

THE GLAUCOMA FOUNDATION, INC.

Audited Financial Statements

December 31, 2019

Independent Auditor's Report

To the Board of Directors of
The Glaucoma Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Glaucoma Foundation, Inc. (the "Foundation"), which comprise the statement of financial position as of December 31, 2019, and the related statements of activities, functional expenses, and cash flows for the year 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 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 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 organization'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 organization'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.

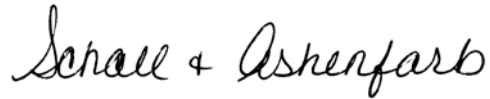
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

Report on Summarized Comparative Information

We have previously audited the Foundation's 2018 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 4, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2018 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb
Certified Public Accountants, LLC

April 7, 2020

THE GLAUCOMA FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2019
(With comparative totals at December 31, 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
Assets		
Cash and cash equivalents	\$1,445,217	\$1,201,559
Pledges receivable	46,846	113,253
Prepaid expenses and other assets	15,031	3,915
Security deposit	27,796	27,796
Property and equipment, net (Note 3)	11,569	4,125
Investments held for endowments (Note 4)	<u>6,681,215</u>	<u>5,299,615</u>
Total assets	<u><u>\$8,227,674</u></u>	<u><u>\$6,650,263</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$67,009	\$67,176
Grants payable	180,000	90,000
Deferred rent	<u>0</u>	<u>5,175</u>
Total liabilities	<u><u>247,009</u></u>	<u><u>162,351</u></u>
Net assets:		
Without donor restrictions:		
Operations	862,283	617,666
Board designated for medical research grants (Note 5)	387,167	570,631
Board designated for endowment (Note 4)	<u>2,174,572</u>	<u>1,511,123</u>
Total net assets without donor restrictions	<u><u>3,424,022</u></u>	<u><u>2,699,420</u></u>
With donor restrictions:		
For future periods and programs (Note 6)	50,000	0
Donor restricted endowment (Notes 4 & 6)	<u>4,506,643</u>	<u>3,788,492</u>
Total net assets with donor restrictions	<u><u>4,556,643</u></u>	<u><u>3,788,492</u></u>
Total net assets	<u><u>7,980,665</u></u>	<u><u>6,487,912</u></u>
Total liabilities and net assets	<u><u>\$8,227,674</u></u>	<u><u>\$6,650,263</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

THE GLAUCOMA FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative totals for the year ended December 31, 2018)

	<u>With Donor Restrictions</u>			<u>Total</u>	<u>Total</u>
	<u>Without Donor</u> <u>Restrictions</u>	<u>Donor</u> <u>Restricted</u> <u>Support</u>	<u>Donor</u> <u>Restricted</u> <u>Endowment</u>		
Support and revenue:					
Contributions	\$1,642,211	\$50,000	\$10,050	\$60,050	\$1,702,261
Special event income (net expenses with a direct benefit to donor (Note 7))	381,342			0	381,342
Interest income	14,075			0	14,075
Net assets released from restrictions	156,154		(156,154)	(156,154)	0
Total support and revenue	2,193,782	50,000	(146,104)	(96,104)	2,097,678
Expenses:					
Program services	1,425,831			0	1,425,831
Supporting services:					
Management and general	145,427			0	145,427
Fundraising	244,361			0	244,361
Total supporting services	389,788	0	0	0	389,788
Total expenses	1,815,619	0	0	0	1,815,619
Change in net assets from operating activities	378,163	50,000	(146,104)	(96,104)	282,059
Non-operating activities:					
Investment income/(loss) (Note 4)	346,439		864,255	864,255	1,210,694
Total non-operating activities	346,439	0	864,255	864,255	(679,886)
Change in net assets	724,602	50,000	718,151	768,151	1,492,753
Net assets - beginning of year	2,699,420	0	3,788,492	3,788,492	6,487,912
Net assets - end of year	\$3,424,022	\$50,000	\$4,506,643	\$4,556,643	\$7,980,665

The attached notes and auditor's report are an integral part of these financial statements.

