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THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

CONSOLIDATED FINANCIAL STATEMENTS

DECEMBER 31, 2022 and 2021

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Contents

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INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Financial Statements

Opinion

We have audited the 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, 2022 and 2021, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Michael J. Fox Foundation for Parkinson's Research as of December 31, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of The Michael J. Fox Foundation for Parkinson's Research and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

The Foundation's 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; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

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

EisnerAmper LLP

EISNERAMPER LLP
New York, New York
June 7, 2023

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Financial Position

	December 31, 2022	December 31, 2021
ASSETS		
Cash and cash equivalents	**$ 144,960,420**	$ 207,408,707
Cash and cash equivalents - restricted	**1,961,870**	1,961,870
Contributions receivable, net	**22,818,272**	22,408,960
Investments	**191,936,755**	89,955,756
Split-interest agreements - charitable gift annuities	**514,558**	1,241,247
Inventory	**79,186**	97,204
Prepaid expenses and other assets	**2,142,283**	1,217,916
Right-of-use asset	**28,348,519**	-
Property and equipment, net	**7,728,406**	8,869,711
	$ 400,490,269	$ 333,161,371
LIABILITIES AND NET ASSETS		
Liabilities:		
Accounts payable and accrued expenses	**$ 6,903,895**	$ 6,136,677
Grants payable, net (see Note E)	**151,320,651**	136,308,299
Other liabilities	**405,724**	-
Lease liability	**37,888,948**	-
Deferred rent obligation	**-**	10,711,478
	196,519,218	153,156,454
Commitments and contingencies (see Notes E, I and J)		
Net Assets:		
Without donor restrictions	**55,132,969**	54,062,817
With donor restrictions:		
Purpose restrictions	**140,412,702**	115,940,496
Time-restricted for future periods	**8,425,380**	10,001,604
Total net assets with donor restrictions	**148,838,082**	125,942,100
Total net assets	**203,971,051**	180,004,917
	$ 400,490,269	$ 333,161,371

See notes to consolidated financial statements.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Activities

	Year Ended December 31,					
	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Public support and revenue:						
Contributions	**$ 115,964,308**	**$ 237,736,608**	**$ 353,700,916**	$ 106,205,739	$ 235,746,045	$ 341,951,784
Special events (net of direct benefits to donors of $1,011,757 and $979,376 in 2022 and 2021, respectively)	**5,904,203**	**-**	**5,904,203**	6,111,229	-	6,111,229
Investment income, net	**2,255,845**	**-**	**2,255,845**	578,842	-	578,842
Loss in value of split-interest agreements	**-**	**(791,637)**	**(791,637)**	-	(955,965)	(955,965)
Rental income	**1,254,824**	**-**	**1,254,824**	2,153,853	-	2,153,853
Net gains (losses) on foreign translation	**52,182**	**-**	**52,182**	(19,463)	-	(19,463)
Gain on Paycheck Protection Program loan forgiveness	**-**	**-**	**-**	3,704,328	-	3,704,328
Miscellaneous income (net of costs of goods sold of $56,929 and $17,028 in 2022 and 2021, respectively)	**3,717**	**-**	**3,717**	26,436	-	26,436
Total public support and revenue before release of restrictions	**125,435,079**	**236,944,971**	**362,380,050**	118,760,964	234,790,080	353,551,044
Net assets released from restrictions	**214,048,989**	**(214,048,989)**	**-**	128,922,465	(128,922,465)	-
Total public support and revenue	**339,484,068**	**22,895,982**	**362,380,050**	247,683,429	105,867,615	353,551,044
Expenses:						
Program services	**306,703,342**	**-**	**306,703,342**	256,872,830	-	256,872,830
Supporting services:						
Management and general	**12,856,486**	**-**	**12,856,486**	8,139,291	-	8,139,291
Fund-raising	**18,854,088**	**-**	**18,854,088**	15,188,231	-	15,188,231
Total supporting services	**31,710,574**	**-**	**31,710,574**	23,327,522	-	23,327,522
Total expenses	**338,413,916**	**-**	**338,413,916**	280,200,352	-	280,200,352
Change in net assets	**1,070,152**	**22,895,982**	**23,966,134**	(32,516,923)	105,867,615	73,350,692
Net assets, beginning of year	**54,062,817**	**125,942,100**	**180,004,917**	86,579,740	20,074,485	106,654,225
Net assets, end of year	**$ 55,132,969**	**$ 148,838,082**	**$ 203,971,051**	$ 54,062,817	$ 125,942,100	$ 180,004,917

See notes to consolidated financial statements.

