donor's conditions have been met by requisite actions of the Foundation’s management or necessary events have taken place. Contributions to be received over periods longer than a single year are discounted at an interest rate commensurate with the risk involved.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[14] Revenue recognition: (continued)

(ii) Special events:

A portion of the gross proceeds paid by attendees at special events held as fundraising activities represents contribution revenue, whereas the other portion serves as the payment of the direct costs of the benefits received by the attendee at the event. Special-event income is reported net of the direct benefits to donors. Special event revenues, other than contributions, applicable to a future year are recognized as revenue in the year the special event takes place.

(iii) Rental revenue:

Revenue received from subleases of the Foundation's office spaces are recognized ratably over the length of the terms specified in the agreements. Revenue related to rental income received in advance is deferred until the following year.

[15] Advertising costs:

The Foundation expenses the cost of advertising as incurred. Advertising expenses were approximately $1,979,000 and $1,866,000 for 2020 and 2019, respectively.

[16] Functional allocation of expenses:

The costs of providing the Foundation's various program and supporting services have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present expenses by natural classification and function. Accordingly, direct costs have been allocated among the program and supporting services based on the nature of the expense. Indirect expenses have been allocated on the basis of time allocation with the exception of rent, insurance, depreciation and amortization, which are allocated based on square footage.

[17] Volunteers:

A number of unpaid volunteers have made significant contributions of their time supporting the Foundation. The value of this contributed time is not recorded in the consolidated financial statements because it does not meet the criteria for revenue recognition required by U.S. GAAP.

[18] Income taxes:

The Foundation follows the provisions of the FASB's ASC Topic 740, *Income Taxes*, as it relates to accounting and reporting for uncertainty in income taxes. For the Foundation, these provisions could be applicable to the incurrence of unrelated business income tax ("UBIT") on merchandise sales. Because the Foundation has always recorded the potential liability for UBIT, and due to its general tax-exempt status, management believes ASC Topic 740 has not had, and is not expected to have, a material impact on the Foundation's consolidated financial statements.

NOTE A - ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

[19] Adoption of accounting principle:

In June 2018, the FASB issued Accounting Standards Update ("ASU") 2018-08, *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 985)*. ASU 2018-08 clarified and improved guidance concerning: 1) evaluating whether a transaction should be accounted for as an exchange transaction or as a contribution; and 2) determining whether a contribution received is conditional. ASU 2018-08 should be applied on a modified prospective basis. ASU 2018-08 was effective for annual periods beginning after December 15, 2018 for entities that are resource recipients. Accordingly, the Foundation adopted the resource recipient portion for its year ended December 31, 2019. ASU 2018-08 is effective for annual periods beginning after December 15, 2019 for entities that are resource providers. The Foundation therefore adopted the resource provider portion of this ASU during 2020, which had no impact on previously reported net assets.

[20] Upcoming accounting principle:

In February 2016, the FASB issued its lease accounting guidance in ASU 2016-02, *Leases*. ASU 2016-02 will require lessees to recognize on the statements of financial position for all leases (with terms of more than 12 months) at the commencement date, the following: a) a lease liability, which is a lessee's obligation to make lease payments arising from a lease, measured on a discounted basis, and b) a right-of-use-asset, which is an asset that represents the lessee's right to use, or control the use of, a specified asset for the lease term. The lease guidance also simplified the accounting for sale and leaseback transactions primarily because lessees must recognize lease assets and lease liabilities. Lessees will no longer be provided with a source of off-balance sheet financing. This ASU is required to be adopted on a modified retrospective basis. As a result of recent deferrals due to COVID-19, ASU 2016-02 will be effective for private not-for-profit organizations for fiscal years beginning after December 15, 2021. The Foundation is currently evaluating the effect that this guidance will have on the consolidated financial statements and related disclosures.

[21] Reclassification

Certain information in the prior year's consolidated financial statements has been reclassified to conform to the current year's presentation.

[22] Subsequent events:

The Foundation has evaluated subsequent events through May 24, 2021, the date on which the consolidated financial statements were available to be issued.

NOTE B - CONTRIBUTIONS RECEIVABLE

At each year-end, contributions receivable are estimated to be collected as follows:

	December 31, 2020	December 31, 2019
Less than one year	**$ 9,754,927**	$ 14,316,470
One year to five years	**10,368,999**	12,894,568
	20,123,926	27,211,038
Reduction of pledges due in excess of one year to present value, at discount rates ranging from .5% - 3.5%	**(672,539)**	(983,954)
	$ 19,451,387	$ 26,227,084

Based on prior experience with its donors, including the prior history of collections, management expects all receivables to be fully collectible. Accordingly, no allowance for doubtful amounts has been provided.

