DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI

December 31, 2020

FINANCIAL STATEMENTS AND INDEPENDENT ACCOUNTANTS' REVIEW REPORT

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VonLehman
CPA & ADVISORY FIRM

INDEPENDENT ACCOUNTANTS' REVIEW REPORT

Board of Directors
Down Syndrome Association of Greater Cincinnati
Cincinnati, Ohio

We have reviewed the accompanying financial statements of Down Syndrome Association of Greater Cincinnati (a nonprofit organization), which comprise the statements of financial position as of December 31, 2020 and 2019, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

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.

Accountants' Responsibility

Our responsibility is to conduct the review engagements in accordance with Statements on Standards for Accounting and Review Services promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our conclusion.

Accountants' Conclusion

Based on our reviews, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

VonLehman & Company Inc.

Fort Wright, Kentucky
June 8, 2021

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DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENTS OF FINANCIAL POSITION

ASSETS

	December 31, 2020	December 31, 2019
Current Assets		
Cash	$ 971,757	$ 861,629
Accounts Receivable	4,678	9,510
Grants Receivable	-	10,000
Investments	625,137	512,577
Prepaid Expenses	8,008	7,445
Total Current Assets	1,609,580	1,401,161
Property and Equipment, Net	71,440	39,020
Other Assets		
Security Deposits	3,150	3,150
Total Assets	$ 1,684,170	$ 1,443,331

LIABILITIES AND NET ASSETS

	2020	2019
Current Liabilities		
Accounts Payable	$ 19,788	$ 18,209
Accrued Expenses and Other Liabilities	31,922	35,964
Deferred Rent	-	15,145
Deferred Income	-	29,249
Total Current Liabilities	51,710	98,567
Net Assets		
Without Donor Restrictions		
Undesignated	758,432	522,057
Board Designated	726,549	613,589
Total Without Donor Restrictions	1,484,981	1,135,646
With Donor Restrictions	147,479	209,118
Total Net Assets	1,632,460	1,344,764
Total Liabilities and Net Assets	$ 1,684,170	$ 1,443,331

See accountants' report and accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Program Revenue	$ 19,576	$ -	$ 19,576
Contributions	316,887	-	316,887
Grants	59,830	64,550	124,380
Fundraising Events, Net	788,714	-	788,714
Net Investment Return	36,876	-	36,876
Paycheck Protection Program Revenue	131,700	-	131,700
Total Revenue, Support, and Gains	1,353,583	64,550	1,418,133
Net Assets Released From Restriction	126,189	(126,189)	-
Total Revenue, Support, Gains and Reclassifications	1,479,772	(61,639)	1,418,133
Expenses			
Program Services	797,970	-	797,970
Management and General	157,482	-	157,482
Fundraising and Development	174,985	-	174,985
Total Expenses	1,130,437	-	1,130,437
Change in Net Assets	349,335	(61,639)	287,696
Net Assets, Beginning of Year	1,135,646	209,118	1,344,764
Net Assets, End of Year	$ 1,484,981	$ 147,479	$ 1,632,460

See accountants' report and accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, Support, and Gains			
Program Revenue	$ 39,765	$ -	$ 39,765
Contributions	252,400	20,084	272,484
Grants	42,416	94,034	136,450
Fundraising Events, Net	971,891	-	971,891
Net Investment Return	42,840	-	42,840
Loss on Disposal of Property and Equipment	(2,567)	-	(2,567)
Total Revenue, Support, and Gains	1,346,745	114,118	1,460,863
Net Assets Released From Restriction	89,333	(89,333)	-
Total Revenue, Support, Gains and Reclassifications	1,436,078	24,785	1,460,863
Expenses			
Program Services	887,359	-	887,359
Management and General	177,958	-	177,958
Fundraising and Development	204,877	-	204,877
Total Expenses	1,270,194	-	1,270,194
Change in Net Assets	165,884	24,785	190,669
Net Assets, Beginning of Year	969,762	184,333	1,154,095
Net Assets, End of Year	$ 1,135,646	$ 209,118	$ 1,344,764

See accountants' report and accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENTS OF FUNCTIONAL EXPENSES

