# FOUNDATION FOR SARCOIDOSIS RESEARCH FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019





CERTIFIED PUBLIC ACCOUNTANTS

### FOUNDATION FOR SARCOIDOSIS RESEARCH FINANCIAL STATEMENTS DECEMBER 31, 2020 AND 2019

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Board of Directors Foundation for Sarcoidosis Research Chicago, Illinois

### INDEPENDENT AUDITORS' REPORT

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the **FOUNDATION FOR SARCOIDOSIS RESEARCH**, 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 controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditors' Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' 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 the **FOUNDATION FOR SARCOIDOSIS RESEARCH** at 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.

Oak Park, Illinois July 9, 2021

# FOUNDATION FOR SARCOIDOSIS RESEARCH STATEMENTS OF FINANCIAL POSITION DECEMBER 31, 2020 AND 2019

ASSETS	2020			2019
Cash and cash equivalents Investments Pledges and accounts receivable Prepaid expenses and deposits Property and equipment, net	\$	731,824 3,879,033 550,352 33,964 17,641	\$	323,307 3,384,140 688,726 57,891 34,503
Total Assets	\$	5,212,814	\$	4,488,567
LIABILITIES  Accounts payable Grants payable Agency funds due Deferred revenue	\$	99,880 125,000 122,003 161,492	\$	52,031 25,000 - 154,012
Total Liabilities		508,375		231,043
NET ASSETS Without donor restrictions With donor restrictions  Total Net Assets		3,436,477 1,267,962 4,704,439		3,039,854 1,217,670 4,257,524
Total Liabilities and Net Assets	\$	5,212,814	\$	4,488,567

### FOUNDATION FOR SARCOIDOSIS RESEARCH STATEMENTS OF ACTIVITIES 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	-						
Contributions	\$ 563,005	\$ 127,500	\$ 690,505	\$ 722,939	\$ -	\$ 722,939	
Grants	235,912	211,364	447,276	127,854	1,107,821	1,235,675	
Special event income	-	· -	-	24,240	, ,	24,240	
Earned revenue	73,522	-	73,522	110,795	-	110,795	
Miscellaneous income	470	-	470	5,440		5,440	
Investment return, net	497,439	-	497,439	566,702	-	566,702	
Paycheck Protection Program							
loan forgiveness	126,900	-	126,900	-	-	-	
Net assets released from restrictions	288,572	(288,572)		1,673,771	(1,673,771)		
Total Revenues and							
Other Support	1,785,820	50,292	1,836,112	3,231,741	(565,950)	2,665,791	
EXPENSES							
Programs							
Education and awareness	287,507	-	287,507	445,778	-	445,778	
Research	584,296	-	584,296	1,658,101	-	1,658,101	
General and administrative	303,363	-	303,363	311,323	-	311,323	
Fundraising	214,031		214,031	292,259		292,259	
Total Expenses	1,389,197		1,389,197	2,707,461		2,707,461	
CHANGE IN NET ASSETS	396,623	50,292	446,915	524,280	(565,950)	(41,670)	
NET ASSETS -							
Beginning of year	3,039,854	1,217,670	4,257,524	2,515,574	1,783,620	4,299,194	
End of year	\$ 3,436,477	\$ 1,267,962	\$ 4,704,439	\$ 3,039,854	\$ 1,217,670	\$ 4,257,524	

