TRAVIS ROY FOUNDATION AND SUBSIDIARIES

BOSTON, MASSACHUSETTS

CONSOLIDATED FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT

SEPTEMBER 30, 2019 AND 2018

CONTENTS

LIVINGSTON & HAYNES, P.C.
CERTIFIED PUBLIC ACCOUNTANTS

WELLESLEY | WARE

40 Grove Street | Wellesley, MA 02482
TEL: 781-237-3339 | FAX: 781-237-3606

Established 1936

INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
Travis Roy Foundation
Boston, Massachusetts

We have audited the accompanying consolidated financial statements of the Travis Roy Foundation and Subsidiaries, which comprise the consolidated statements of financial position as of September 30, 2019 and 2018, and the related consolidated statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated 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.

Auditors' Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated 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 consolidated financial statements referred to above present fairly, in all material respects, the financial position of Travis Roy Foundation and Subsidiaries as of September 30, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Change in Accounting Principle

As discussed in Note A, Travis Roy Foundation and Subsidiaries adopted Financial Accounting Standards Board Accounting Standards Update 2016-14, *Presentation of Financial Statements of Not-for-Profit Entities*. Our opinion is not modified with respect to this matter.

Livingston + Haynes, P.C.

Wellesley, Massachusetts
July 30, 2020

TRAVIS ROY FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
SEPTEMBER 30, 2019 AND 2018

ASSETS

	2019	2018
Cash and cash equivalents	$ 1,640,978	$ 1,929,268
Receivables	104,223	97,804
Pledges receivable	275,689	343,364
Investments - Board designated	2,656,609	1,700,645
Property and equipment, net	819,854	848,453
TOTAL ASSETS	$ 5,497,353	$ 4,919,534

LIABILITIES AND NET ASSETS

	2019	2018
Liabilities:		
Accounts payable and accrued expenses	$ 14,121	$ 22,160
Refundable advances	11,495	28,822
Security deposit payable	-	5,000
Grants payable	203,562	189,773
TOTAL LIABILITIES	229,178	245,755
Net assets:		
Without donor restrictions	4,997,480	4,347,509
With donor restrictions	270,695	326,270
TOTAL NET ASSETS	5,268,175	4,673,779
TOTAL LIABILITIES AND NET ASSETS	$ 5,497,353	$ 4,919,534

The accompanying notes are an integral part of these consolidated financial statements.

TRAVIS ROY FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019			2018		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenues:						
Contributions	$ 1,805,408	$ -	$ 1,805,408	$ 1,658,494	$ 1,562	$ 1,660,056
Special events	929,803	-	929,803	618,834	-	618,834
Investment income	164,860	-	164,860	197,309	124	197,433
Contributed services	198,709	-	198,709	162,038	-	162,038
Net assets released from restriction	55,575	(55,575)	-	60,000	(60,000)	-
	3,154,355	(55,575)	3,098,780	2,696,675	(58,314)	2,638,361
Expenses:						
Program services	1,732,769	-	1,732,769	972,978	-	972,978
General administration	223,883	-	223,883	259,322	-	259,322
Fundraising	547,732	-	547,732	436,109	-	436,109
	2,504,384	-	2,504,384	1,668,409	-	1,668,409
CHANGE IN NET ASSETS	649,971	(55,575)	594,396	1,028,266	(58,314)	969,952
Net assets - beginning of year	4,347,509	326,270	4,673,779	3,319,243	384,584	3,703,827
NET ASSETS - END OF YEAR	$ 4,997,480	$ 270,695	$ 5,268,175	$ 4,347,509	$ 326,270	$ 4,673,779

The accompanying notes are an integral part of these consolidated financial statements.

TRAVIS ROY FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FUNCTIONAL EXPENSES
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019				2018			
	Program Services	General Administration	Fundraising	Total	Program Services	General Administration	Fundraising	Total
Grants to individuals	$ 1,020,903	$ -	$ -	$ 1,020,903	$ 372,114	$ -	$ -	$ 372,114
Grants to organizations	483,265	-	-	483,265	478,357	-	-	478,357
Professional fees	-	23,681	-	23,681	-	24,162	-	24,162
Payroll, benefits and taxes	139,713	71,002	102,241	312,956	57,901	77,182	68,728	203,811
Depreciation expense	9,001	8,999	39,672	57,672	5,614	5,614	44,604	55,832
Information technology fees	-	-	94,321	94,321	5,974	1,328	80,157	87,459
Payroll processing fees	-	2,957	-	2,957	-	4,639	-	4,639
Postage	-	2,084	4,053	6,137	340	340	6,118	6,798
Lease and space cost	16,667	20,683	16,666	54,016	16,667	22,657	16,666	55,990
Miscellaneous	-	22,067	-	22,067	-	37,364	-	37,364
Consultant	-	-	-	-	1,920	-		1,920
Marketing	-	-	8,351	8,351	-	-	5,647	5,647
Fundraising events	-	-	242,601	242,601	-	-	186,475	186,475
In-kind legal and administrative services	63,220	72,410	39,827	175,457	34,091	86,036	27,714	147,841
	$ 1,732,769	$ 223,883	$ 547,732	$ 2,504,384	$ 972,978	$ 259,322	$ 436,109	$ 1,668,409

The accompanying notes are an integral part of these consolidated financial statements.

