

IMD GUEST HOUSE FOUNDATION

FINANCIAL STATEMENTS

**For the Years Ended
December 31, 2020 and 2019**

IMD GUEST HOUSE FOUNDATION

Annual Financial Report

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Desmond & Ahern, Ltd.

CERTIFIED PUBLIC ACCOUNTANTS & CONSULTANTS

Independent Auditor's Report

To the Board of Directors
IMD Guest House Foundation
Chicago, IL

We have audited the accompanying financial statements of IMD Guest House Foundation (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IMD Guest House Foundation as of December 31, 2020 and 2019, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Desmond & Ahern, Ltd

September 9, 2021
Chicago, IL

IMD GUEST HOUSE FOUNDATION
STATEMENTS OF FINANCIAL POSITION
As of December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Assets</u>		
Current Assets		
Cash and cash equivalents	\$ 881,837	\$ 760,464
Accounts receivable, net	43,546	70,959
Total current assets	<u>925,383</u>	<u>831,423</u>
Property and Equipment		
Furniture and fixtures	336,813	328,038
Leasehold improvements	1,201,739	1,201,739
Computers	29,120	23,523
Total property and equipment	<u>1,567,672</u>	<u>1,553,300</u>
Less accumulated depreciation	<u>(1,006,111)</u>	<u>(836,461)</u>
Net property and equipment	<u>561,561</u>	<u>716,839</u>
Other Assets		
Prepaid insurance	<u>35,297</u>	<u>17,882</u>
Total Assets	<u><u>\$ 1,522,241</u></u>	<u><u>\$ 1,566,144</u></u>
<u>Liabilities and Net Assets</u>		
Current Liabilities		
Accounts payable	\$ 8,454	\$ 20,536
Accrued expenses	10,676	21,792
Deferred rent	60,084	37,854
Deferred revenue	428,548	268,095
Total current liabilities	<u>507,762</u>	<u>348,277</u>
Long-Term Liability		
Deferred rent	<u>153,192</u>	<u>204,822</u>
Total liabilities	<u>660,954</u>	<u>553,099</u>
<u>Net Assets</u>		
Without donor restrictions	808,237	974,410
With donor restrictions	<u>53,050</u>	<u>38,635</u>
Total net assets	<u>861,287</u>	<u>1,013,045</u>
Total Liabilities and Net Assets	<u><u>\$ 1,522,241</u></u>	<u><u>\$ 1,566,144</u></u>

See independent auditor's report and notes to financial statements.

IMD GUEST HOUSE FOUNDATION
STATEMENTS OF ACTIVITIES AND CHANGES IN NET ASSETS
For the Years Ended December 31, 2020 and 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues and Other Support						
Public support and contribution	\$ 272,315	\$ 50,000	\$ 322,315	\$ 127,120	\$ 38,635	\$ 165,755
Government grants - SBA PPP	96,537	-	96,537	-	-	-
Program service revenue	1,096,770	-	1,096,770	1,231,453	-	1,231,453
Special events, net	41,661	-	41,661	95,430	-	95,430
Donated services	67,623	-	67,623	79,176	-	79,176
Interest	3,809	-	3,809	9,303	-	9,303
Net assets released from restrictions	35,585	(35,585)	-	5,860	(5,860)	-
Total revenues and other support	<u>1,614,300</u>	<u>14,415</u>	<u>1,628,715</u>	<u>1,548,342</u>	<u>32,775</u>	<u>1,581,117</u>
Expenses						
Program services	1,350,201	-	1,350,201	1,440,592	-	1,440,592
Management and general	189,971	-	189,971	168,759	-	168,759
Fundraising	240,301	-	240,301	165,046	-	165,046
Total expenses	<u>1,780,473</u>	<u>-</u>	<u>1,780,473</u>	<u>1,774,397</u>	<u>-</u>	<u>1,774,397</u>
Change in net assets	(166,173)	14,415	(151,758)	(226,055)	32,775	(193,280)
Net assets, beginning of year	<u>974,410</u>	<u>38,635</u>	<u>1,013,045</u>	<u>1,200,465</u>	<u>5,860</u>	<u>1,206,325</u>
Net assets, end of year	<u>\$ 808,237</u>	<u>\$ 53,050</u>	<u>\$ 861,287</u>	<u>\$ 974,410</u>	<u>\$ 38,635</u>	<u>\$ 1,013,045</u>

See independent auditor's report and notes to financial statements.

