

THE GLAUCOMA FOUNDATION, INC.

Audited Financial Statements

December 31, 2020

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, 2020, 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 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.

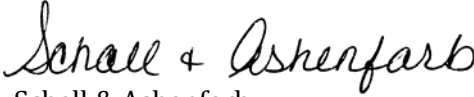
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Glaucoma Foundation, Inc. as of December 31, 2020, 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 2019 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 7, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2019 is consistent, in all material respects, with the audited financial statements from which it has been derived.


Schall & Ashenfarb
Certified Public Accountants, LLC

April 29, 2021

THE GLAUCOMA FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
AT DECEMBER 31, 2020

(With comparative totals at December 31, 2019)

	<u>12/31/20</u>	<u>12/31/19</u>
Assets		
Cash and cash equivalents	\$1,998,237	\$1,445,217
Pledges receivable	87,589	46,846
Prepaid expenses and other assets	15,717	15,031
Security deposit	27,796	27,796
Property and equipment, net (Note 3)	8,826	11,569
Investments held for endowments (Note 4)	<u>7,715,569</u>	<u>6,681,215</u>
Total assets	<u><u>\$9,853,734</u></u>	<u><u>\$8,227,674</u></u>
Liabilities and Net Assets		
Liabilities:		
Accounts payable and accrued expenses	\$35,480	\$67,009
Grants payable	319,370	180,000
Deferred rent	5,328	0
Total liabilities	<u>360,178</u>	<u>247,009</u>
Net assets:		
Without donor restrictions:		
Operations	1,121,536	862,283
Board designated for medical research grants (Note 6)	554,161	387,167
Board designated for educational program reserve (Note 4)	286,092	0
Board designated for endowment (Note 4)	<u>2,458,693</u>	<u>2,174,572</u>
Total net assets without donor restrictions	<u>4,420,482</u>	<u>3,424,022</u>
With donor restrictions:		
For future periods and programs (Note 7)	102,290	50,000
Donor restricted endowment (Notes 4 & 7)	<u>4,970,784</u>	<u>4,506,643</u>
Total net assets with donor restrictions	<u>5,073,074</u>	<u>4,556,643</u>
Total net assets	<u>9,493,556</u>	<u>7,980,665</u>
Total liabilities and net assets	<u><u>\$9,853,734</u></u>	<u><u>\$8,227,674</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, 2020
(With comparative totals for the year ended December 31, 2019)

	With Donor Restrictions			Total 12/31/20	Total 12/31/19
	Without Donor Restrictions	Donor Restricted Support	Donor Restricted Endowment		
Support and revenue:					
Contributions	\$2,191,216	\$82,011	\$10,000	\$92,011	\$2,283,227
Special event income (net expenses with a direct benefit to donor)				0	0
Interest income	1,934			0	1,934
Net assets released from restrictions	195,801	(29,721)	(166,080)	(195,801)	0
Total support and revenue	<u>2,388,951</u>	<u>52,290</u>	<u>(156,080)</u>	<u>(103,790)</u>	<u>2,285,161</u>
Expenses:					
Program services	1,324,278			0	1,324,278
Supporting services:					
Management and general	145,093			0	145,093
Fundraising	257,124			0	257,124
Total supporting services	<u>402,217</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>402,217</u>
Total expenses	<u>1,726,495</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>1,726,495</u>
Change in net assets from operating activities	<u>662,456</u>	<u>52,290</u>	<u>(156,080)</u>	<u>(103,790)</u>	<u>558,666</u>
Non-operating activities:					
Investment income (Note 4)	334,004		620,221	620,221	954,225
Total non-operating activities	<u>334,004</u>	<u>0</u>	<u>620,221</u>	<u>620,221</u>	<u>954,225</u>
Change in net assets	996,460	52,290	464,141	516,431	1,512,891
Net assets - beginning of year	<u>3,424,022</u>	<u>50,000</u>	<u>4,506,643</u>	<u>4,556,643</u>	<u>7,980,665</u>
Net assets - end of year	<u>\$4,420,482</u>	<u>\$102,290</u>	<u>\$4,970,784</u>	<u>\$5,073,074</u>	<u>\$9,493,556</u>