TRAVIS ROY FOUNDATION AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED SEPTEMBER 30, 2019 AND 2018

	2019	2018
Cash flows from operating activities:		
Change in net assets	$ 594,396	$ 969,952
Adjustments to reconcile change in net assets to net cash provided by operating activities:		
Realized and unrealized (appreciation) of investments	(114,338)	(166,317)
Depreciation expense	57,672	55,832
(Increase) in receivables	(6,419)	(25,393)
Decrease in pledges receivable	67,675	63,938
Decrease in security deposit	-	5,180
Increase (decrease) in accounts payable and accrued expenses	(8,039)	3,435
Increase (decrease) in refundable advances	(17,327)	28,822
(Decrease) in security deposit payable	(5,000)	(15,000)
Increase (decrease) in grants payable	13,789	(33,206)
NET CASH PROVIDED BY OPERATING ACTIVITIES	582,409	887,243
Cash flows from investing activities:		
Proceeds from sale of investments - Board designated	220,339	508,548
Purchase of investments - Board designated	(1,061,965)	(627,395)
Purchase of property and equipment	(29,073)	(6,910)
NET CASH USED BY INVESTING ACTIVITIES	(870,699)	(125,757)
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(288,290)	761,486
Cash and cash equivalents - beginning of year	1,929,268	1,167,782
CASH AND CASH EQUIVALENTS - END OF YEAR	$ 1,640,978	$ 1,929,268
Supplemental disclosures of cash flow information:		
Cash paid for interest	$ -	$ -
Cash paid for taxes	$ -	$ -
Noncash transactions:		
Stock donations - sold for cash	$ 45,503	$ 274,136

The accompanying notes are an integral part of these consolidated financial statements.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Travis Roy Foundation (the "Organization") is a Massachusetts not-for-profit trust established on August 23, 1996. The primary charitable mission of the Organization is the rehabilitation of spinal cord injuries and research and educational programs related to such injuries. The Travis Roy Foundation established the Travis Roy Foundation, Inc., a domestic corporation and the Travis Roy Foundation LLC in connection with certain operations and activities.

Basis of Presentation

The consolidated financial statements include the accounts of the Travis Roy Foundation and its wholly-owned subsidiary, Travis Roy Foundation, Inc., and its single member limited liability company, Travis Roy Foundation LLC. All significant inter-organization balances and transactions were eliminated in consolidation.

New Accounting Pronouncement

Effective October 1, 2018, the Organization adopted FASB Accounting Standards Update 2016-14, Not-for-Profit Entities (Topic 958): *Presentation of Financial Statements of Not-for-Profit Entities*, ("ASU 2016-14"). The provisions of ASU 2016-14 are intended to simplify and improve the presentation of net assets, as well as information regarding liquidity, and availability of resources, and the lack of consistency in the type of information provided about expenses and investment return. ASU 2016-14 revises the net asset classification structure to two classes (net assets with donor restrictions and net assets without donor restrictions) instead of the previous three. ASU 2016-14 also enhances disclosures for self-imposed limits on the use of resources, both with and without donor-imposed restrictions, and requires qualitative disclosures on liquidity and the availability of resources to fund operations. The financial statements for the year ended September 30, 2018 have been retroactively restated for the effects of the adoption of ASU 2016-14, which resulted in the temporarily restricted net assets to be renamed net assets with donor restrictions and the donated investor advisor fees reclassified to a reduction of net investment income. There was no change in total net assets or effect on the change in net assets in the accompanying statement of activities for the year ended September 30, 2018. ASU 2016-14 also requires a statement of functional expenses. Thus, a statement of functional expenses has been prepared for the years ended September 30, 2019 and 2018.

Financial Statement Presentation

The Organization's resources are classified for accounting and reporting purposes into different net asset categories - according to the existence or absence of externally imposed (donor) restrictions as follows:

- Net Assets without Donor Restrictions - Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions.

- Net Assets with Donor Restrictions - Net assets subject to donor (or certain grantor) 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. 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.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Accounting

The consolidated financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America. Accordingly, assets are recorded when the Organization obtains the rights of ownership or is entitled to claims for receipt and liabilities are recorded when the obligation is incurred.