IMD GUEST HOUSE FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
For the Years Ended December 31, 2020 and 2019

Functional Expenses	2020				2019			
	Program	Supporting Services		Total	Program	Supporting Services		Total
		Administrative	Fundraising			Administrative	Fundraising	
Salaries	\$ 278,158	\$ 42,431	\$ 150,866	\$ 471,455	\$ 328,186	\$ 38,922	\$ 75,191	\$ 442,299
Payroll taxes	21,752	3,318	11,798	36,868	28,360	3,363	6,497	38,220
Employee benefits	28,917	4,411	15,684	49,012	33,374	3,958	7,646	44,978
Bank service charge	8,326	1,270	4,516	14,112	13,770	1,633	3,155	18,558
Conferences	1,859	284	1,009	3,152	4,091	485	937	5,513
Printing and copying	219	33	118	370	1,160	138	266	1,564
Housekeeping	16,210	-	-	16,210	10,766	-	-	10,766
Insurance	11,228	1,712	6,090	19,030	13,769	1,633	3,155	18,557
Marketing	12,555	1,915	11,609	26,079	22,122	2,624	9,953	34,699
Membership dues	4,454	679	2,416	7,549	4,626	549	1,060	6,235
Miscellaneous	3,499	2,357	1,898	7,754	4,869	988	1,116	6,973
IT services	12,134	1,850	6,581	20,565	13,585	1,611	3,112	18,308
Postage and delivery	510	78	276	864	1,502	178	344	2,024
Professional fees	60,862	100,545	3,381	164,788	59,787	78,056	13,698	151,541
Occupancy	722,126	2,110	7,501	731,737	737,695	2,197	4,244	744,136
Repairs and maintenance	892	136	484	1,512	1,244	148	285	1,677
Supplies	17,811	1,472	5,234	24,517	30,491	2,241	4,329	37,061
Telephone	4,329	660	2,348	7,337	4,917	583	1,126	6,626
Depreciation	144,360	16,984	8,492	169,836	126,278	14,976	28,932	170,186
Taxes and fees	-	676	-	676	-	4,961	-	4,961
Interest	-	-	-	-	-	15	-	15
Bad debt	-	7,050	-	7,050	-	9,500	-	9,500
Total Expenses	\$ 1,350,201	\$ 189,971	\$ 240,301	\$ 1,780,473	\$ 1,440,592	\$ 168,759	\$ 165,046	\$ 1,774,397

See independent auditor's report and notes to financial statements.

IMD GUEST HOUSE FOUNDATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2020 and 2019

	<u>2020</u>	<u>2019</u>
<u>Cash Flows from Operating Activities</u>		
Change in net assets	\$ (151,758)	\$ (193,280)
Adjustments to reconcile change in net assets to net cash used by operating activities:		
Depreciation	169,836	170,186
(Increase) decrease in:		
Accounts receivable	27,413	33,345
Prepaid expenses and security deposits	(17,415)	719
Increase (decrease) in:		
Accounts payable	(12,082)	16,950
Accrued expenses	(11,116)	494
Deferred revenue	160,453	153,603
Deferred rent	(29,400)	(8,184)
Net cash provided by operating activities	<u>135,931</u>	<u>173,833</u>
<u>Cash Flows from Investing Activities</u>		
Purchase of property and equipment	<u>(14,558)</u>	<u>(44,597)</u>
Net cash used in operating activities	<u>(14,558)</u>	<u>(44,597)</u>
Net increase in cash and cash equivalents	121,373	129,236
Cash and cash equivalents, beginning of year	760,464	631,228
Cash and cash equivalents, end of year	<u><u>\$ 881,837</u></u>	<u><u>\$ 760,464</u></u>
<u>Supplemental Information</u>		
Cash paid for interest	<u><u>\$ -</u></u>	<u><u>\$ 15</u></u>
Cash paid for taxes	<u><u>\$ 10</u></u>	<u><u>\$ 4,961</u></u>

See independent auditor's report and notes to financial statements.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

The IMD Guest House Foundation (the “Foundation”) is an Illinois non-profit organization. The Foundation is an independent non-profit that provides a comfortable, secure, temporary residence that serves as a supportive environment for medical patients and their caregivers. The Foundation currently offers short-term accommodations through a referral process for Chicago area hospitals.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities in accordance with the accounting principles generally accepted in the United States of America (“GAAP”).

Basis of Presentation

As required by the generally accepted accounting principles for Not-for-Profit accounting, the Foundation is required to report information regarding its financial position and activities according to two classes:

Without donor restrictions – Net assets that are not subject to donor-imposed restrictions. Such gifts include gifts without restrictions, including restricted gifts whose donor-imposed restrictions were met during the year.