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Functional Expenses

	Year Ended December 31, 2022					Year Ended December 31, 2021				
	Program Services	Supporting Services				Program Services	Supporting Services			
	Research for a Cure	Management and General	Fund-Raising	Total Supporting Services	2022	Research for a Cure	Management and General	Fund-Raising	Total Supporting Services	2021
Grant awards	$ 269,251,101	$ -	$ -	$ -	$ 269,251,101	$ 233,245,492	$ -	$ -	$ -	$ 233,245,492
Salaries and wages	15,122,638	5,399,202	7,743,790	13,142,992	28,265,630	12,136,806	3,591,406	6,032,343	9,623,749	21,760,555
Payroll taxes and employee benefits	3,264,293	1,081,532	1,969,765	3,051,297	6,315,590	2,595,461	740,189	1,332,449	2,072,638	4,668,099
Data processing and bank fees	179,555	35,672	674,825	710,497	890,052	18,104	37,018	817,134	854,152	872,256
Professional fees	6,865,413	992,409	2,039,578	3,031,987	9,897,400	2,494,346	127,717	1,294,055	1,421,772	3,916,118
Recruitment and training costs	50,466	344,598	2,092	346,690	397,156	125,635	73,455	83,502	156,957	282,592
Technology	1,230,224	754,799	456,661	1,211,460	2,441,684	973,420	77,070	691,078	768,148	1,741,568
Scientific meetings	1,443,180	64,893	220,595	285,488	1,728,668	108,628	-	-	-	108,628
Travel and meetings	1,619,412	64,962	636,402	701,364	2,320,776	-	4,579	325,595	330,174	330,174
Postage and delivery	136,759	7,619	442,846	450,465	587,224	285,313	5,132	340,813	345,945	631,258
Office supplies and equipment	122,291	189,987	50,544	240,531	362,822	111,775	73,210	92,630	165,840	277,615
Advertising and publicity	5,005,213	-	1,830,367	1,830,367	6,835,580	1,076,970	375	2,275,153	2,275,528	3,352,498
Insurance	105,406	35,507	42,350	77,857	183,263	100,659	33,178	39,350	72,528	173,187
Printing and production	112,249	14,269	1,878,303	1,892,572	2,004,821	1,075,032	647	579,989	580,636	1,655,668
Dues and subscriptions	107,096	31,333	10,963	42,296	149,392	57,471	7,176	16,466	23,642	81,113
Occupancy	1,493,779	3,141,273	428,440	3,569,713	5,063,492	1,790,846	2,803,938	745,056	3,548,994	5,339,840
Depreciation and amortization	582,038	521,938	284,464	806,402	1,388,440	676,872	477,835	410,508	888,343	1,565,215
Miscellaneous expenses	6,829	578	38,227	38,805	45,634	-	2,051	-	2,051	2,051
Marathon runner fees	5,400	-	103,876	103,876	109,276	-	-	112,110	112,110	112,110
Bad debt expense	-	175,915	-	175,915	175,915	-	-	-	-	-
Space rental/catering	-	-	1,011,757	1,011,757	1,011,757	-	-	979,376	979,376	979,376
Merchandise expense	-	56,929	-	56,929	56,929	-	17,028	-	17,028	17,028
Interest	-	-	-	-	-	-	84,315	-	84,315	84,315
Total expenses	306,703,342	12,913,415	19,865,845	32,779,260	339,482,602	256,872,830	8,156,319	16,167,607	24,323,926	281,196,756
Less: direct benefits to donors	-	-	(1,011,757)	(1,011,757)	(1,011,757)	-	-	(979,376)	(979,376)	(979,376)
Less: costs of goods sold	-	(56,929)	-	(56,929)	(56,929)	-	(17,028)	-	(17,028)	(17,028)
Total expenses per consolidated statements of activities	$ 306,703,342	$ 12,856,486	$ 18,854,088	$ 31,710,574	$ 338,413,916	$ 256,872,830	$ 8,139,291	$ 15,188,231	$ 23,327,522	$ 280,200,352