Use of Estimates

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

Cash and Cash Equivalents

Cash and cash equivalents consist of cash and short-term investments with original maturities of three months or less. For the purpose of the statements of cash flows, the cash balance included in the investment portfolio is not considered cash and cash equivalents as it is not available for operations.

Investments

Investments in equity and debt securities with readily determinable market values are reported at fair value. The fair value of investments is valued at the closing price on the last business day of the fiscal year. Realized gains and losses are calculated based upon the underlying cost of the securities traded. Purchases and sales are recorded on a trade-date basis. Interest and dividend income is recorded when earned. Gains or losses (including investments bought, sold, and held during the year), and interest and dividend income are reflected in the statements of activities as increases or decreases in unrestricted net assets.

Fair Value Measurements

Fair value is defined as the price the Organization would receive from the sale of an asset, or pay to transfer a liability, in a timely transaction with an independent buyer in the principal market. Accounting standards establish a three-tier hierarchy to distinguish between various types of inputs used in determining the value of the Organization's investments. The inputs are summarized in three levels as outlined below:

> Level 1 - Quoted prices in active markets for identical assets or liabilities. Assets utilizing Level 1 inputs include the Organization's publicly-traded equity securities and U.S. Government bonds. Valuations of these instruments do not require a high degree of judgment as the valuations are based on quoted prices in active markets that are readily available.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fair Value Measurements (Continued)

Level 2 - Other significant observable inputs that reflect the assumptions market participants would use in pricing an asset or liability based on market data obtained from independent market sources. These observable inputs include quoted prices for similar investments, quoted prices in markets that are not active and other inputs that are observable or can be corroborated by observable market data for substantially the full term of the asset or liability. Assets utilizing Level 2 inputs include the Organization's corporate bonds. Valuations in this category are inherently less reliable than quoted market price due to the degree of subjectivity involved in determining appropriate methodologies and the applicable underlying assumptions.

Level 3 -Unobservable inputs that reflect the reporting entity's own assumptions about the assumptions market participants would use in pricing an asset or liability based upon the best information available in the circumstances.

The Organization's policy is to recognize transfers in and transfers out of the different levels as of the actual date of the event or change in circumstance that caused the transfer. There were no transfers between levels in the years ended September 30, 2019 and 2018.

Revenue Recognition

The Organization records contributions as receivables and revenues and distinguishes between contributions received for each net asset category in accordance with donor-imposed restrictions. Contributions may include gifts of cash, investments, collection of items, or promises to give. Such contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Contributions of assets other than cash are recorded at their fair value at the date received. Promises to give that are scheduled to be received after the statements of financial position date are shown as increases in net assets with donor restrictions. When a donor stipulated time restriction ends, net assets with donor restrictions are reclassified to unrestricted net assets and reported in the statements of activities as net assets released from restrictions. Conditional promises to give, which depend on the occurrence of a specified future and uncertain event to bind the promisor, are recognized when the conditions on which they depend are substantially met. If a restricted contribution is received in a given fiscal year and the time and/or purpose restriction is met in that same year, the contribution is recognized as revenues without donor restrictions. Event sponsorships that have been received but have not yet been earned are reflected in the accompanying consolidated financial statements as refundable advances.

Board Designated Endowment

The Board of Trustees had designated a portion of net assets without donor restrictions as a general endowment fund to support the mission of the Organization. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions.

Board Designated Research Fund

The Board of Trustees had designated a portion of net assets without donor restrictions as a fund to support research into spinal cord injuries. Since that amount resulted from an internal designation and is not donor restricted, it is classified and reported as net assets without donor restrictions.

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Services

Many individuals volunteer their time and perform a variety of tasks that assist the Organization with the operations, office duties and fundraising. Contributed services are recognized at standard per-diem rates if the services received (a) create or enhance long-lived assets or (b) require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased if not provided by donation. The amounts reflected in the accompanying consolidated financial statements as contributed services are offset by like amounts included in expenses.

Distributions for Charitable Purposes

The Trustees of the Organization may distribute any part of the income or principal as they consider advisable to charitable foundations or for charitable purposes as defined by certain sections of the Internal Revenue Code.

Functional Expenses

The costs of providing program and supporting service activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated between the program and supporting services benefited.

The consolidated financial statements report certain categories that are attributed to program and supporting functions. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include depreciation, and lease and space costs which are allocated on a square footage basis, as well as payroll and related taxes and benefits, which are allocated on the basis of estimates of time and effort.

Grants

Unconditional quality of life grants awarded to individuals are expensed and included in program services in the year the grants are approved by the Board of Trustees. Grants payable at year end included quality of life grants that have been approved but not yet paid. Conditional grants are expensed when paid or when the payments become unconditionally due.

Income Tax Status

Both the Trust and the Corporation qualify as publicly supported organizations under Section 509(a) of the Internal Revenue Code. The LLC is a single member LLC, which is a disregarded entity for tax purposes. Accordingly, no provision for federal and state income taxes is required.