With donor restrictions – Net assets subject to donor-imposed restrictions which will be met either by actions of the Foundation or the passage of time. Items that affect this net asset category are gifts for which donor-imposed restrictions have not been met in the year of receipt. Restrictions that have been met on net assets with donor restrictions are reported as net assets released from restrictions. If a restriction is fulfilled in the same time period in which the contribution is received, the Foundation reports the support as without donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of the revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents consist of bank deposits in federally insured accounts. At times, the Foundation’s bank balances may be excess of the Federal Deposit Insurance Corporation (FDIC) limits. The Foundation has not experienced any losses in such accounts and management believes the Foundation is not exposed to any significant credit risk related to cash and cash equivalents.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Cash and Cash Equivalents (cont.)

For purposes of the statement of cash flows, the Foundation considers all liquid investments with an original maturity of three months or less to be cash equivalents.

Accounts Receivable

Unconditional promises to give are recognized as receivables and revenues in the period received. Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The discounts on those amounts are computed using risk-free interest rates applicable to the years in which the promises are received. Amortization of the discounts is included in contribution revenue.

Conditional promises to give are recognized only when the conditions on which they depend are substantially met and the promises become unconditional. The receivables are due under terms established by the donors.

The carrying amount of receivables is reduced by an allowance for uncollectible promises receivable that reflects management's estimate of the amounts that will not be collected. Management reviews individual receivable balances periodically and determines the adequacy of its estimate for the valuation allowance. At December 31, 2020 and 2019, there was an allowance of \$5,000 and \$5,000 for uncollectible promises or receivables.

Property and Equipment

Expenditures for property and equipment and items which substantially increase the useful lives of existing assets are capitalized at cost. Depreciation is provided using the straight-line method over the estimated useful lives of the related assets for furniture, fixtures and equipment. Leasehold improvements are depreciated using the straight-line method over the life of the lease. Depreciation expense for the years ended December 31, 2020 and 2019 was \$169,836 and \$170,186, respectively.

Deferred Revenue

Receipts of institutional rent sponsorships collected in advance of applicable period of obligation have been included in deferred revenue in the accompanying Statement of Financial Position. Such deferred revenue is substantially recognizable within one year when the associated sponsorship period occurs.

Deferred Rent

Rent expense is being recognized on a straight-line basis over the life of the lease. The difference between rent expense recognized and rental payments, as stipulated in the lease, is reflected as deferred rent in the Statement of Financial Position.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Income Tax Status

The Foundation was granted an exemption from federal income tax by the Internal Revenue Service pursuant to the provisions of Internal Revenue Code Section 501(c)(3). The Foundation qualifies for the charitable contribution deduction under Section 170(b)(1)(A)(vi) and has been classified as an organization that is not a private foundation under Section 509(a)(1). The tax-exempt purpose of the Foundation and the nature in which it operates is described above. The Foundation continues to operate in compliance with its tax-exempt purpose.

The Foundation's annual information and income tax returns filed with the federal and state governments are subject to examination for the past three years filed.

The Foundation has adopted the requirements for accounting for uncertain tax positions and management has determined that the Foundation was not required to record a liability related to uncertain tax positions as of December 31, 2020 and 2019.

Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the Statement of Activities and the Statement of Functional Expenses. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributable to one program or supporting function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include salaries, fringe benefits, depreciation, and occupancy, which are allocated on the basis of estimates of time.

In-Kind Contributions and Support

In-kind contributions consist of donated goods and services, including legal services, Guest House apartment items, and special event goods and services. The Foundation has requested providers of goods and services to submit documentation in support of their contributions. The value of in-kind contributions is reflected in the financial statements to the extent that the providers of the contributions submitted proper support to quantify the donation's value.

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Foundation. These contributions have been presented in the financial statements as support with a like amount shown as expense.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Program Service Revenue

The Foundation has institutional sponsorship agreements with various organizations to provide short-term accommodations to their patients and caregivers. Revenue from these arrangements is recognized over the term of the agreement as performance obligations are met. The amount allocated to the performance obligations as well as guests staying in the rooms are daily rates which are determined by the Foundation.

Support and Other Revenue

The Foundation recognizes contributions when cash, securities or other assets; an unconditional promise to give; or a notification of a beneficial interest is received. Conditional promises to give – that is, those with a measurable performance or other barrier and a right of return- are not recognized until the conditions on which they depend have been met. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations that limit the use of the donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from restrictions.