THE MICHAEL J. FOX FOUNDATION FOR PARKINSON'S RESEARCH

Consolidated Statements of Cash Flows

	Year Ended December 31, 2022	Year Ended December 31, 2021
Cash flows from operating activities:		
Change in net assets	**$ 23,966,134**	$ 73,350,692
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Depreciation and amortization	**1,388,440**	1,565,215
Noncash lease amortization	**3,768,734**	-
Bad debt expense	**175,915**	-
Losses on disposal of property and equipment	**-**	2,051
Net realized and unrealized losses (gains)	**572,677**	(52,731)
Donated securities	**(238,789,660)**	(236,043,932)
Proceeds from donated securities	**238,614,028**	236,008,244
Donations of split-interest agreements	**(64,948)**	(70,580)
Change in value of split-interest agreements	**791,637**	955,965
Gain on Paycheck Protection Program loan forgiveness	**-**	(3,704,328)
Changes in:		
Contributions receivable, net	**(585,227)**	(2,957,573)
Inventory	**18,018**	(30,496)
Prepaid expenses and other assets	**(924,367)**	1,419,639
Accounts payable and accrued expenses	**767,218**	1,637,395
Grants payable, net	**15,012,352**	32,128,929
Other liabilities	**405,724**	-
Lease liability	**(4,939,783)**	-
Deferred rent obligation	**-**	(433,027)
Net cash provided by operating activities	**40,176,892**	103,775,463
Cash flows from investing activities:		
Purchases of property and equipment	**(247,135)**	(220,918)
Purchases of investments	**(168,547,545)**	(10,985,789)
Proceeds from sales of investments	**66,169,501**	9,940,694
Net cash used in investing activities	**(102,625,179)**	(1,266,013)
Cash flows from financing activities:		
Repayments of loans	**-**	(1,150,196)
Repayments of interest	**-**	(856,773)
Interest payments accrued on loan payable	**-**	84,315
Net cash used in financing activities	**-**	(1,922,654)
Net change in cash, cash equivalents, and restricted cash	**(62,448,287)**	100,586,796
Cash, cash equivalents, and restricted cash, beginning of year	**209,370,577**	108,783,781
Cash, cash equivalents and restricted cash, end of year	**$ 146,922,290**	$ 209,370,577
Supplemental disclosures of cash flow information:		
Interest paid during the year	**$ -**	$ 856,773
Noncash lease liability arising from obtaining right-of-use assets	**$ 42,828,731**	$ -

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, 2022 and 2021, 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 nonprofit funder of Parkinson's research. It is dedicated to accelerating a cure and ensuring the development of 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 $1.5 billion in research programs through the end of December 31, 2022, 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 families 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 its 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.

[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.

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

[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 2022 and 2021, respectively (see Note J[3]).

Canadian cash equivalents expressed in United States dollars were approximately $1,047,000 and $1,755,000 for 2022 and 2021, 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 which are reported at their fair value as of year-end in the consolidated statements of financial position. Investments also include a U.S. Treasury bond being held until maturity.

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 consolidated statements of activities as increases or decreases in net assets without donor restrictions, 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.

The Foundation's policy is to invest in cash and cash equivalents as the Foundation deliberately holds neither an endowment nor excessive reserves in order to aggressively make funds available for Parkinson's research.

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. The contribution revenue from these split-interest agreements is recognized upon the establishment of the agreement, at the fair value of the estimated future receipts, discounted for the estimated time period necessary to complete the agreement. Gains or losses resulting from changes in the value of these split-interest agreements are recorded within the "with donor restrictions" category of net assets on the consolidated statements of activities, as they are considered inherently restricted for time. As of December 31, 2022, the Foundation has a beneficial interest in twenty-six charitable gift annuities, held by a third party.

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

[7] Inventory:

The Foundation's inventory consists of merchandise available for sale. Inventory is valued at the lower of cost or net realizable value. The cost of inventories comprises all costs of purchase and other costs incurred in bringing the inventory to its present location and condition. Cost is determined using the first-in-first-out principle. Trade goods purchased from third parties are valued at the purchase price.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and the estimated costs necessary to complete the sale. Obsolete inventory is written off as necessary.

[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 $25,000 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 when triggering events indicate that the fair value of the long-lived assets may be less than the carrying value, recognizes any impairment in the year of determination. There were no triggering events occurring which would impact property and equipment requiring management to test for, or adjust for, impairment losses during 2022 or 2021. 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] 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 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, 2021, this accrued vacation obligation was $480,786, and was reported in the accompanying consolidated statements of financial position as a part of accounts payable and accrued expenses.