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, 2020

(With comparative totals for the year ended December 31, 2019)

	Program Services			Supporting Services		Total Expenses 12/31/20	Total Expenses 12/31/19
	Education	Medical Research	Total Program Services	Management and General	Fundraising		
Salaries	\$296,632	\$240,467	\$537,099	\$66,534	\$103,860	\$170,394	\$572,537
Payroll taxes and benefits	61,906	50,184	112,090	13,885	21,674	35,559	124,334
Total salaries and related costs	<u>358,538</u>	<u>290,651</u>	<u>649,189</u>	<u>80,419</u>	<u>125,534</u>	<u>205,953</u>	<u>696,871</u>
Research grants		379,415	379,415			0	412,500
Think tank conference		595	595			0	135,701
Professional fees	32,412		32,412	33,749	32,412	66,161	223,629
Office expense	12,598	10,210	22,808	2,828	4,410	7,238	37,079
Direct mail (Note 11)	69,677		69,677		69,676	69,676	130,289
Occupancy	40,059	32,473	72,532	8,985	14,026	23,011	81,248
Postage and shipping	15,898		15,898	1,686		1,686	17,047
Conventions and travel	5,561		5,561	97		97	15,770
Insurance	1,965	1,593	3,558	440	688	1,128	4,251
Depreciation	1,151	932	2,083	257	403	660	2,082
Other	2,729		2,729	16,632	9,975	26,607	22,503
Community outreach	67,821		67,821			0	16,783
Event expenses			0			0	37,774
Total expenses	<u>608,409</u>	<u>715,869</u>	<u>1,324,278</u>	<u>145,093</u>	<u>257,124</u>	<u>402,217</u>	<u>1,833,527</u>
Less: direct special event expenses netted with revenue			0			0	(17,908)
Total expenses for statement of activities	<u>\$608,409</u>	<u>\$715,869</u>	<u>\$1,324,278</u>	<u>\$145,093</u>	<u>\$257,124</u>	<u>\$402,217</u>	<u>\$1,815,619</u>

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, 2020
(With comparative totals for the year ended December 31, 2019)

	<u>12/31/20</u>	<u>12/31/19*</u>
Cash flows from operating activities:		
Change in net assets	\$1,512,891	\$1,492,753
Adjustments to reconcile change in net assets to net cash provided by from operating activities:		
Depreciation	2,743	2,082
Net unrealized and realized gains on investments	(951,572)	(1,198,238)
Endowment contributions	(10,000)	(10,050)
Donated stock	(380,666)	(17,010)
Changes in assets and liabilities:		
Pledges receivable	(40,743)	66,407
Prepaid expenses and other assets	(686)	(11,116)
Accounts payable and accrued expenses	(31,529)	(167)
Grants payable	139,370	90,000
Deferred rent	5,328	(5,175)
Total adjustments	<u>(1,267,755)</u>	<u>(1,083,267)</u>
Net cash flows provided by operating activities	<u>245,136</u>	<u>409,486</u>
Cash flows from investing activities:		
Purchases of property and equipment	0	(9,526)
Proceeds from sales of investments	1,914,704	2,634,571
Purchases of investments/reinvested income	<u>(1,616,820)</u>	<u>(2,800,923)</u>
Net cash flows provided by/(used for) investing activities	<u>297,884</u>	<u>(175,878)</u>
Cash flows from financing activities:		
Endowment contributions	<u>10,000</u>	<u>10,050</u>
Net cash flows provided by financing activities	<u>10,000</u>	<u>10,050</u>
Net increase in cash and cash equivalents	553,020	243,658
Cash and cash equivalents - beginning of year	<u>1,445,217</u>	<u>1,201,559</u>
Cash and cash equivalents - end of year	<u><u>\$1,998,237</u></u>	<u><u>\$1,445,217</u></u>
Supplemental disclosures:		
Interest and taxes paid	<u>\$0</u>	<u>\$0</u>

*Reclassified for comparative purposes

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, 2020

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

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.