The Foundation reports gifts of land, buildings, and equipment as without donor restriction support unless explicit donor stipulations specify how the donated assets must be used. Gifts of long-lived assets with explicit restrictions that specify how the assets are to be used and gifts of cash or other assets that must be used to acquire long-lived assets are reported as restricted support. Absent explicit donor stipulations regarding how long those long-lived assets must be maintained, the Foundation reports expirations of donor restrictions when the donated or acquired long-lived assets are placed in service. During the year ending December 31, 2020 and 2019 no such gifts of land, buildings, or equipment were received.

The Foundation recognizes contract revenue at an amount that reflects consideration to which the Foundation expects to be entitled to in exchange for transferring goods or services to a customer. The Foundation is not currently engaged if this type of contract, which is based on performance reporting. All contracts recognize revenue in accordance with ASU No. 2014-09 and prior year revenues have been retrospectively adjusted. There was no contract revenue recorded in 2020 and 2019 for any performance obligations met in the prior year.

For performance reporting contracts, a customer pays the agreed upon amounts after the completion and submission of specified deliverables in the contract. For these contracts, the Foundation will allocate the transaction price of the contract to the specific performance obligations based on the contract. The Foundation recognizes revenue when the performance obligations are met and delivered to the customer. There are no contract assets or liabilities.

**IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019**

Note 1 – Nature of Operations and Summary of Significant Accounting Policies (cont.)

Concentration of Risk

During the years ended December 31, 2020 and 2019, the Foundation received approximately 50% and 47% of its total revenues from two organizations, respectively. A significant reduction in this level of support may have an adverse effect on the Foundation's programs and activities.

Subsequent Events

Accounting principles generally accepted in the United States of America establish general standards of accounting for, and disclosure of, events that occur after the balance sheet date but before financial statements are issued or are available to be issued. The Foundation has evaluated subsequent events through September 9, 2021, which is the date the financial statements were available to be issued. No subsequent events have been identified that are required to be disclosed as of that date.

Accounting Standards Update

During the fiscal year 2020 the Foundation has adopted Accounting Standards Update (ASU) No. 2018-08 *Not-for-Profit Entities: Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made (Topic 605)*, which requires that an entity evaluate whether transactions should be accounted for as contributions or as exchange transactions and determining whether a contribution is conditional. Management believes the standard improves the usefulness and understandability of the Foundation's financial reporting.

Analysis of various provisions of this standard resulted in no significant changes in the way the Foundation recognizes revenue, and therefore no changes to the previously issued audited financial statements were required on a retrospective basis. The presentation and disclosures of revenue have been enhanced in accordance with the standard.

Change in Accounting Principle

In May 2014, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (Topic 606). Subsequent to May 2014, the FASB issued six ASUs to clarify certain matters related to Topic 606. Topic 606 supersedes the revenue recognition requirements in FASB ASC 605, Revenue Recognitions, and requires the recognition of revenue when promised goods or services are transferred to customers in an amount that reflects the consideration to which an entity expects to be entitled in exchange for those goods or services. The updates address the complexity of revenue recognition and provide sufficient information to enable financial statement users to understand the nature, amount, timing, and uncertainty of revenue and cash flows arising from contracts with customers. The Foundation's financial statements reflect the application of ASC 606 guidance beginning in 2020. No cumulative-effect adjustment in net assets was recorded because the adoption of ASU 2014-09 did not significantly impact the Foundation's reported historical revenue.

IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 2 – Financial Assets and Liquidity Resources

The Foundation regularly monitors the availability of resources required to meet its operating needs and other contractual commitments. For purposes of analyzing resources available to meet general expenditures over a 12-month period, the Foundation considers all expenditures related to its ongoing program activities as well as the conduct of services undertaken to support those activities to be general expenditures.

Financial assets and liquidity resources available within one year for general expenditure, such as operating expenses, were as follows as of December 31:

	<u>2020</u>	<u>2019</u>
Financial assets at year-end		
Cash and cash equivalents	\$ 881,837	\$ 760,464
Accounts receivable	48,546	75,959
Unused line of credit	200,000	-
Total financial assets at year-end	<u>1,130,383</u>	<u>836,423</u>
Less amounts not available to be used within one year:		
Restricted by donor with purpose restrictions	(53,050)	(38,635)
Allowance for doubtful accounts	<u>(5,000)</u>	<u>(5,000)</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 1,072,333</u>	<u>\$ 792,788</u>

The Foundation provides various program services in which it receives institutional sponsorship as well as significant contributions both with and without donor restrictions. The Foundation manages its liquidity and reserves by adhering to the following principles: operating within a stable and balanced budget, maintaining adequate liquid assets to fund near-term operating needs, and maintaining sufficient reserves beyond near-term to provide reasonable assurance that programming is continued, and obligation will be adequately discharged in the future. The Foundation also has available up to a \$200,000 line of credit (see Note 3) that could be drawn upon if needed. In addition to financial assets available to meet general expenditures over the next 12 months, the Foundation anticipates collecting sufficient revenue to cover general expenditures not covered by donor-restricted sources.