THE GLAUCOMA FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

(With comparative totals for the year ended December 31, 2018)

	Program Services			Supporting Services		Total Expenses 12/31/19	Total Expenses 12/31/18
	Education	Medical Research	Total Program Services	Management and General	Fundraising		
Salaries	\$250,499	\$197,496	\$447,995	\$56,139	\$68,403	\$124,542	\$450,304
Payroll taxes and benefits	54,402	42,887	97,289	12,192	14,853	27,045	105,604
Total salaries and related costs	304,901	240,383	545,284	68,331	83,256	151,587	555,908
Research grants		412,500	412,500			0	180,000
Think tank conference		135,701	135,701			0	131,647
Professional fees	120,526		120,526	42,941	60,162	103,103	188,934
Office expense	16,223	12,790	29,013	3,636	4,430	8,066	19,640
Direct mail (Note 11)	65,145		65,145		65,144	65,144	155,394
Occupancy	35,548	28,026	63,574	7,967	9,707	17,674	79,040
Postage and shipping	15,120		15,120	1,927		1,927	18,267
Conventions and travel	15,443		15,443	327		327	10,493
Insurance	1,860	1,466	3,326	417	508	925	5,778
Depreciation	912	718	1,630	203	249	452	1,795
Other	1,786		1,786	19,678	1,039	20,717	10,953
Community outreach	16,783		16,783			0	27,934
Event expenses (Note 7)			0		37,774	37,774	0
Total expenses	594,247	831,584	1,425,831	145,427	262,269	407,696	1,385,783
Less: direct special event expenses netted with revenue			0		(17,908)	(17,908)	0
Total expenses for statement of activities	\$594,247	\$831,584	\$1,425,831	\$145,427	\$244,361	\$389,788	\$1,385,783

The attached notes and auditor's report are an integral part of these financial statements.

THE GLAUCOMA FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2019
(With comparative totals for the year ended December 31, 2018)

	<u>12/31/19</u>	<u>12/31/18</u>
Cash flows from operating activities:		
Change in net assets	\$1,492,753	(\$1,014,295)
Adjustments to reconcile change in net assets to net cash provided by/(used for) from operating activities:		
Depreciation	2,082	1,795
Net unrealized and realized (gains)/losses on investments	(1,198,238)	670,779
Endowment contributions	(10,050)	(10,050)
Changes in assets and liabilities:		
Pledges receivable	66,407	220,785
Prepaid expenses and other assets	(11,116)	1,284
Accounts payable and accrued expenses	(167)	16,642
Grants payable	90,000	(150,000)
Deferred rent	(5,175)	(4,301)
Total adjustments	<u>(1,066,257)</u>	<u>746,934</u>
Net cash flows provided by/(used for) operating activities	<u>426,496</u>	<u>(267,361)</u>
Cash flows from investing activities:		
Purchases of property and equipment	(9,526)	(1,519)
Transfers to operations	(170,906)	142,450
Proceeds from sales of investments	2,478,417	1,591,389
Purchases of investments/reinvested income	<u>(2,490,873)</u>	<u>(1,582,282)</u>
Net cash flows (used for)/provided by investing activities	<u>(192,888)</u>	<u>150,038</u>
Cash flows from financing activities:		
Endowment contributions	<u>10,050</u>	<u>10,050</u>
Net cash flows provided by investing activities	<u>10,050</u>	<u>10,050</u>
Net increase/(decrease) in cash and cash equivalents	243,658	(107,273)
Cash and cash equivalents - beginning of year	<u>1,201,559</u>	<u>1,308,832</u>
Cash and cash equivalents - end of year	<u><u>\$1,445,217</u></u>	<u><u>\$1,201,559</u></u>
Supplemental disclosures:		
Interest and taxes paid	<u><u>\$0</u></u>	<u><u>\$0</u></u>

The attached notes and auditor's report are an integral part of these financial statements.

THE GLAUCOMA FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2019

Note 1 - Organization

The Glaucoma Foundation, Inc. (the "Foundation"), incorporated in New York State in 1984, was founded to stimulate and support basic and applied research in glaucoma, to gain and disseminate new information about the biological causes and treatment of glaucoma, and to identify and develop novel approaches to preserve visual function and reversal of blindness caused by glaucoma.

The Foundation is a not-for-profit organization and has been notified by the Internal Revenue Service that it is exempt from Federal income tax under Section 501(c)(3) of the Internal Revenue Code and has not been determined to be a private foundation as defined in Section 509(a).