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* – represents those resources for which there are no restrictions by donors as to their use. The board has designated funds to be used for the following specific purposes:
 - Medical research grants
 - Educational programs
 - Endowment funds

(See Note 4 and 6 for details.)

As the funds are internally designated, they are reflected on the financial statements as without donor restrictions.

- *Net Assets With Donor Restrictions* – represents 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. Revenue Recognition

The Foundation follows the requirements of the Financial Accounting Standards Board (FASB) Accounting Standards Update (ASU) 2018-08 (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.

Contributions may be subject to conditions which are defined under ASU No. 2018-08 as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

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, 2020 are expected to be received within one year.

Management reviews receivables for collectability based on various factors such as historical trends and subsequent collections. Based on this review, management has deemed that no allowance for doubtful accounts is necessary for the periods ended December 31, 2020 and 2019.

d. 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.

e. 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.

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 services 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.

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. All other expenses have been charged directly to the applicable program or supporting services.

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, 2019, 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, 2017 and later are subject to examination by applicable taxing authorities.

n. New Accounting Pronouncements

FASB issued ASU No. 2020-07, *Presentation and Disclosure by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year with early adoption permitted. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 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 these standards will have on future financial statements.

Note 3 - Property and Equipment

Property and equipment consist of the following:

	<u>12/31/20</u>	<u>12/31/19</u>
Computer software (5 years)	\$37,027	\$37,027
Furniture and equipment (5 years)	<u>59,485</u>	<u>59,485</u>
	96,512	96,512
Less: accumulated depreciation	<u>(87,686)</u>	<u>(84,943)</u>
Net: property and equipment	<u>\$8,826</u>	<u>\$11,569</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 and research grants. The income from the donor restricted 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:

	December 31, 2020				
	Board Designated <u>Endowment</u>	Board Designated <u>Education</u>	Endowment <u>Corpus</u>	Endowment <u>Earnings</u>	<u>Total</u>
Endowment net assets,					
Beginning of year	\$2,174,572	\$0	\$1,540,187	\$2,966,456	\$6,681,215
Contributions	370,666	250,000	10,000	0	630,666
Appropriations	(384,457)	0	0	(166,080)	(550,537)
Interest and dividend income	33,333	3,820	0	68,804	105,957
Net gain on investments	<u>264,579</u>	<u>32,272</u>	<u>0</u>	<u>551,417</u>	<u>848,268</u>
Endowment net assets, end of year	<u>\$2,458,693</u>	<u>\$286,092</u>	<u>\$1,550,187</u>	<u>\$3,420,597</u>	<u>\$7,715,569</u>

	December 31, 2019			
	Board Designated <u>Endowment</u>	Endowment <u>Corpus</u>	Endowment <u>Earnings</u>	<u>Total</u>
Endowment net assets,				
Beginning of year	\$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>

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, 2020 and 2019.

Cash and investments held for endowment consist of:

	December 31, 2020		
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>
Equities – U.S. diversified	\$7,068,629	\$7,068,629	\$0
Short term treasuries and money market account	297,768	297,768	0
U.S. Treasury securities	169,989	0	169,989
U.S. Corporate bonds	<u>179,183</u>	<u>0</u>	<u>179,183</u>
Total	<u>\$7,715,569</u>	<u>\$7,366,397</u>	<u>\$349,172</u>

	<u>Total</u>	<u>December 31, 2019</u>	
		<u>Level 1</u>	<u>Level 2</u>
Equities – U.S. diversified	\$6,001,286	\$6,001,286	\$0
Short term treasuries and money market account	174,129	174,129	0
U.S. Treasury securities	124,774	0	124,774
U.S. 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>

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.

The following summarizes investment income:

	<u>12/31/20</u>	<u>12/31/19</u>
Interest and dividend income	\$105,957	\$110,097
Investment fees	(103,304)	(97,641)
Realized gain on sales of investments	46,195	1,602,381
Unrealized gain/(loss)	<u>905,377</u>	<u>(404,143)</u>
Total	<u>\$954,225</u>	<u>\$1,210,694</u>

Note 5 - Forgiveness of Paycheck Protection Program Loan

During the year ended December 31, 2020, the Foundation obtained a loan from the SBA through the Paycheck Protection Program totaling \$92,082. Terms of the loan indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that are not less than pre-determined historical periods, that the loan, or a portion thereof, could be forgiven.