During 2022, the Foundation updated its policy where all vacation days must be utilized during the year with no carryover allowed. Therefore, there is no longer a vacation accrual as of December 31, 2022.

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

[11] 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"), provided 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 were two acceptable methods for accounting for the PPP funds received under the CARES Act. Entities could elect to treat the funds as a loan or as a conditional contribution. During 2020, the Foundation elected to record the PPP funds as a loan under the Financial Accounting Standards Board's (the "FASB") Accounting Standards Codification ("ASC") 470, *Debt*. During the year ended December 31, 2021, the Foundation applied for and received full forgiveness of its loan from the bank and the SBA in the amount of $3,704,328. Accordingly, this forgiven amount is reflected as a gain on Paycheck Protection Program loan forgiveness in the consolidated statements of activities as of December 31, 2021.

[12] Leases:

The Foundation determines if an arrangement is a lease at inception. For the Foundation's operating lease, a right-of-use ("ROU") asset represents the Foundation's right to use an underlying asset for the lease term and an operating lease liability represents an obligation to make lease payments arising from the lease. The ROU asset and lease liability are recognized at the lease commencement date based on the present value of lease payments over the lease term. Since the Foundation's lease agreement does provide an implicit interest rate, the Foundation uses a risk-free rate based on the information available at the commencement date in determining the present value of the lease payments. Operating lease expense is recognized on a straight-line basis over the lease term, subject to any changes in the lease or expectations regarding the terms. Variable lease costs, such as operating costs, are expensed as incurred.

[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." It is the Foundation's policy to record restricted contributions received and expended in satisfaction of the restriction in the same accounting period within the category of "net assets without donor restrictions."

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

[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.

(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 $6,836,000 and $3,352,000 for 2022 and 2021, respectively. Advertising costs include programmatic expenses for clinical research study recruitment that expanded in 2022.

[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 principles:

(i) Leases:

In February 2016, the FASB issued Accounting Standards Update ("ASU") 2016-02, *Leases,* to improve financial reporting of leasing transactions by requiring organizations that lease assets to recognize assets and liabilities for the rights and obligations created by leases that extend more than twelve months on the statements of financial position. This accounting update also requires additional disclosures surrounding the amount, timing, and uncertainty of cash flows arising from leases. The Foundation elected to adopt ASU 2016-02 as of January 1, 2022 on a prospective basis.

The Foundation has elected the package of practical expedients permitted in ASC Topic 842. Accordingly, the Foundation accounted for its existing operating lease as an operating lease under the new guidance, without reassessing (a) whether the contracts contain a lease under ASC Topic 842, (b) whether classification of the operating leases would be different in accordance with ASC Topic 842, or (c) whether the unamortized initial direct costs before transition adjustments would have met the definition of initial direct costs in ASC Topic 842 at lease commencement.

The new lease standard also provides practical expedients for an entity's ongoing accounting. The Foundation elected the short-term lease recognition exemption, under which the Foundation will not recognize right-of-use assets or lease liabilities on new or existing short-term leases. Short-term leases are defined as those with a term of 12 months or less. The Foundation also elected the practical expedient to not separate lease and non-lease components for certain classes of assets.

As a result of the adoption of the new lease accounting guidance, the Foundation recognized on January 1, 2022 (a) a lease liability of $42,828,731 which represented the present value of the remaining lease payments of $44,934,795 discounted using the Foundation's incremental borrowing rate of 1.58%, and (b) a right-of-use asset of $32,117,253. This standard did not have a material impact on the Foundation's consolidated statements of financial position or cash flows from operations and had no impact on the Foundation's consolidated statements of activities and changes in net assets. The most significant impact was the recognition of a ROU asset and lease obligation for an operating lease for year-end 2022.