Note 2 - Summary of Significant Accounting Policies

a. Basis of Accounting and Revenue Recognition

The financial statements have been prepared using the accrual basis of accounting which is the process of recognizing revenue and expenses when earned or incurred rather than received or paid.

Effective January 1, 2019 the Foundation adopted the requirements of the Financial Accounting Standards Board's ("FASB") Accounting Standards Update ("ASU") No. 2014-09, *Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, "Topic 606"). This provides the framework for recognizing revenue by highlighting the identification of performance obligations of a contract, determining the price and then allocating the price to each of the performance obligations so that revenue is recognized as each of those performance obligations are satisfied.

Also, effective January 1, 2019, the Foundation adopted ASU No. 2018-08 *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made* ("Topic 605"). Key provisions of this guidance include clarification regarding the accounting for grants and contracts as exchange transactions or contributions, and improved guidance for conditional versus unconditional contributions. In accordance with this new standard, the Foundation evaluates whether a transfer of assets is an exchange transaction in which a resource provider is receiving a commensurate value in return for the transfer of resources or whether it is non-reciprocal. If the transaction is determined to be an exchange transaction, the Foundation applies guidance under Topic 606. If the transaction is determined to be non-reciprocal, it is treated as a contribution under Topic 605.

Contributions are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions are recorded in the net asset classes referred to above depending on the existence and/or nature of any donor-imposed restriction. When a 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. If donor

restricted contributions are satisfied in the same period they were received, they are classified as without donor restrictions.

Under Topic 605, the Foundation evaluates whether contributions are conditional or unconditional. Contributions are considered to be conditional when both a barrier must be overcome for the Organization to be entitled to the revenue and a right of return of the asset or right of release from the obligation exists.

Analysis of the various provisions of both of these standards resulted in no significant changes in the way the Foundation recognizes revenue. An enhanced footnote disclosure was added to provide information required by Topic 606 details of the revenue recognition.

b. Basis of Presentation

The Foundation reports information regarding their financial position and activities according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represent those resources for which there are no restrictions by donors as to their use. The board has designated funds to be used for medical research grants in the amount of \$387,167 and for the growth of the LaMotta Endowment for Glaucoma Research, in the amount of \$2,174,572 (see Note 4 for details.) As the funds are internally designated, they are reflected on the financial statement as without donor restrictions.
- *Net Assets with Donor Restrictions* – represent those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Cash and Cash Equivalents

The Foundation considers cash held in checking accounts and money market funds with a maturity of three months or less to be cash and cash equivalents.

d. Concentration of Credit Risk

Financial instruments which potentially subject the Foundation to concentration of credit risk consist of cash accounts which are placed with financial institutions that management deems to be creditworthy. At times, balances may exceed federally insured limits. While at year end the Foundation had uninsured balances, management feels they have little risk and have not experienced any losses due to bank failure.

e. Pledges Receivable

Pledges that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value, which is calculated using risk-adjusted present value techniques if deemed material. Long-term pledges are considered time-restricted until the period they are due, at which time they will be released from restriction and counted towards

operations. All pledges receivable as of December 31, 2019 are expected to be received within one year.

Based on historical experience and a specific review of outstanding receivables, no allowance for doubtful accounts has been recorded.

Conditional promises to give are recognized when the conditions on which they depend are substantially met.

f. Fair Value Measurement

Fair value refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Accounting standards have established a fair value hierarchy giving the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

Level 1 – Valuations based on unadjusted quoted prices in active markets for identical assets or liabilities that the Foundation has the ability to access.

Level 2 – Valuations based on quoted prices in markets that are not active or for which all significant inputs are not observable, either directly or indirectly.

Level 3 – Valuations based on inputs that are unobservable and significant to the overall fair value measurement.

g. Property and Equipment

Purchases of furniture, equipment, and other fixed assets that have a useful life of greater than one year and exceed predetermined amounts are capitalized at cost or, if donated, at their fair value at the date of the gift. Property and equipment are depreciated using the straight-line method over the estimated useful life of the asset.

h. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. In the earlier years of the lease, as rent expense exceeds amounts paid, a deferred rent liability is created. In later years of the lease, as payments exceed the amount of expense recognized, deferred rent will be reduced until it is zero at the end of the lease.

i. Contributed Services

Donated services are recognized in circumstances when they create or enhance non-financial assets or where those services require specialized skills, are provided by individuals possessing those skills and would typically need to be purchased if not provided in-kind.