## FOUNDATION FOR SARCOIDOSIS RESEARCH SCHEDULE OF FUNCTIONAL EXPENSES DECEMBER 31, 2020

	Education and Awareness	Research	Total	General and Administrative	Fundraising	Totals
Research grants	\$ -	\$ 332,469	\$ 332,469	\$ -	\$ -	\$ 332,469
Salaries, taxes and employee benefits	175,452	175,452	350,904	92,040	132,308	575,252
Advertising	577	577	1,154	513	470	2,137
Contract services	2,948	2,948	5,896	59,697	8,107	73,700
Professional fees	-	-	-	91,384	-	91,384
Fees and licenses	14,097	14,096	28,193	14,235	12,669	55,097
Insurance	1,987	1,987	3,974	1,766	1,619	7,359
Equipment rental	1,376	1,376	2,752	1,223	1,121	5,096
Other	914	914	1,828	812	744	3,384
Patient events	42,177	4,686	46,863	-	-	46,863
Postage and printing	6,331	6,331	12,662	5,628	5,159	23,449
Rent	13,780	13,780	27,560	12,249	11,228	51,037
Research programs	-	3,845	3,845	-	-	3,845
Special events	-	-	-	-	16,589	16,589
Supplies	627	627	1,254	558	511	2,323
Technology	19,235	19,235	38,470	17,097	15,673	71,240
Telephone	2,432	2,432	4,864	2,161	1,981	9,006
Travel	-	-	-	853	2,967	3,820
Utilities	727	727	1,454	646	592	2,692
Meetings and conferences	2,033	-	2,033	-	-	2,033
Depreciation	2,814	2,814	5,628	2,501	2,293	10,422
	\$ 287,507	\$ 584,296	\$ 871,803	\$ 303,363	\$ 214,031	\$ 1,389,197

### FOUNDATION FOR SARCOIDOSIS RESEARCH SCHEDULE OF FUNCTIONAL EXPENSES

		ation and reness	Research Total		General and Administrative Fundraising			ndraising	Totals		
	Avve			Cocaron	 Total	Admii	iistrative		nuraising		Totals
Research grants	\$	250	\$	1,265,298	\$ 1,265,548	\$	-	\$	-	\$	1,265,548
Salaries, taxes and employee benefits		209,336		209,336	418,672		111,771		149,487		679,930
Advertising		6,576		-	6,576		-		748		7,324
Contract services		13,974		13,974	27,948		111,267		5,876		145,091
Professional fees		1,298		1,299	2,597		24,654		18,414		45,665
Fees and licenses		195		29,073	29,268		9,317		17,859		56,444
Insurance		-		-	-		5,916		440		6,356
Equipment rental		-		-	-		4,856		-		4,856
Other		494		3,012	3,506		2,109		2,026		7,641
Patient events		115,823		11,419	127,242		-		3,114		130,356
Postage and printing		13,722		18,146	31,868		1,042		15,499		48,409
Rent		13,124		13,123	26,247		13,124		9,235		48,606
Research programs		1,558		31,343	32,901		-		1,818		34,719
Special events		16,048		1,929	17,977		1,985		40,570		60,532
Supplies		1,804		1,447	3,251		1,339		1,009		5,599
Technology		10,923		7,588	18,511		6,874		21,861		47,246
Telephone		2,610		2,410	5,020		2,410		1,696		9,126
Travel		860		3,738	4,598		285		1,106		5,989
Utilities		1,171		1,171	2,342		1,170		824		4,336
Meetings and conferences		36,012		40,362	76,374		1,616		677		78,667
Depreciation				3,433	3,433		11,588		-		15,021
	\$	445,778	\$	1,658,101	\$ 2,103,879	\$	311,323	\$	292,259	\$	2,707,461

### FOUNDATION FOR SARCOIDOSIS RESEARCH STATEMENTS OF CASH FLOWS

### YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020	2019		
CASH FLOWS FROM OPERATING ACTIVITIES				
Change in net assets Adjustments to reconcile change in net assets to net cash provided by (used in) operating activities	\$ 446,915	\$ (41,670)		
Unrealized gain on investments  Depreciation	(71,885) 10,422	(453,069) 15,021		
Disposal of fixed asset Stock donations	6,440 (297,631)	(366,645)		
Changes in operating assets and liabilities - Pledges and accounts receivable	138,374	(588,726)		
Prepaid expenses and deposits  Accounts payable	23,927 47,849	(6,386) 22,694		
Agency funds due Grants payable	122,003 100,000	- (63,401)		
Deferred revenue	 7,480	 114,012		
Net Cash Provided by (Used in)				
Operating Activities	 533,894	 (1,368,170)		
CASH FLOWS FROM INVESTING ACTIVITIES				
Purchases of investments Proceeds from sales of investments Fixed asset purchases	(874,303) 748,926 -	(1,934,067) 1,767,117 (23,193)		
Net Cash Used in Investing Activities	 (125,377)	(190,143)		
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	408,517	(1,558,313)		
CASH AND CASH EQUIVALENTS  Beginning of year	 323,307	 1,881,620		
End of year	\$ 731,824	\$ 323,307		