Note 3 – Line of Credit

The Foundation has a bank line of credit secured by a blanket lien on all assets which enables the Foundation to borrow up to \$200,000, at the rate of prime, with a stated expiration date of August 24, 2021. For the year ended December 31, 2020, the Foundation had no outstanding borrowings against the line of credit.

IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 4 – Operating Lease

The Foundation has an operating lease which expires July 31, 2023 and provides for the leasing of apartments. Under the provisions of the lease, the Foundation was expected to lease 50 apartments by August 1, 2015. By mutual agreement of the parties, the Foundation leased an average of 50 apartments in December 31, 2020. The lease provides for monthly rents to increase during the lease term, and for rent of a community room and office space at no charge. The lease also provides that, starting August 1, 2018, either party may opt out of the lease after providing written notice 180 days in advance of termination.

Future base rental minimum lease payments for the next five years are as follows:

2021	\$ 794,100
2022	825,600
2023	481,600
Total	<u>\$ 2,101,300</u>

Note 5 – Net Assets

With donor restricted net assets consist of the following contributions at December 31:

	<u>2020</u>	<u>2019</u>
Veterans program	\$ 25,000	\$ -
Cancer patients (room rate subsidy)	17,500	20,000
Volunteer program	7,500	7,500
NICU/PICU patients (room rate subsidy)	-	7,500
Batten disease patients (room rate subsidy)	3,050	3,635
Total	<u>\$ 53,050</u>	<u>\$ 38,635</u>

Note 6 – Deferred Revenue

Deferred revenue consist of the following at December 31:

	<u>2020</u>	<u>2019</u>
University of Chicago	\$ 122,534	\$ 122,500
Rush Veterans Program	160,419	-
Rush Hospital	68,000	68,000
University of Illinois Chicago	55,595	55,595
Stroger Hospital	22,000	22,000
Total	<u>\$ 428,548</u>	<u>\$ 268,095</u>

IMD GUEST HOUSE FOUNDATION
NOTES TO FINANCIAL STATEMENTS
December 31, 2020 and 2019

Note 7 – Special Events

Special events consist of the follow items for the years ended December 31:

	2020	2019
Contributions	\$ 43,112	\$ 106,903
Ticket sales	3,850	43,050
In-kind contributions	-	-
Auction revenue	-	19,735
Less costs of direct benefits to donors	(5,301)	(74,258)
Net revenues from special events	\$ 41,661	\$ 95,430

Note 8 – Pension Plan

The Foundation has a 401(k)-plan covering eligible employees. The employer match is a discretionary percentage determined by management. For the years ended December 31, 2020 and 2019, no employer contribution match has been made.

Note 9 – Paycheck Protection Program

In April 2020, the Foundation received loan proceeds in the amount of \$96,537 under the Paycheck Protection Program (“PPP”). The PPP, established as part of the Coronavirus Aid, Relief and Economic Security Act (“CARES Act”), provides for loans to qualifying businesses for amounts up to 2.5 times of the average monthly payroll expenses of the qualifying business. The loans and accrued interest are forgivable after eight or twenty-four weeks as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and does not terminate employees or reduces salaries during the eight-week period.

The unforgiven portion of the PPP loan is payable over two years at an interest rate of 1%, with a deferral of payments for the first six months. The Foundation has used the proceeds for purposes consistent with the PPP and elected to follow ASC 958-605 and record the loan as a refundable advance where once forgiveness conditions are substantially met or explicitly waived, the entity would reduce the refundable advance and record a contribution for the amount forgiven. As of December 31, 2020, the \$96,537 was completely forgiven and has been recorded as a government grant revenue on the Statement of Activities.

Note 10 – Contingency

The Foundation’s operations have been and will be impacted by the novel coronavirus pandemic after the Foundation fiscal years ending of December 31, 2020 and 2019. Management is maintaining operations to the extent possible however some operations will be affected. The value of several of the Foundation’s assets could be affected by this crisis. It is not possible to reasonably estimate the effect of this Crisis on the Foundation or whether would be material to the Foundation's financial statements at December 31, 2020 and 2019.