	Year Ended December 31, 2020				Year Ended December 31, 2019			
	Program Services	Management and General	Fundraising and Development	Total	Program Services	Management and General	Fundraising and Development	Total
Salaries and Wages	$ 357,979	$ 72,600	$ 127,890	$ 558,469	$ 365,899	$ 72,778	$ 139,078	$ 577,755
Payroll Taxes	28,360	5,752	10,132	44,244	28,002	5,512	10,583	44,097
Employee Benefits	31,562	7,127	12,217	50,906	19,688	4,782	23,978	48,448
Meetings	70,773	649	703	72,125	136,987	3,006	5,474	145,467
Dues	6,033	77	125	6,235	20,734	174	553	21,461
Occupancy	71,039	5,835	10,077	86,951	44,172	6,495	14,290	64,957
Depreciation	-	27,443	-	27,443	-	24,655	-	24,655
NDSAN	40,808	-	-	40,808	36,840	-	-	36,840
Supplies	21,014	822	1,419	23,255	13,601	807	1,779	16,187
Information Technology	27,159	2,200	-	29,359	26,243	2,487	-	28,730
Printing	2,968	-	6,464	9,432	13,805	1,344	2,835	17,984
Bank Charges	-	14,828	-	14,828	-	16,683	-	16,683
Conferences	2,187	-	-	2,187	9,434	-	-	9,434
Dues	12,770	163	264	13,197	-	14,350	-	14,350
Contributions	89,061	-	-	89,061	100,911	-	-	100,911
Scholarships	9,676	-	-	9,676	45,423	-	-	45,423
Fundraising Events	-	-	81,849	81,849	-	-	88,675	88,675
Local Travel	3,511	202	802	4,515	7,783	276	1,616	9,675
Postage	5,774	548	2,116	8,438	5,404	538	1,832	7,774
Insurance	5,834	554	2,138	8,526	5,390	719	1,583	7,692
Accounting Fees	-	14,741	-	14,741	-	17,436	-	17,436
Printing and Copier	2,168	340	588	3,096	2,795	411	904	4,110
Professional Services	6,700	-	-	6,700	-	1,038	-	1,038
Payroll Processing	-	2,309	-	2,309	-	2,438	-	2,438
Books	1,146	20	-	1,166	2,038	48	27	2,113
Training	502	216	50	768	788	1,022	345	2,155
Telephone	946	1,056	-	2,002	1,422	959	-	2,381
Total Expenses by Function	797,970	157,482	256,834	1,212,286	887,359	177,958	293,552	1,358,869
Less Expenses Included with Revenues on the Statements of Activities								
Fundraising Events	-	-	(81,849)	(81,849)	-	-	(88,675)	(88,675)
Total Expenses Included in the Expense Section on the Statement of Activities	$ 797,970	$ 157,482	$ 174,985	$ 1,130,437	$ 887,359	$ 177,958	$ 204,877	$ 1,270,194

See accountants' report and accompanying notes.

DOWN SYNDROME ASSOCIATION OF GREATER CINCINNATI
STATEMENTS OF CASH FLOWS

	Years Ended December 31, 2020	Years Ended December 31, 2019
Cash Flows From Operating Activities		
Change in Net Assets	$ 287,696	$ 190,669
Adjustments to Reconcile Change in Net Assets to Net Cash Provided by Operating Activities		
Depreciation	27,443	24,655
Net Investment Return on Investments	(29,560)	(42,840)
Loss on Disposal of Assets	-	2,567
Changes in Operating Assets and Liabilities		
Accounts Receivable	4,832	(5,407)
Grants Receivable	10,000	10,000
Prepaid Expenses	(563)	1,572
Accounts Payable	1,579	16,375
Accrued Expenses and Other Liabilities	(4,042)	(9,528)
Deferred Rent	(15,145)	(15,145)
Deferred Income	(29,249)	29,249
Net Cash Provided by Operating Activities	252,991	202,167
Cash Flows From Investing Activities		
Purchase of Investments	(83,000)	(451,897)
Proceeds from Sale of Investments	-	1,003,557
Purchase of Property and Equipment	(59,863)	(1,735)
Net Cash (Used) Provided by Investing Activities	(142,863)	549,925
Net Change in Cash	110,128	752,092
Cash, Beginning of Year	861,629	109,537
Cash, End of Year	$ 971,757	$ 861,629

See accountants' report and accompanying notes.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations

Down Syndrome Association of Greater Cincinnati (the Organization) is a nonprofit organization established to empower individuals, educate families, enhance communities, and together, celebrate the extraordinary lives of people with Down Syndrome. The Organization's programs envision a community that embraces, supports and inspires individuals with Down Syndrome to live healthy, self-determined and fulfilling lives, and uses its resources to achieve that vision. The Organization fulfills its mission by focusing its efforts in ten primary programs: Support at Every Age, Summer Programs, Summer Tutoring, Open Hangout, Independent Living Retreat, iCan Bike Camp, Social Clubs, Down Syndrome and Autism Support Groups, Community Groups and Ready to Hire.