The Foundation has received conditional funding for research from various donors, for which not all conditions had been satisfied as of year-end. Accordingly, such pledges are not included as revenue on the accompanying consolidated statements of activities. During December 31, 2020 and 2019, conditional pledges totaled approximately $870,000 and $1,500,000, respectively. These pledges will be recognized as the conditions are met by the requisite actions of the Foundation.

NOTE C - INVESTMENTS AND SPLIT INTEREST AGREEMENTS

At each year-end, investments and split-interest agreements consisted of the following:

	December 31, 2020		December 31, 2019	
	Fair Value	Cost	Fair Value	Cost
Investments in common stock	**$ 472,440**	**$ 18,742**	$ 9,424	$ 3,218
Certificates of deposit	**88,349,802**	**88,348,772**	81,603,975	81,602,830
Total Investments	**$ 88,822,242**	**$ 88,367,514**	$ 81,613,399	$ 81,606,048
Split-interest agreements	**$ 3,675,379**	**$ 3,355,872**	$ 2,390,103	$ 2,220,557

Concentrations of the Foundation's investment in excess of 10% of the fair values of its portfolio included approximately 99% invested in certificates of deposits in 2020 and 2019, respectively.

NOTE C - INVESTMENTS AND SPLIT INTEREST AGREEMENTS (CONTINUED)

During each year, net investment income consisted of the following:

	Year Ended December 31, 2020	Year Ended December 31, 2019
Interest and dividends	**$ 1,211,943**	$ 1,763,407
Net realized gains	**11,709**	87,190
Net unrealized gains	**447,377**	7,638
Investment advisory fees	**(150)**	(150)
	$ 1,670,879	$ 1,858,085

ASC Topic 820, *Fair Value Measurements,* establishes a three-level valuation hierarchy of fair-value measurements. These valuation techniques are based upon observable and unobservable inputs. Observable inputs reflect market data obtained from independent sources, while unobservable inputs reflect market assumptions. These two types of inputs create the following fair-value hierarchy:

Level 1: Valuations are based on observable inputs that reflect quoted market prices in active markets for identical assets, at the reporting date.

Level 2: Valuations are based on: (i) quoted prices for similar assets in active markets; or (ii) quoted prices for those assets or similar assets that are not active; or (iii) pricing inputs other than quoted prices that are directly or indirectly observable at the reporting date.

Level 3: Valuations are based on pricing inputs that are unobservable and include situations where: (i) there is little, if any, market activity for the assets; or (ii) the assets cannot be independently valued.

The availability of market data is monitored by the Foundation's management, to assess the appropriate classification of financial instruments within the fair-value hierarchy. Changes in economic conditions or valuation techniques may require the transfer of financial instruments from one level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The following is a summary of the fair values of investments and split interest agreements at each year-end, in accordance with ASC Topic 820 fair-value levels:

	December 31, 2020			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments in common stock	**$ 472,440**	**$ -**	**$ -**	**$ 472,440**
Certificates of deposit	**-**	**88,349,802**	**-**	**88,349,802**
Split-interest agreements	**-**	**-**	**3,675,379**	**3,675,379**
Total	**$ 472,440**	**$ 88,349,802**	**$ 3,675,379**	**$ 92,497,621**

NOTE C - INVESTMENTS AND SPLIT INTEREST AGREEMENTS (CONTINUED)

	December 31, 2019			
	Level 1	Level 2	Level 3	Total
Investments in common stock	$ 9,424	$ -	$ -	$ 9,424
Certificates of deposits	-	81,603,975	-	81,603,975
Split-interest agreements	-	-	2,390,103	2,390,103
Total	$ 9,424	$ 81,603,975	$ 2,390,103	$84,003,502

During 2020 and 2019, the Foundation received contributions of split-interest agreements of $1,413,707 and $607,001, respectively. Distributions from the split-interest agreements were $278,392 and $119,643 in 2020 and 2019, respectively.