The Foundation accounts for the loan in accordance with Topic 605. On October 7, 2020, full forgiveness was approved by the SBA and this was recognized as contribution revenue, as all conditions have been met.

Note 6 - Net Assets Board Designated For Medical Research

The following summarizes net assets that are board designated for medical research:

	<u>12/31/20</u>	<u>12/31/19</u>
Net assets, beginning of year	\$387,167	\$570,631
Interest income	914	10,382
Released from restriction	166,080	156,154
Appropriation for research grants	<u>0</u>	<u>(350,000)</u>
Net assets, end of year	<u>\$554,161</u>	<u>\$387,167</u>

Note 7 - Net Assets With Donor Restrictions

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

	<u>12/31/20</u>	<u>12/31/19</u>
Endowment:		
Corpus:		
Joe LaMotta research endowment	\$1,530,187	\$1,520,187
DM Mendelshon endowment	<u>20,000</u>	<u>20,000</u>
Total corpus	<u>1,550,187</u>	<u>1,540,187</u>
Endowment earnings:		
Joe LaMotta research endowment	3,419,581	2,965,485
DM Mendelshon endowment	<u>1,016</u>	<u>971</u>
Total endowment earnings	<u>3,420,597</u>	<u>2,966,456</u>
Total endowment (See Note 4)	4,970,784	4,506,643
Program restrictions	<u>102,290</u>	<u>50,000</u>
Total net assets with donor restrictions	<u>\$5,073,074</u>	<u>\$4,556,643</u>

The following summarizes net assets released from restrictions:

	<u>12/31/20</u>	<u>12/31/19</u>
Joe LaMotta research endowment -		
Appropriations	\$166,080	\$156,154
Program restrictions	<u>29,721</u>	<u>0</u>
Total released from restriction	<u>\$195,801</u>	<u>\$156,154</u>

Note 8 - Availability and Liquidity

The following reflects the Foundation's financial assets at December 31, 2020 that are available to meet cash needs for general expenditures within one year:

Financial assets at year-end:		
Cash and cash equivalents	\$1,998,237	
Pledges receivable	87,589	
Investments held for endowments	<u>7,715,569</u>	
Total financial assets		\$9,801,395
Less amounts not available for general expenditures:		
Board designated for medical research grants	(554,161)	
Board designated for educational program reserve	(286,092)	
Board designated for endowment	(2,458,693)	
Donor restricted endowment corpus	(1,550,187)	
Donor restricted endowment earnings less amount appropriated for spending	<u>(3,235,597)</u>	
Total amounts not available for general expenditures		<u>(8,084,730)</u>
Financial assets available to meet cash needs for general expenditures within one year		<u>\$1,716,665</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 \$20,974 and \$14,768 during the years ended December 31, 2020 and 2019, 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, 2021	\$88,760
	December 31, 2022	91,423
	December 31, 2023	94,166
	December 31, 2024	<u>96,990</u>
Total		<u>\$371,339</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, 2020</u>		
	<u>Program</u>	<u>Fundraising</u>	<u>Total</u>
Direct mail	\$69,677	\$69,676	\$139,353
Professional fees	<u>32,412</u>	<u>32,412</u>	<u>64,824</u>
Total	<u>\$102,089</u>	<u>\$102,088</u>	<u>\$204,177</u>
	<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>

Note 12 - Subsequent Events

Management has evaluated for potential recognition and disclosure events subsequent to the date of the statement of financial position through April 29, 2021, the date the financial statements were available to be issued. All events that have occurred subsequent to the statement of financial position date through our evaluation date that would require adjustment to or disclosure in the financial statements have been made.

Note 13 - Other Matters

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a “Public Health Emergency of International Concern” and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area, in which the Foundation operates. It is unknown how long these conditions will last and what the complete financial effect will be. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.