The Organization's viability is dependent on the success of program services, contributions and grants, etc. and the Organization's ability to collect on its contracts with customers.

Use of Estimates

The process of preparing financial statements in conformity with U.S. GAAP requires the use of estimates and assumptions regarding certain types of assets, liabilities, support, revenues, and expenses. Certain estimates relate to unsettled transactions and events as of the date of the financial statements. Other estimates relate to assumptions about the ongoing operations and may impact future periods. Accordingly, upon settlement, actual results may differ from estimated amounts.

Accounts and Grants Receivable

Accounts receivable and grants receivable are stated at contractual outstanding balances, net of any allowance for doubtful accounts. Accounts and grants are considered past due if any portion of an account or grant has not been paid in full within the contractual terms of the account or the anticipated due date. The Organization begins to assess its ability to collect receivables that are over 90 days past due and provides for an adequate allowance for doubtful accounts based on the Organization's collection history, the financial stability and recent payment history of the grantors and clients, and other pertinent factors. Accounts and grants receivables are written off as uncollectible after the Organization has used reasonable collection efforts and deems them uncollectible. Based on these criteria, no allowance for doubtful accounts has been provided at both December 31, 2020 and 2019 since the Organization does not expect any material losses.

Investments

Investments if purchased are recorded at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statements of financial position. Net investment return (loss) is reported in the statements of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less any external and direct internal investment expenses. Cash equivalents, and other securities and investments held in brokerage accounts are protected by the Securities Investor Protection Corporation (SIPC) in the event of broker-dealer failure, up to $500,000 of protection for each brokerage account with a limit of $250,000 for claims of uninvested cash balances. The SIPC insurance does not protect against market losses on investments.

Property and Equipment

Property and equipment are stated at cost, or if donated, at fair value at the date of donation, and depreciated over the estimated useful lives of the related assets. Depreciation is computed using the straight-line method for financial reporting purposes. Maintenance and repairs are charged to operations when incurred. Betterments and renewals are capitalized for items in excess of $2,500.

The useful lives of property and equipment for purposes of computing depreciation are:

Leasehold Improvements	6 Years
Furniture and Fixtures, Computers, and Equipment	5 Years

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Long-Lived Assets

Long-lived assets to be held and used are tested for recoverability whenever events or changes in circumstances indicate that the related carrying amount may not be recoverable. When required, impairment losses on assets to be held and used are measured based on the fair value of the asset, and long-lived assets to be disposed of by sale are reported at the lower of the carrying amount or fair value less costs to sell. Long-lived assets were measured for impairment, and no adjustments were deemed necessary during both the years ended December 31, 2020 and 2019.

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. Donor-imposed restrictions are released when a restriction expires, that is, when the stipulated time has elapsed, when the stipulated purpose for which the resource was restricted has been fulfilled, or both.

The Organization reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Revenue and Revenue Recognition

Revenue from Contracts with Customers

Revenue is measured as the amount of consideration expected to be received in exchange for providing services. The Organization recognizes contract revenue for financial reporting purposes at a point in time. Depending on the terms of the contract, the Organization may defer the recognition of revenue and record a contract liability when a further performance obligation has not yet occurred.

The Organization's contract services include fees for services provided to individuals seeking down-syndrome related assistance, education, etc. as well as events aimed towards accomplishing these objectives. All revenue is recognized at a point in time, which is upon completion of these services or events.

The Organization records special events revenue equal to the cost of direct benefits to donors. Revenue for special events is recognized at a point in time, which is at the time of the event.