(ii) Contributed Nonfinancial Assets:

In September 2020, the FASB issued ASU 2020-07, *Not-for-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, intended to improve transparency in the reporting of contributed nonfinancial assets, also known as gifts-in-kind, for not-for-profit organizations. The ASU requires a not-for-profit organization to present contributed nonfinancial assets as a separate line item in the statement of activities, apart from contributions of cash or other financial assets. For each category of contributed nonfinancial assets recognized, the not-for-profit organization will need to disclose: (i) qualitative information about whether the contributed nonfinancial assets were either monetized or utilized during the reporting period; if utilized, a description of the programs or other activities in which those assets were used; (ii) the not-for-profit's policy (if any) about monetizing rather than utilizing contributed nonfinancial assets; (iii) a description of any donor-imposed restrictions associated with the contributed *nonfinancial* assets; and (iv) the valuation and techniques and inputs used to arrive at a fair value measure, if it is a market in which the recipient entity is prohibited by a donor-imposed restriction from selling or using the contributed nonfinancial assets. The amendments in this ASU have been applied on a retrospective basis and are effective for annual reporting periods beginning after June 15, 2021. Analysis of the various provisions of this standard resulted in no significant changes in the way the Foundation recognizes contributed nonfinancial assets and, therefore, no changes to the previously issued audited consolidated financial statements were required on a retrospective basis.

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

[20] Subsequent events:

The Foundation has evaluated subsequent events through June 7, 2023, 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, 2022	December 31, 2021
Less than one year	**$ 15,620,355**	$ 13,362,603
One year to five years	**8,015,500**	9,885,000
	23,635,855	23,247,603
Reduction of pledges due in excess of one year to present value, at discount rates ranging from 2.5% - 3.5%	**(641,668)**	(838,643)
Less: allowance for doubtful accounts	**(175,915)**	-
	$ 22,818,272	$ 22,408,960

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, 2022 and 2021, conditional pledges totaled approximately $540,000 and $830,000, 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 consisted of the following:

	December 31, 2022		December 31, 2021	
	Fair Value	Cost	Fair Value	Cost
Investments in common stock	**$ 1,714,871**	**$ 1,716,134**	$ 596,095	$ 80,981
U.S. Treasury bond	**181,546**	**184,971**	-	-
Certificates of deposit	**190,040,338**	**190,053,546**	89,359,661	89,368,478
Total investments	**$191,936,755**	**$191,954,651**	$ 89,955,756	$ 89,449,459

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 2022 and 2021, respectively.

NOTE C - INVESTMENTS AND SPLIT INTEREST AGREEMENTS (CONTINUED)

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

	Year Ended December 31,	
	2022	**2021**
Interest and dividends	**$ 2,828,672**	$ 526,261
Net realized (losses) gains	**(48,484)**	1,162
Net unrealized (losses) gains	**(524,193)**	51,569
Investment advisory fees	**(150)**	(150)
	$ 2,255,845	$ 578,842

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, 2022			
	Level 1	**Level 2**	**Level 3**	**Total**
Investments in common stock	**$ 1,714,871**	**-**	**$ -**	**$ 1,714,871**
U.S. Treasury bond	**-**	**181,546**	**-**	**181,546**
Certificates of deposit	**-**	**190,040,338**	**-**	**190,040,338**
Total investments	**1,714,871**	**190,221,884**	**-**	**191,936,755**
Split-interest agreements	**$ -**	**$ -**	**$ 514,558**	**$ 514,558**

NOTE C - INVESTMENTS AND SPLIT INTEREST AGREEMENTS (CONTINUED)

	December 31, 2021			
	Level 1	Level 2	Level 3	Total
Investments in common stock	$ 596,095	$ -	$ -	$ 596,095
Certificates of deposits	-	89,359,661	-	89,359,661
Total investments	596,095	89,359,661	-	89,955,756
Split-interest agreements	$ -	$ -	$ 1,241,247	$ 1,241,247

During 2022 and 2021, the Foundation received contributions of split-interest agreements of $64,948 and $70,580 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, 2022 are as follows:

Type	Fair Value	Valuation Technique	Significant Unobservable Inputs	Range
Split-interest agreements	$ 514,558	Income approach	Growth rate/ discount rate	0.4% to 4.0%

NOTE D - PROPERTY AND EQUIPMENT

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

	December 31,	
	2022	2021
Computer hardware and software	**$ 2,021,293**	$ 1,774,158
Furniture and fixtures	**2,260,005**	2,260,005
Leasehold improvements	**12,266,620**	12,266,620
	16,547,918	16,300,783
Less: accumulated depreciation and amortization	**(8,819,512)**	(7,431,072)
	$ 7,728,406	$ 8,869,711

During 2021, the Foundation disposed of property and equipment no longer in use of $1,573,418, resulting in a loss on disposals of $2,051. There were no disposals in 2022.