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 1. SIGNIFICANT ACCOUNTING POLICIES

<u>Nature of Foundation</u> - The Foundation for Sarcoidosis Research (The "Foundation") is a not-for-profit corporation. The purposes of the Foundation are to improve care for sarcoidosis patients and to find a cure for sarcoidosis by supporting and promoting research, education and advocacy related to sarcoidosis. Programs are funded by donations, fundraising events, grants, contributions, earned revenue, and earnings on investments.

<u>Basis of Presentation</u> - These financial statements have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

<u>Use of Accounting Estimates</u> - The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

<u>Investments</u> - Investments in equity securities with readily determinable fair values and all debt securities are measured at their fair value in the Statement of Financial Position, and unrealized gains and losses are recorded in the Statement of Activities.

<u>Pledges and Accounts Receivable</u> - Pledges receivable are recorded in the fiscal year in which the notification of an unconditional pledge is received and then are classified as with or without donor restrictions, depending on the existence and/or nature of donor restrictions. Pledges receivable are stated at the present value of the amount management expects to collect from outstanding balances.

Management provides for probable allowance for both pledges and accounts receivable based on historical information and its assessment of the current status of individual accounts. Balances that are still outstanding after management has used reasonable collection efforts are written off through a charge to the valuation allowance and a credit to pledge receivable. As of December 31, 2020 and 2019, no allowance for uncollectible accounts was considered necessary.

Pledges expected to be collected in other than the next fiscal year are recorded after being discounted to the anticipated net present value of the future cash flows. Pledges are expected to be received as follows: within one year - \$16,379; within one to five years \$400,000. The Foundation has recorded a discount on pledges receivable of \$23,571 and \$27,660 for the years ended December 31, 2020 and 2019, respectively. Amortization of the discount is reported in the Statement of Activities as contribution income.

### NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

<u>Property and Equipment</u> - Property and equipment are carried at cost or, if donated, at the approximate fair value at the date of donation. Depreciation is computed using the straight-line method over the estimated useful lives of the assets of five to seven years. The Foundation capitalizes amounts of \$1,000 or greater.

<u>Grants Payable</u> - The Foundation records unconditional grants payable in the period the grant is awarded. Conditional grants are expensed and considered payable in the period the conditions are substantially satisfied. There were no conditional grants at December 31, 2020 and 2019.

<u>Classification of Net Assets</u> - Net assets of the Foundation are classified as with or without donor restrictions depending on the presence and characteristics of donor-imposed restrictions limiting the Foundation's ability to use or dispose of contributed assets or the economic benefits embodied in those assets.

Net assets without donor restrictions are available for use at the discretion of the Board of Trustees (the Board) and/or management for general operating purposes. From time to time, the Board designates a portion of these net assets for specific purposes, which makes them unavailable for use at management's discretion.

Net assets with donor restrictions consist of assets whose use is limited by donor-imposed, time and/or purpose restrictions. The Foundation reports gifts of cash or other assets as revenue with donor restrictions 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 fulfilled, the net assets are reclassified as net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue Recognition – The Foundation generally measures exchange revenue based on the amount of consideration the Foundation expects to be entitled for the transfer of goods or services to a customer, then recognizes this revenue when or as the Foundation satisfies its performance obligations under a contract, except in transactions where U.S. GAAP provides other applicable guidance. The Foundation evaluates its revenue contracts with customers (i.e., earned revenue) based on the five-step model under Topic 606: (1) Identify the contract with the customer; (2) Identify the performance obligations in the contract; (3) Determine the transaction price; (4) Allocate the transaction price to separate performance obligations; and (5) Recognize revenue when (or as) each performance obligation is satisfied.

Earned revenue from activities such as grant management, is recognized when services are rendered. Contracts related to earned revenue generally include one performance

### NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

obligation. Any payments received prior to services being rendered are deferred for recognition in future periods. See Note 2 for disaggregation of revenue.