Revenue from Contributions

The Organization recognizes contributions when cash, securities or other assets, an unconditional promise to give, or notification of a beneficial interest is received. Conditional promises to give, that is, those with a measurable performance or other barrier and a right of return, are not recognized until the conditions on which they depend have been substantially met.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

In April 2020, the Organization received funding in the amount of $131,700, under the Paycheck Protection Program (PPP). The PPP, established as part of the Coronavirus Aid, Relief, and Economic Security Act (CARES Act), provides for loans to qualifying organizations for amounts up to 2.5 times the average monthly payroll expenses of the qualifying organization. The loans and accrued interest are forgivable within a 24-week period as long as the borrower uses the loan proceeds for eligible purposes, including payroll, benefits, rent and utilities, and maintains other designated thresholds. The unforgiven portion of the PPP loan is payable over five years at an interest rate of 1%, with a deferral of payments until the date that the lender receives the forgiveness amount from the SBA. The Organization used the proceeds for purposes consistent with the PPP. The Organization accounts for the PPP Funding in accordance with ASC 958-605 Revenue Recognition for Nonprofit Entities. Revenue is recognized as eligible expenses and other conditions are substantially met or incurred. At December 31, 2020, the Organization has recognized revenue of $131,700 as it has determined eligible expenses and other conditions have been met.

Donated Services, Equipment, and In-Kind Contributions

Donations of equipment and in-kind contributions are recorded as contributions at fair value at the date of donation. Such donations are reported as increases in net assets without donor restrictions unless the donor has restricted the donated asset to a specific purpose.

Donated services are recognized as contributions if the services a) create or enhance nonfinancial assets or b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization.

The Organization has significant time contributed to its mission through volunteers, however, the statements of activities do not reflect the value of these services as they do not meet recognition criteria required under U.S. GAAP.

Advertising Costs

The Organization expenses advertising costs as they are incurred.

Retirement Plan

The Organization has an employee sponsored 401(k) profit sharing plan, which covers substantially all employees. The Organization makes a matching contribution equal to the employee contributions up to 3% of the employee’s compensation. Organization profit sharing contributions to the plan are discretionary. By its nature, the plan is fully funded.

Functional Allocation of Expenses

The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited. All expenses are allocated on the basis of estimates of time and effort of employees.

Income Tax Status

The Organization is a nonprofit organization as described in Section 501(c)(3) of the Internal Revenue Code and is exempt from federal income taxes on related income pursuant to the Internal Revenue Code.

The Organization has adopted the provisions of the accounting pronouncement related to accounting for uncertainty in income taxes. The Organization recognized no interest or penalties in the statements of activities for either of the years ended December 31, 2020 or 2019. If the situation arose in which the Organization would have interest to recognize, it would recognize this as interest expense and penalties would be recognized in other expenses. Currently, the prior three years are open under federal and state statute of limitations and remain subject to review and change. The Organization is not currently under audit, nor has the Organization been contacted by these jurisdictions.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Based on the evaluation of the Organization's tax positions, management believes all positions taken would be upheld under an examination. Therefore, no provision for the effects of uncertain tax positions has been recorded for either of the years ended December 31, 2020 or 2019.

Reclassification

Certain amounts in the prior period financial statements have been reclassified for comparative purposes to conform with the presentation in the current year. The reclassification had no impact on previously reported net assets.

Recently Issued Significant Accounting Standard

Lease Accounting Standard

In February 2016, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update (ASU) 2016-02, *Leases* (Topic 842). The core principle of Topic 842 is that a lessee should recognize the assets and liabilities that arise from leases that are not excluded by this standard. Such leases create an asset and a liability for the lessee in accordance with FASB Concepts Statement No. 6, *Elements of Financial Statements,* and therefore, recognition of those lease assets and lease liabilities represents an improvement over previous GAAP, which did not require lease assets and lease liabilities to be recognized for most leases. The ASU is effective for nonpublic entities for years beginning after December 15, 2021.

The Organization is currently in the process of evaluating the impact of adoption of this ASU on its financial statements.

NOTE 2 - LIQUIDITY

Financial assets available for general use and without donor or other restrictions limiting their use, within one year of the statements of financial position are comprised of the following:

	December 31,	
	2020	2019
Cash	$ 971,757	$ 861,629
Investments	625,137	512,577
Accounts Receivable	4,678	9,510
Grants Receivable	-	10,000
Assets Restricted by Donors	(147,479)	(209,118)
Assets Designated by the Board	(726,549)	(613,589)
Total Financial Assets Available	$ 727,544	$ 571,009

The Organization's Board has designated an operating reserve as part of investments of $625,137 and $512,491 as of December 31, 2020 and 2019, respectively, for future needs of the Organization. Additionally, the Organization's Board designated endowment of $101,412 and $101,098 as of December 31, 2020 and 2019, respectively, is subject to a zero spending policy until it reaches $1,000,000. Although the Organization does not intend to spend from this Board designated endowment prior to reaching their goal of funds held these funds, are available if deemed necessary.