Board members and other individuals volunteer their time and perform a variety of tasks that assist the Foundation. These services have not been recorded in the

financial statements because they do not meet the criteria for recognition as outlined above.

j. Management Estimates

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

k. Expense Allocation

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Foundation.

The following costs are allocated using time and effort as a basis:

- Salaries
- Payroll taxes and benefits
- Office expense
- Occupancy
- Insurance
- Depreciation

Direct mail is allocated evenly between program and fundraising due to the content distributed in mailings. See Note 11 for details.

l. Prior-Year Comparative Financial Information

The financial statements include certain prior-year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the Foundation's financial statements for the year ended December 31, 2018, from which the summarized information was derived.

m. Accounting for Uncertainty of Income Taxes

The Foundation does not believe its financial statements include any material uncertain tax positions. Tax filings for periods ending December 31, 2016 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncement

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2021 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding "right to use asset" on the statement of financial position.

The Foundation is in the process of evaluating the impact this standard will have on future financial statements.

Note 3 - Property and Equipment

Property and equipment consists of the following:

	<u>12/31/19</u>	<u>12/31/18</u>
Computer software (5 years)	\$37,027	\$37,027
Furniture and equipment (5 years)	<u>59,485</u>	<u>49,959</u>
	96,512	86,986
Less: accumulated depreciation	<u>(84,943)</u>	<u>(82,861)</u>
Net: property and equipment	<u>\$11,569</u>	<u>\$4,125</u>

Note 4 - Investments Held for Endowments

The Foundation’s endowment includes donor restricted individual and corporate funds to be held indefinitely and board designated funds for the growth of the endowment. The income from these investments can be used to support the Foundation’s research reserve for medical research grants.

Interpretation of Relevant Law

The Foundation follows New York State adopted New York Prudent Management of Institutional Funds Act (“NYPMIFA”), which the Foundation has interpreted as requiring certain amounts to be retained in perpetuity. Absent explicit donor stipulations to the contrary, the Foundation will preserve the fair value of the original gift as of the gift date of all donor-restricted endowment funds. However, under certain circumstances, the Foundation has the right to appropriate for expenditure the fair value of the original gift in a manner consistent with the standard of prudence specifically prescribed by NYPMIFA.

As a result of this interpretation, the Foundation classifies as endowment corpus (a) the original value of gifts donated to the endowment, (b) the original value of subsequent gifts to the endowment, and (c) accumulations to the endowment made in accordance with the donor’s intention.

When endowment funds have earnings in excess of amounts that need to be retained as part of the corpus, their earnings are restricted until the board appropriates for expenditure, therefore, they have been classified in the class of net assets with donor restrictions.

Spending Policies

In accordance with NYPMIFA, the Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment funds:

- (1) The duration and preservation of the fund
- (2) The purposes of the Foundation and the donor-restricted endowment fund
- (3) General economic conditions
- (4) The possible effect of inflation and deflation
- (5) The expected total return from income and the appreciation of investments

- (6) Other resources of the Foundation
- (7) The investment policies of the Foundation
- (8) Where appropriate and circumstances would otherwise warrant alternatives to expenditure of the endowment fund, giving due consideration to the effect that such alternatives may have on the Foundation

The Foundation's spending policy allows for semi-annual distributions of 2.5% of the previous year's balance to fund Glaucoma research if the total market valuation of the endowment assets is above \$5,000,000.