A contribution is considered to be a conditional contribution if an agreement includes a barrier that must be overcome and either a right of return of assets or a right of release of a promise to transfer assets exists. agreement. Conditional promises to give are not recognized until they become unconditional, that is, at the time the conditions are substantially met.

Contributed income may include gifts of cash, collection items, or promises to give. Contributions of assets other than cash are reported at their estimated fair value. Contributed income that must be used to acquire long-lived assets are recorded as contributions with donor restrictions and grants until the assets are acquired and placed in service.

Special event revenues are recorded as deferred revenue when received and recognized as earned when the underlying event occurs.

<u>Donated Goods and Services</u> - Donated services are recognized as contributions at their fair value at the date of donation if the services create or enhance nonfinancial assets or require specialized skills and would otherwise be purchased by the Foundation. Donated materials are recorded as contributions at their fair values at the date of donation.

<u>Functional Expense Allocation</u> – The statement of functional expenses presents expenses by function and natural classification. Expenses directly attributable to a specific functional area of the Foundation are reported as expenses of that functional area. Costs that benefit multiple functional areas are allocated across program, management and general, and fundraising expenses based on functional salary and contract labor expenses. Salary and contract labor expenses are attributed to a functional area based on estimates of time and effort reported by personnel each pay period.

Income Taxes - The Foundation is exempt from federal income taxes under the provision of Section 501(c)(3) of the Internal Revenue Code. Accounting principles generally accepted in the United States of America require management to evaluate tax positions taken by the organization and recognize a tax liability if the Foundation has taken any uncertain positions that more likely than not would not be sustained upon examination by the internal Revenue Service or other applicable taxing authorities. Management has analyzed tax positions taken by the Foundation and has concluded that there are no uncertain positions taken or expected to be taken as of December 31, 2020. Thus, no provision for income tax has been provided for in the financial statements. The Foundation's Forms 990, Return of Organization Exempt from Income Tax, are subject to examination by the IRS, generally for three years after they were filed.

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

<u>Cash Flow Information</u> - For purposes of the Statement of Cash Flows, the Foundation considers all highly liquid investments with an initial maturity of three months or less to be cash equivalents. No cash was paid for income taxes or interest during the years ended December 31, 2020 and 2019.

<u>Future Accounting Pronouncements</u> - In February 2016, the FASB issued ASU 2016-02, Leases (Topic 842). The guidance in this ASU supersedes the leasing guidance in Topic 840, Leases. Under the new guidance, lessees are required to recognize lease assets and lease liabilities on the balance sheet for all leases with terms longer than 12 months. Leases will be classified as either finance or operating, with classification affecting the pattern of expense recognition in the income statement. The new standard is effective for the Foundation's year ending December 31, 2022.

### 2. DISAGGREGATED REVENUE

The following table shows the Foundation's revenue disaggregated according to the timing of the transfer of goods and services for the years ending December 31:

	 2020	 2019
Revenue recognized at a point in time Program revenue Special event revenue	\$ 53,522	\$ 13,038 24,240
Total revenue recognized at a point in time	53,522	37,278
Revenue recognized over time Program revenue	 20,000	97,757
Total earned revenue	\$ 73,522	\$ 135,035

### 3. INVESTMENTS

The Foundation follows generally accepted accounting principles associated with fair value measurements and disclosure. Generally accepted accounting principles define fair value as the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining the fair value measurements for assets and liabilities required to be recorded at fair value, the Foundation considers the principal or most advantageous market in which it would transact and considers assumptions that market participants would use when pricing the asset or liability, such as inherent risk, transfer restrictions, and risk of nonperformance.