NOTE E - GRANTS PAYABLE

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

	December 31, 2022	December 31, 2021
In less than one year	**$ 121,900,202**	$ 101,089,121
In one-to-five years	**31,775,423**	35,846,077
	153,675,625	136,935,198
Reduction of grants due in excess of one year to present value, at discount rates ranging from 0.50% - 2.5%	**(2,354,974)**	(626,899)
	$ 151,320,651	$ 136,308,299

As of December 31, 2022, the Foundation has committed to $226,694,270 of grants, of which $73,018,645 have conditions which have not been satisfied yet, and accordingly, under U.S. GAAP, cannot be recorded as liabilities. The Foundation maintains cash reserves included in net assets without donor restrictions against certain of these conditional grants.

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.

During 2021, the Foundation repaid the loan balance of $1,150,196 in full and paid the accrued interest through December 2021 of $856,773.

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

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

	December 31, 2022	December 31, 2021
Purpose restricted:		
Research	**$ 140,412,702**	$ 115,940,496
Time-restricted for future periods	**8,425,380**	10,001,604
	$ 148,838,082	$ 125,942,100

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS (CONTINUED)

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

	December 31,	
	2022	**2021**
Purpose restricted:		
Research	**$ 206,647,676**	$ 123,464,872
Time-restricted for future periods	**7,401,313**	5,457,593
	$ 214,048,989	$ 128,922,465

In 2022 and 2021, the net assets with donor restrictions and released from restriction include research for the Aligning Science Across Parkinson's (ASAP) program.

NOTE H - 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 $1,376,158 and $969,286 in 2022 and 2021, respectively.

NOTE I - RENTAL INCOME AGREEMENTS

The Foundation has agreements with three unrelated parties to sublease a portion of its office space in Manhattan. One agreement expired during 2022 and the other two agreements are set to expire through 2029. Rental income related to these agreements was $1,254,824 and $2,153,853, as of December 31, 2022 and 2021, 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
2023	$ 859,964
2024	774,351
2025	789,838
2026	805,635
2027	821,747
Thereafter	1,621,766
	$ 5,673,301

NOTE J - COMMITMENTS AND CONTINGENCIES

[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.

NOTE J - COMMITMENTS AND CONTINGENCIES (CONTINUED)

[1] Lease commitments: (continued)

Additionally, under the terms of the lease, the Foundation was reimbursed by the landlord for a portion of the leasehold improvements. The amount reimbursed by the landlord was recorded as abatement, which was amortized as a reduction to rent expense over the term of the lease.

Information relating to the "lease costs," which include all costs during the period associated with an operating lease were $4,403,072 and $5,339,840 for 2022 and 2021, respectively. There were no costs related to variable lease components.

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

Year Ending December 31,	Amount
2023	$ 5,664,108
2024	5,664,108
2025	5,664,108
2026	5,664,108
2027	5,944,656
Thereafter	11,393,924
Total minimum lease payments	39,995,012
Less: amount representing interest	(2,106,064)
Amount reported on statements of financial position	$ 37,888,948

Weighted average remaining lease term:	
Operating lease	7 years (83 months)
Weighted average discount rate:	
Operating lease	1.58%

[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.

NOTE K - 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, 2022 and 2021, because of donor-imposed restrictions:

	December 31,	
	2022	**2021**
Cash and cash equivalents	**$ 144,960,420**	$ 207,408,707
Contributions receivable, net	**22,818,272**	22,408,960
Investments	**191,936,755**	89,955,756
Split-interest agreements - charitable gift annuities	**514,558**	1,241,247
Total financial assets available within one year	**360,230,005**	321,014,670
Less:		
Amounts unavailable for general expenditures within one year, due to donor restrictions for:		
Purpose	**(140,412,702)**	(115,940,496)
Time-restricted for future periods	**(8,425,380)**	(10,001,604)
	(148,838,082)	(125,942,100)
Total financial assets available to meet cash needs for general expenditures within one year	**$ 211,391,923**	$ 195,072,570

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 L - 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 monitors the risk associated with concentrations on an ongoing basis.

NOTE M - CONCENTRATION OF REVENUE

During 2022 and 2021, approximately 70% and 65%, respectively, of the Foundation's total support and revenue was provided by two donors.

NOTE N - LINE OF CREDIT

The Foundation has a line of credit in the amount of $20,000,000 with a financial institution. 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 2022 or 2021. The line of credit is renewable annually.