Changes in endowment net assets were as follows:

	<u>December 31, 2019</u>			
	<u>Board Designated</u>	<u>Endowment Corpus</u>	<u>Endowment Earnings</u>	<u>Total</u>
Endowment net assets, beginning	\$1,511,123	\$1,530,137	\$2,258,355	\$5,299,615
Contributions	317,010	10,050	0	327,060
Appropriations	0	0	(156,154)	(156,154)
Interest and dividend income	31,395	0	78,702	110,097
Net gain on investments	<u>315,044</u>	<u>0</u>	<u>785,553</u>	<u>1,100,597</u>
Endowment net assets, end of year	<u>\$2,174,572</u>	<u>\$1,540,187</u>	<u>\$2,966,456</u>	<u>\$6,681,215</u>
	<u>December 31, 2018</u>			
	<u>Board Designated</u>	<u>Endowment Corpus</u>	<u>Endowment Earnings</u>	<u>Total</u>
Endowment net assets, beginning	\$1,700,719	\$1,520,087	\$2,901,145	\$6,121,951
Contributions	0	10,050	0	10,050
Appropriations	0	0	(152,500)	(152,500)
Interest and dividend income	25,602	0	66,589	92,191
Net loss on investments	<u>(215,198)</u>	<u>0</u>	<u>(556,879)</u>	<u>(772,077)</u>
Endowment net assets, end of year	<u>\$1,511,123</u>	<u>\$1,530,137</u>	<u>\$2,258,355</u>	<u>\$5,299,615</u>

Funds with Deficiencies

From time to time, the fair market value of assets associated with the individual donor-restricted endowment funds may fall below the level that the donor or NYPMIFA requires the Foundation to retain as a fund of perpetual duration. There were no such deficiencies as of December 31, 2019 and 2018.

Cash and investments held for endowment consist of:

	<u>December 31, 2019</u>		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Equities – US diversified	\$6,001,286	\$6,001,286	\$0
Short term treasuries and money market account	174,129	174,129	0
US Treasury securities	124,774	0	124,774
US Corporate bonds	<u>381,026</u>	<u>0</u>	<u>381,026</u>
Total	<u>\$6,681,215</u>	<u>\$6,175,415</u>	<u>\$505,800</u>

	<u>December 31, 2018</u>		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Equities – US diversified	\$4,359,747	\$4,359,747	\$0
Short term treasuries and money market account	627,173	627,173	0
US Treasury securities	224,328	0	224,328
US Corporate bonds	<u>88,367</u>	<u>0</u>	<u>88,367</u>
Total	<u>\$5,299,615</u>	<u>\$4,986,920</u>	<u>\$312,695</u>

Level 1 securities are valued at the closing price reported on the active market they are traded on. Level 2 securities are valued using observable market inputs for securities that are similar to those owned. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Subsequent to year-end, volatility in the financial markets has resulted in a significant decline in the market value of certain investments.

The following summarizes investment income:

	<u>12/31/19</u>	<u>12/31/18</u>
Interest and dividend income	\$110,097	\$92,191
Investment fees	(97,641)	(101,298)
Realized gain on sales of investments	1,602,381	319,407
Unrealized loss	<u>(404,143)</u>	<u>(990,186)</u>
Total	<u>\$1,210,694</u>	<u>(\$679,886)</u>

Note 5 - Net Assets Without Donor Restrictions - For Medical Research

The following summarizes net assets without donor restrictions the board designated for medical research:

	<u>12/31/19</u>	<u>12/31/18</u>
Net assets, beginning of year	\$570,631	\$408,816
Interest income	10,382	9,315
Released from restriction	156,154	152,500
Research grants	<u>(350,000)</u>	<u>0</u>
Net assets, ending of year	<u>\$387,167</u>	<u>\$570,631</u>

Note 6 - Net Assets With Donor Restrictions

The following summarizes the nature of net assets with donor restrictions:

	<u>12/31/19</u>	<u>12/31/18</u>
Endowment:		
Corpus:		
Joe LaMotta research endowment	\$1,520,187	\$1,510,137
DM Mendelshon endowment	<u>20,000</u>	<u>20,000</u>
Total corpus	<u>1,540,187</u>	<u>1,530,137</u>
Endowment earnings:		
Joe LaMotta research endowment	2,965,485	2,257,804
DM Mendelshon endowment	<u>971</u>	<u>551</u>
Total endowment earnings	<u>2,966,456</u>	<u>2,258,355</u>
Total endowment (See Note 4)	4,506,643	3,788,492
Program restrictions	<u>50,000</u>	<u>0</u>
Total net assets with donor restrictions	<u>\$4,556,643</u>	<u>\$3,788,492</u>

The following summarizes net assets released from restrictions:

	<u>12/31/19</u>	<u>12/31/18</u>
Joe LaMotta research endowment- earnings	\$156,154	\$152,500
Time restricted	<u>0</u>	<u>250,000</u>
Total released from restriction	<u>\$156,154</u>	<u>\$402,500</u>

Note 7 - Special Event

The following is a summary of the awards gala held during the year ended December 31, 2019. There was no awards gala held during the year ended December 31, 2018.