Generally accepted accounting principles related to fair value disclosure also establish a fair value hierarchy that requires the Foundation to maximize the use of observable inputs and minimize the use of unobservable inputs when measuring fair value. A financial Instrument's

### NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

categorization within the fair value hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The three levels of inputs that may be used to measure fair value are as follows:

Level 1	<ul> <li>quoted prices in active markets for identical assets or liabilities;</li> </ul>
Level 2	- inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; or
Level 3	<ul> <li>unobservable inputs that are supported by little or no market activity and that are significant to the fair value of the assets or liabilities.</li> </ul>

The following summarizes the classification of investments by classification and method of valuation:

	Fair Value as of December 31, 2020							
	_	Level 1	Leve	el 2	Lev	el 3		Total
Exchange-traded funds	\$	2,062,500	\$		\$	-	\$	2,062,500
Corporate fixed income bonds		573,931		-		-		573,931
Mutual funds		1,242,602		-		-		1,242,602
	\$	3,879,033	\$	<u> </u>	\$	_	\$	3,879,033

	Fair Value as of December 31, 2019								
		Level 1		Level 2		Level 3		Total	
Common stock	\$	2,771	\$	_	\$	-	\$	2,771	
Exchange-traded funds		1,688,313		-		-		1,688,313	
Corporate fixed income bonds		550,320		-		-		550,320	
Mutual funds		1,142,736		-		_		1,142,736	
	\$	3,384,140	\$		\$		\$	3,384,140	

Investment securities are exposed to various risks including interest rate, market, and credit risk. Due to the level of risk associated with certain investments securities, it is at least reasonably possible that changes in the value of investment securities will occur in the near term and that such changes could materially affect the amount reported in the Statement of Financial Position. All investments are valued based on quoted market prices.

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

### 4. INVESTMENT RETURN, NET

Investment income consisted of the following at December 31:

		2020	2019		
Interest and dividends	\$	89,937	\$	97,079	
Realized gain on sale of investments		356,862		38,652	
Unrealized gain on fair market value		71,885		453,069	
Less investment management fees		(21,245)		(22,098)	
	\$	497,439	\$	566,702	
	φ	497,439	Ψ	300,702	

### 5. PROPERTY AND EQUIPMENT

Property and equipment are reflected at cost and consisted of the following at year end December 31:

	2020	2019		
Website development	\$ 38,862		38,860	
Equipment	8,284		8,284	
Leasehold improvements	22,590		22,590	
Construction in progress			6,440	
	69,736		76,174	
Less accumulated depreciation	 (52,095)		(41,671)	
	\$ 17,641	\$	34,503	

### 6. LEASE

The Foundation leases its office space under a lease agreement dated September 21, 2017, which added additional space to their existing office. The lease commenced on November 1, 2017 and expires October 31, 2022.

Future base rental minimum lease payments are as follows:

2021	\$ 53,148
2022	 54,744
	\$ 107,892

### NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

Rent expense was \$51,036 and \$48,606 for the years ended December 31, 2020 and 2019, respectively.

### 7. GRANTS PAYABLE

During the year ended December 31, 2020, the Foundation awarded \$332,469 in research grants and paid \$207,469 toward the grants. Grants payable at December 31, 2020 amounted to \$125,000 and are payable in 2021. During the year ended December 31, 2019, the Foundation awarded \$1,265,548 in research grants and paid \$1,328,949 toward the grants. Grants payable at December 31, 2019 amounted to \$25,000 and were payable in 2020.

### 8. AGENCY FUNDS DUE

During 2018, the Organization entered into a Master Clinical Contract Services Agreement with a company to provide services related to a research study. The Organization facilitates payments to investigators based on approved costs submitted to the funder.

The Organization acts as the fiscal agent for the funder. The Organization has no variance power over the funds, and therefore amounts received and granted to the recipient grantors are not recorded within the Organization's Statement of Activities. Agency funds totaling \$122,003 on the Statement of Financial Position at December 31, 2020 consisted of approved commitments to be paid in the next fiscal year. There were no agency funds due at December 31, 2019.

### 9. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions consisted of the following for the years ended December 31:

	2020		2019	
Amounts subject to expenditure				
for a specified purpose or time				
Accelerating research impact	\$	120,000	\$	120,110
2021 fellowship		150,000		-
Awareness campaign		6,258		-
10-Year Strategic Vision Campaign		976,429		972,340
Research		15,275		110,000
Endpoints grant		-		8,480
RARE Patient Impact grant		-		6,740
Total net assets with donor restrictions	\$	1,267,962	\$	1,217,670

### NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

Net assets were released according to donor restrictions during the years ended December 31, 2020 and 2019, as follow:

	2020		2019	
Accelerating research impact	\$	110	\$	1,460,942
Awareness campaign		153,742		111,599
Patient resources and education		-		90,950
Clinical trial support		-		5,000
RARE Patient Impact grant		6,740		5,260
Research		110,000		-
Endpoints grant		8,480		-
Other		9,500		20
Total net assets with donor restrictions	\$	288,572	\$	1,673,771

### 10. CONCENTRATIONS

The Foundation maintains its cash balances at various financial institutions. The balance may, at times, exceed federally insured credit limits. The Foundation maintains money market accounts at financial institutions that are not covered by federally insured credit limits.