NOTE 3 - CASH AND CASH FLOWS

For purposes of the statements of cash flows, cash includes cash on hand and cash in checking and savings accounts.

At various times throughout the year, the Organization may have cash in financial institutions in excess of insured limits. The Federal Deposit Insurance Corporation (FDIC) insures account balances up to $250,000 for each business depositor.

NOTE 4 - INVESTMENTS

Investments consisted of the following:

	December 31, 2020	December 31, 2019
Cash and Cash Equivalents	$ 117,314	$ 34,357
Mutual Funds	507,823	478,220
Total Investments	$ 625,137	$ 512,577

NOTE 5 - FAIR VALUE MEASUREMENTS

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

LEVEL 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization has the ability to access.

LEVEL 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets or liabilities in inactive markets, inputs other than quoted prices that are observable for the asset or liability, and inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

LEVEL 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs.

Following are descriptions of the valuation methodologies used for marketable securities measured at fair value. There have been no changes in the methodologies used at December 31, 2020 and 2019.

Cash and Cash Equivalents – Fair value approximates carrying value due to the initial maturities of the instruments being three months or less.

Mutual Funds (Including Money Market Funds)– Valued at the daily closing price as reported by the fund. Mutual funds held are open-end mutual funds that are registered with the SEC.

NOTE 5 - FAIR VALUE MEASUREMENTS (Continued)

The preceding methods described may provide a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, although the Organization believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the operating date.

All investments were valued at Level 1 at both December 31, 2020 and 2019.

Risks and Uncertainties

The Organization invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market and credits risks. Due to the level of risks associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect account balances and amounts reported in the statements of financial position.

NOTE 6 - PROPERTY AND EQUIPMENT

Property and equipment and related accumulated depreciation consisted of the following:

	December 31, 2020	December 31, 2019
Leasehold Improvements	$ 197,082	$ 141,174
Computers and Equipment	33,165	33,165
Furniture and Fixtures	10,050	6,095
	240,297	180,434
Less Accumulated Depreciation	168,857	141,414
Total Property and Equipment, Net	$ 71,440	$ 39,020

NOTE 7 - ENDOWMENTS

The Organization's endowment consists of funds established to achieve a long-term investment objective. The endowment includes funds designated by the Board of Directors to function as endowments. As required by U.S. GAAP, net assets associated with endowment funds, including funds designated by the Board of Directors to function as endowments, are classified and reported based on the existence or absence of donor-imposed restrictions.

Investment Return Objectives, Risk Parameters and Strategies. The Organization has adopted an investment policy, approved by the Board of Directors, for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment funds while also maintaining the purchasing power of those endowment assets over the long-term. Accordingly, the investment process seeks to achieve an after-cost total real rate of return, including investment income as well as capital appreciation, which exceeds the annual distribution with acceptable levels of risk. Endowment assets are invested in a checking account, which is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity.

Therefore, the Organization expects its endowment assets, over time, to appreciate without exposure to unnecessary risk. Actual returns in any given year may vary. Investment risk is measured in terms of the total endowment fund; investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk.

NOTE 7 - ENDOWMENTS (Continued)

Spending Policy. The Organization has not adopted a spending policy. The Organization has a goal to build the endowment to $1,000,000 prior to allowing any distributions. This is consistent with the Organization's objective to maintain the purchasing power of the endowment assets as well as to provide additional real growth through investment return.

Endowment net asset composition by type of fund as of December 31, 2020 is as follows:

	Without Donor Restriction
Board-Designated Endowment Funds	$ 101,412

Changes in endowment net assets for the year ended December 31, 2020 are as follows:

Endowment Net Assets, Beginning of Year	$ 101,098
Investment Return, Net	314
Endowment Net Assets, End of Year	$ 101,412

Endowment net asset composition by type of fund as of December 31, 2019 is as follows:

Board-Designated Endowment Funds	$ 101,098

Changes in endowment net assets for the year ended December 31, 2019 are as follows:

Endowment Net Assets, Beginning of Year	$ 25,173
Transfers from Operating Funds	75,000
Investment Return, Net	925
Endowment Net Assets, End of Year	$ 101,098

NOTE 8 - BOARD DESIGNATED NET ASSETS

The Board designated net assets for the following purposes:

	December 31,	
	2020	2019
Endowment Purposes	$ 101,412	$ 101,098
Operating Reserve	625,137	512,491
	$ 726,549	$ 613,589

NOTE 9 - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted as follows:

	December 31, 2020	December 31, 2019
Subject to Expenditure for Specified Purpose		
Adult Programs	$ 87,000	$ 80,000
Healthy Aging Program	-	10,000
iCan Bike Program	12,550	-
Outreach for Seniors	5,000	5,000
New Family Support	10,000	-
DS Press	-	2,200
Educational Workshops	7,929	15,000
Youth Empowerment	-	10,000
Employment	25,000	25,000
Empowerment Center	-	60,084
Discover You	-	1,834
Total Net Assets with Donor Restrictions	$ 147,479	$ 209,118

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows:

	Years Ended December 31, 2020	Years Ended December 31, 2019
Satisfaction of Purpose Restrictions		
Adult Programs	$ 25,000	$ 15,000
Healthy Aging Program	10,000	10,000
iCan Bike Program	-	20,000
Summer Tutoring	-	12,000
Fine Arts	-	14,000
Adoption Costs	-	5,000
Educational Outreach	-	3,333
Family Coaching	-	10,000
New Family Support	10,000	-
DS Press	2,200	-
Educational Workshops	7,071	-
Youth Empowerment	10,000	-
Empowerment Center	60,084	-
Discover You	1,834	-
Total Net Assets Released From Restrictions	$ 126,189	$ 89,333

NOTE 10 - FUNDRAISING EVENTS

The Organization had fundraising revenues and expense as follows:

	Year Ended December 31, 2020		
	Revenue	Expenses	Net
Buddy Walk	$ 585,010	$ 25,243	$ 559,767
Golf Outing	237,233	50,441	186,792
All Other Activities	48,320	6,165	42,155
	$ 870,563	$ 81,849	$ 788,714

	Year Ended December 31, 2019		
	Revenue	Expenses	Net
Buddy Walk	$ 724,865	$ 19,547	$ 705,318
Golf Outing	258,929	57,108	201,821
All Other Activities	76,772	12,020	64,752
	$ 1,060,566	$ 88,675	$ 971,891

In 2020 and 2019, the Organization collaborated with another local nonprofit organization with a similar mission to jointly organize their golf outing. The golf outing is planned jointly with the expenses all recorded though the Organization. Once all revenue is determined an allocation of revenues based on a predetermined sliding scale is remitted to the local nonprofit organization. Total contribution remitted for the years ended December 31, 2020 and 2019 were $89,061 and $100,911, respectively.

NOTE 11 - OPERATING LEASES

The Organization has various leases for equipment that are classified as operating leases. The monthly payments total $149. The leases have various expiration dates through September 2025. Lease expense was $1,782 and $3,232 for 2020 and 2019, respectively.

The Organization leases its office space under an operating lease. During the year, the lease was expanded to include additional space to begin occupancy in 2020 and was extended through December 2025. The lease carried a monthly payment of $3,831, plus taxes and utilities. Due to the expansion into the additional space, the monthly payment increased to $6,499 in June 2020. Lease expense, including utilities and taxes, was $78,545 and $63,985 for 2020 and 2019, respectively.

NOTE 11 - OPERATING LEASES (Continued)

The following are the net minimum lease payments for the remainder of these leases:

Years Ending December 31,	Equipment	Office Space	Total
2021	$ 1,412	$ 77,992	$ 79,404
2022	1,097	79,577	80,674
2023	992	81,162	82,154
2024	992	82,747	83,739
2025	662	84,412	85,074
	$ 5,155	$ 405,890	$ 411,045

NOTE 12 - RETIREMENT PLAN

During the years ended December 31, 2020 and 2019, the Organization incurred expenses related to the Organization sponsored retirement plan in the amounts of $43,637 and $42,173, respectively.

NOTE 13 - RISKS AND UNCERTAINTIES – COVID-19 OUTBREAK

Prior to year-end, the World Health Organization announced a global health emergency later classified as a global pandemic as a result of the COVID-19 outbreak. The outbreak and response has impacted financial and economic markets across the World and within the United States. The full impact continues to evolve and as such, it is uncertain as to the full magnitude that the pandemic will have on the Organization's financial condition, liquidity, and future results of operations. Management is actively monitoring the possible effects on every aspect of the Organization.

NOTE 14 - SUBSEQUENT EVENTS

The Organization has evaluated subsequent events through June 8, 2021, which is the date the financial statements were available to be issued.

Subsequent to year-end, but before these financial statements were available to be issued, the Organization obtained the second round of PPP loan funding totaling $130,187.