Quantitative information regarding unobservable inputs developed by the Foundation and assumptions used to measure the fair value of split-interest agreements as of December 31, 2020 are as follows:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Split-interest agreements	$ 3,675,379	Income approach	Growth rate/ discount rate	1.2% to 3.6%

NOTE D - PROPERTY AND EQUIPMENT

At each year-end, property and equipment consisted of the following:

	December 31,	
	2020	2019
Computer hardware and software	**$ 1,553,242**	$ 1,525,638
Furniture and fixtures	**2,327,846**	2,299,316
Leasehold improvements	**13,772,195**	13,177,560
	17,653,283	17,002,514
Less: accumulated depreciation and amortization	**(7,437,224)**	(5,661,440)
	$10,216,059	$ 11,341,074

NOTE E - GRANTS PAYABLE

At each year-end, grants payable are due to be paid as follows:

	December 31, 2020	December 31, 2019
In less than one year	**$ 81,270,012**	$ 76,617,933
In one-to-five years	**23,927,980**	23,774,828
	105,197,992	100,392,761
Reduction of grants due in excess of one year to present value, at discount rates ranging from 0.75% - 3.5%	**(1,018,622)**	(1,279,764)
	$ 104,179,370	$ 99,112,997

As of December 31, 2020, the Foundation has committed to $231,030,351 of grants of which $125,832,359 have conditions which have not been satisfied yet and accordingly, under U.S. GAAP, cannot be recorded as liabilities.

NOTE F - LOANS PAYABLE

In 2008, the Foundation entered into an unsecured loan agreement with a bank, the terms of which stipulate that the Foundation record the present value of $2,450,000, discounted at a rate of 4.53% per annum. Interest is compounded on a semiannual basis, and no principal or interest payments are due until 2028.

During 2012, the Foundation entered into an additional unsecured loan agreement with the bank, the terms of which stipulate that the Foundation must record the loan's present value of $228,600, discounted at a rate of 2.56% per annum. Interest is compounded on a semiannual basis, and no principal or interest payments are due until 2028.

The loan balances, net of original issue discounts, were $1,150,196 as of both December 31, 2020 and 2019, respectively, and accrued interest payable as of December 31, 2020 and 2019 was $772,458 and $691,746, respectively. Funds obtained were applied to fund research focused on developing a cure for Parkinson's disease.

NOTE G - REVENUE FOR SPECIAL EVENTS

The following table provides information about significant changes in deferred revenue from special event ticket sales consisting of the following:

	December 31, 2020	December 31, 2019
Deferred revenue, beginning of year	**$ 2,000**	$ 57,500
Revenue recognized that was included in deferred revenue at beginning of year	**(2,000)**	(57,500)
Increase in deferred revenue due to cash received during the period	**-**	2,000
Deferred revenue, end of year	**$ -**	$ 2,000

NOTE H - NET ASSETS WITH DONOR RESTRICTIONS

At each year-end, net assets with donor restrictions were restricted for the following:

	December 31, 2020	December 31, 2019
Purpose restricted:		
Research	**$ 10,568,168**	$ 12,690,442
Time-restricted for future periods	**9,506,317**	13,951,539
	$ 20,074,485	$ 26,641,981

During each year, net assets with donor restrictions were released from restrictions as follows:

	December 31, 2020	December 31, 2019
Purpose restricted:		
Research	**$ 19,794,836**	$ 29,985,298
Time-restricted for future periods	**4,945,221**	6,913,239
	$ 24,740,057	$ 36,898,537

NOTE I - RETIREMENT BENEFITS

The Foundation has a defined-contribution retirement plan, formed under Section 401(k) of the Code that covers all employees who meet certain length-of-service requirements. The Foundation's contributions to the plan were $1,049,792 and $952,731 in 2020 and 2019, respectively.

NOTE J - RENTAL INCOME AGREEMENTS

The Foundation has agreements with two unrelated parties to sublease a portion of its office space in Manhattan. These agreements are set to expire through 2023. Rental income related to these agreements was $2,168,822 and $2,093,810, as of December 31, 2020 and 2019, respectively, and was recognized in the accompanying consolidated statements of activities.

Future minimum rent payments to be received under these lease agreements are as follows:

Year	Amount
2021	$ 2,049,041
2022	1,218,478
2023	1,245,875
	$ 4,513,394

NOTE K - COMMITMENTS, CONTINGENCIES AND OTHER UNCERTAINTY

[1] Lease commitments:

In 2016, the Foundation signed an operating lease agreement for office space located in Manhattan. The lease provided for escalation charges through the lease term, which is set to expire in November 2029. The aggregate minimum lease payments are currently being amortized using the straight-line method over the term of the lease.

Additionally, under the terms of the lease, the Foundation is to be reimbursed by the landlord for a portion of the leasehold improvements. The amount to be reimbursed by the landlord is recorded as abatement, which is amortized as a reduction to rent expense over the term of the lease. The cumulative differences between rent expense and amounts paid were $11,144,505 and $11,969,464 as of December 31, 2020 and 2019, respectively, and have been reported as deferred rent obligation in the accompanying consolidated statements of financial position.