As of December 31, 2020, approximately 16% of the Foundation's revenue was received from one donor, and 71% of receivables are due to be received from a single donor.

As of December 31, 2019, approximately 38% of the Foundation's revenue was received from one donor, and 93% of receivables are due to be received from a single donor.

### 11. LIQUIDITY AND AVAILABILITY OF RESOURCES

The Foundation regularly monitors liquidity required to meet its operating needs and other contractual commitments, while also striving to maximize the investment of its available funds. The Foundation has various sources of liquidity at its disposal, including cash and cash equivalents.

For purposes of analyzing resources available to meet general expenditures over the next 12-month period, the Foundation considers all expenditures related to its ongoing activities as well as the conduct of services undertaken to support those activities to be general expenditures.

### NOTES TO THE FINANCIAL STATEMENTS

### DECEMBER 31, 2020 AND 2019

The Foundation's financial assets available within one year of the statements of financial position date for general expenditure are as follows:

	2020		 2019	
Cash and cash equivalents Investments Pledges and accounts receivable	\$	731,824 3,879,033 550,352	\$ 323,307 3,384,140 688,726	
Total financial assets available:		5,161,209	4,396,173	
Less: amounts unavailable for general expenditures due to donor time restriction:		400,000	872,340	
Total financial assets available to management for general expenditure within one year	\$	4,761,209	\$ 3,523,833	

### 12. SUBSEQUENT EVENTS

Management of the Foundation has evaluated subsequent events through July 9, 2021, which is the date the financial statements were available to be issued.

### 13. UNCERTAINTIES AND COVID-19

On March 10, 2020, the World Health Organization declared the COVID-19 outbreak a pandemic, and on March 13, 2020, the President of the United States declared the COVID-19 pandemic a national emergency, invoking powers under the Stafford Act, the legislation that directs federal emergency disaster response. Programs and special events of the organization have been impacted by the pandemic. The Foundation cannot predict how legal and regulatory responses to concerns about COVID -19 or other major public health issues will continue to impact the Foundation in 2021. The magnitude, timing, and duration of any such potential financial impacts cannot be reasonably estimated at this time.

### 14. PAYCHECK PROTECTION PROGRAM

On April 27, 2020, the Organization entered into a loan agreement with a commercial bank for \$126,900, pursuant to the Paycheck Protection Program (the "PPP") of the Coronavirus Aid, Relief, and Economic Security (CARES) Act, which was enacted March 27, 2020. The application for these funds required the Organization in good faith to certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Organization.

### NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2020 AND 2019

Under the terms of the PPP loan, the Organization was eligible for full or partial loan forgiveness. The Organization was granted forgiveness for this loan on December 30, 2020, for expenses between April 27, 2020 and October 11, 2020 and the amount of \$126,900 is included in the Statement of Activities as Paycheck Protection Program income for the year ended December 31, 2020.

### 15. FUTURE ACCOUNTING PRONOUNCEMENTS

In February 2016, the Financial Accounting Standards Board issued Accounting Standards Update (ASU) No. 2016-02, Leases (Topic 842), which will supersede the current lease recording requirements in Topic 842. The ASU looks to increase transparency and comparability by conforming US GAAP with International Accounting Standards as it relates to leases. The new standard will require, among other things, that all leases, including operating leases, be included on the balance sheet as a "right of use" asset with an offsetting liability for the payments remaining on the lease. The new guidance will be effective for the Organization's year ending December 31, 2022, with early application permitted.

The Organization is currently evaluating the impact of the adoption of the above standard on its financial statements.