	<u>12/31/19</u>
Gross revenue	\$399,250
Less: expenses with a direct benefit to donor	<u>(17,908)</u>
	381,342
Less: other event expenses	<u>(19,866)</u>
Net income from special event	<u>\$361,476</u>

Note 8 - Availability and Liquidity

Financial assets at year-end:		
Cash and cash equivalents	\$1,445,217	
Pledges receivable	46,846	
Investments held for endowments	<u>6,681,215</u>	
Total financial assets		\$8,173,278
Less amounts not available for general expenditures:		
Board designated for medical research grants	(387,167)	
Board designated for endowment	(2,174,572)	
Donor restricted endowment corpus	(1,540,187)	
Donor restricted endowment earnings less amount appropriated for spending	<u>(2,800,356)</u>	
Total amounts not available for general expenditures		<u>(6,902,282)</u>
Financial assets available to meet cash needs for general expenditures within one year		
		<u>\$1,270,996</u>

The Foundation's endowment funds are held for long term purposes and consist of donor-restricted endowments and a board designated endowment. Therefore, these assets are not considered available for general expenditures.

Note 9 - Retirement Plan

The Foundation offers a SIMPLE IRA retirement plan which allows all employees who earn at least \$5,000 during the preceding calendar year and expect to earn \$5,000 in the current calendar year, to participate. Employees may elect to defer a portion of their salary and contribute to this plan up to statutory amounts on a monthly basis. The employer will contribute a matching contribution equal to the employee's deferrals, limited to 3% of the employee's compensation for the calendar year. Contributions made by the Foundation to the plan totaled \$14,768 and \$13,451 during the years ended December 31, 2019 and 2018, respectively.

Note 10 - Commitments

The Foundation occupies office space under a non-cancelable lease which expires on December 31, 2024.

Future minimum payments are as follows:

Year ending:	December 31, 2020	\$86,175
	December 31, 2021	88,760
	December 31, 2022	91,423
	December 31, 2023	94,166
	December 31, 2024	<u>96,990</u>
Total		<u>\$457,514</u>

Note 11 - Direct Mail

The Foundation allocated joint costs of direct mail in accordance with FASB ASC 958-720-45-29, *Classification of the Costs of a Joint Activity*. The following joint costs were allocated:

	<u>December 31, 2019</u>		
	<u>Program</u>	<u>Fundraising</u>	<u>Total</u>
Direct mail	\$65,145	\$65,144	\$130,289
Professional fees	<u>55,317</u>	<u>55,317</u>	<u>110,634</u>
Total	<u>\$120,462</u>	<u>\$120,461</u>	<u>\$240,923</u>

	<u>December 31, 2018</u>		
	<u>Program</u>	<u>Fundraising</u>	<u>Total</u>
Direct mail	\$77,697	\$77,697	\$155,394
Professional fees	<u>44,243</u>	<u>44,242</u>	<u>88,485</u>
Total	<u>\$121,940</u>	<u>\$121,939</u>	<u>\$243,879</u>

Note 12 - Subsequent Events

Management has evaluated the impact of all subsequent events through April 7, 2020, which is the date that the financial statements were available to be issued.

Subsequent to year end, the World Health Organization declared a novel coronavirus (COVID-19) outbreak a Public Health Emergency of International Concern. This could adversely affect the Foundation's donors, program participants and suppliers as a result of quarantines, facility closures, and travel and logistics restrictions in connection with the outbreak. More broadly, the outbreak could affect workforces, economies and financial markets globally, potentially leading to an economic downturn. This could decrease spending, adversely affect demand for the Foundation's services and harm the Foundation's business and results of operations. Management continues to monitor the outbreak, however, as of the date of these financial statements, the potential impact of such on our business cannot be quantified.