The Foundation had an additional lease agreement for office space located in Washington D.C. that expired in June 2020.

Future minimum rent payments under these lease agreements, exclusive of escalation charges and real estate taxes are as follows:

Year	Amount
2021	$ 5,436,413
2022	5,662,447
2023	5,925,137
2024	5,977,033
2025	6,028,928
Thereafter	24,371,851
	$ 53,401,809

Rent expense for 2020 and 2019 was $5,156,473 and $5,369,202 respectively.

[2] Contracts:

In the normal course of its business, the Foundation enters into various contracts for professional and other services, which are typically renewable on a year-to-year basis.

[3] Letter of credit:

The Foundation has an unused letter of credit with a bank for $3,923,739, which is required under the lease agreement for its existing office space in Manhattan. This letter of credit is also collateralized by a $1,961,870 time-deposit that the Foundation must maintain with the bank.

[4] COVID-19:

The extent of the impact of the COVID-19 outbreak on the Foundation's operational and financial performance will depend on the continued future developments, including the duration and spread of the outbreak and related travel advisories and restrictions and the impact of COVID-19 on the overall availability of contributions towards the Foundation's programs, all of which are highly uncertain and cannot be predicted. If contributions towards the Foundation's programs are impacted for an extended period, results of operations may be materially adversely affected. The Foundation has taken several measures to conserve cash, including reducing the 2021 budget and reforecasting expenses. These steps are intended to help protect the liquidity of the Foundation, which intentionally carries minimal operating reserves in order to maximize mission-related investments.

NOTE L - LIQUIDITY AND AVAILABILITY OF RESOURCES

The following reflects the Foundation’s financial assets as of the consolidated statements of financial position date, reduced by amounts not available for general expenditure within one year of December 31, 2020 and 2019, because of donor-imposed restrictions:

	December 31,	
	2020	**2019**
Cash and cash equivalents	**$ 106,821,911**	$ 66,962,137
Contributions receivable, net	**19,451,387**	26,227,084
Investments	**88,822,242**	81,613,399
Total financial assets available within one year	**215,095,540**	174,802,620
Less:		
Amounts unavailable for general expenditures within one year, due to donor restrictions for:		
Purpose	**(10,568,168)**	(13,951,539)
Time-restricted for future periods	**(9,506,317)**	(12,690,442)
	(20,074,485)	(26,641,981)
Total financial assets available to meet cash needs for general expenditures within one year	**$ 195,021,055**	$ 148,160,639

Liquidity policy:

As part of the Foundation’s liquidity management, it maintains a sufficient level of operating cash and investments to be available as its general expenditures, liabilities and other obligations come due. In addition, the Foundation invests cash in excess of daily requirements in short-term investments.

NOTE M - CONCENTRATION OF CREDIT RISK

The Foundation maintains its cash balances in a high-credit-quality financial institutions in amounts which, at times, may be in excess of federally insured limits. The Foundation has not experienced any losses in such accounts, and management believes that the Foundation is not exposed to any significant risk of loss due to the failure of these financial institutions.

NOTE N - CONCENTRATION OF REVENUE

During 2020 and 2019, approximately 63% and 37%, respectively, of the Foundation's total support and revenue was provided by one donor.

NOTE O - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE

On April 22, 2020, the Foundation received $3,704,328 in funds from Signature Bank and the balance is reported as a PPP loan payable on the consolidated statements of financial position as of December 31, 2020. Neither principal nor interest is due for a ten-month deferral period from the last day of the Foundation’s covered period, which is October 15, 2021. This loan may be forgiven subject to bank approval in accordance with SBA guidelines. Any outstanding principal of the loan that is not forgiven under the PPP loan program at the end of the ten-month deferral period will convert to a term loan with an interest rate of 1% payable in equal installments of principal and interest over the next twenty-four months, beginning in October 2021. The loan matures on April 22, 2022. The Foundation is in the process of applying for forgiveness.

NOTE O - PAYCHECK PROTECTION PROGRAM LOAN PAYABLE (CONTINUED)

Until determination of forgiveness, the scheduled future principal maturities as of December 31, 2020 are as follows:

December 31,	Amount
2021	$ 463,041
2022	3,241,287
Total	$ 3,704,328

NOTE P - LINE OF CREDIT

In March 2020, the Foundation opened a new line of credit in the amount of $20,000,000 with Signature Bank. The line may be used for operations and bears interest at prime rate minus 0.50%. The line is collateralized by the Foundation's other assets held by the bank which includes its cash accounts and CDs. There were no drawdowns during 2020. The line of credit expires in March 2022.