The Organization recognizes the tax benefit from an uncertain tax position only if it is more likely than not the tax position will be sustained upon examination by the taxing authorities, based on the technical merits of the tax position. Any tax benefits recognized in the consolidated financial statements from such a position are measured based on the largest benefit that has a greater than 50% likelihood of being realized upon ultimate resolution. The Organization has analyzed tax positions taken, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for

NOTE A - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Income Tax Status (Continued)

open years (fiscal years ended September 30, 2016, 2017, and 2018) or expected to be taken in the tax returns for September 30, 2019. The Organization identifies its major tax jurisdiction as U.S. Federal and the Commonwealth of Massachusetts; however the Organization is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months. The Organization's policy is to recognize interest and penalties related to unrecognized tax benefits (if any) in income tax expense. No such interest and penalties have been recognized as of September 30, 2019 and 2018.

Property and Equipment

Property and equipment are stated at cost at date of acquisition or, if donated, at the market value on the date of the gift less accumulated depreciation and amortization. Maintenance repairs and minor renewals are expensed as incurred and renewals and betterments are capitalized.

When an asset is retired or disposed of, the related costs and allowances for depreciation and amortization are removed from the accounts and any gain or loss on the disposition is reflected in the consolidated statements of activities. Provision for depreciation and amortization is made on the straight-line method by annual charges to the consolidated statements of activities calculated to absorb the costs over the estimated useful lives of the assets (refer to Note J).

NOTE B - INVESTMENTS

Investments, at fair market value, are comprised of the following:

	2019		2018	
	Cost	Market	Cost	Market
Cash equivalents	$ 37,205	$ 37,205	$ 27,629	$ 27,629
Marketable debt securities	729,664	739,820	358,379	355,139
Marketable equity securities	1,370,223	1,879,584	899,258	1,317,877
	$ 2,137,092	$ 2,656,609	$ 1,285,266	$ 1,700,645

Net investment income consists of the following:

	2019	2018
Dividends and interest	$ 73,775	$ 45,313
Realized gains and (losses), net	10,237	36,597
Unrealized gains and (losses), net	104,101	129,720
Donated investment advisor services	(23,253)	(14,197)
	$ 164,860	$ 197,433

The following tables summarize inputs used in determining the fair valuation of the Organization's investments at September 30, 2019 and 2018:

NOTE B - INVESTMENTS (Continued)

	2019			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 37,205	$ -	$ -	$ 37,205
Marketable Debt Securities:				
U.S. Government bonds	487,261	-	-	487,261
Corporate bonds	-	252,559	-	252,559
Total marketable debt securities	487,261	252,559	-	739,820
Marketable Equity Securities:				
Consumer discretionary	129.992	-	-	129,992
Consumer staples	212,512	-	-	212,512
Energy	111,254	-	-	111,254
Financial	141,816	-	-	141,816
Health care	346,525	-	-	346,525
Industrials	566,531	-	-	566,531
Information technology	331,346	-	-	331,346
Materials	39,608	-	-	39,608
Total marketable equity securities	1,879,584	-	-	1,879,584
	$ 2,404,050	$ 252,559	$ -	$ 2,656,609

	2018			
	Level 1	Level 2	Level 3	Total
Cash equivalents	$ 27,629	$ -	$ -	$ 27,629
Marketable Debt Securities:				
U.S. Government bonds	49,485	-	-	49,485
Corporate bonds	-	305,654	-	305,654
Total marketable debt securities	49,485	305,654	-	355,139
Marketable Equity Securities:				
Consumer discretionary	20,715	-	-	20,715
Consumer staples	152,877	-	-	152,877
Energy	81,003	-	-	81,003
Financial	97,974	-	-	97,974
Health care	285,689	-	-	285,689
Industrials	452,113	-	-	452,113
Information technology	211,828	-	-	211,828
Materials	15,678	-	-	15,678
Total marketable equity securities	1,317,877	-	-	1,317,877
	$ 1,394,991	$ 305,654	$ -	$ 1,700,645

NOTE C - RELATED PARTY TRANSACTIONS

A Trustee of the Travis Roy Foundation provides legal and trustee services to the Organization in his role as a partner in a law firm. In addition, employees of the law firm provide administration and accounting services to the Organization. These services are provided on an in-kind basis to the Organization. Total contributed services received during the years ended September 30, 2019 and 2018 were $198,709 and $147,841, respectively, at standard per diem rates and are included in general administration in the consolidated statements of activities. During the years ended September 30, 2019 and 2018, the Organization also paid legal fees in the amount of $181 and $2,662, respectively.

NOTE D - PLEDGES RECEIVABLE

Unconditional pledges receivable are due as follows, as of September 30:

	2019	2018
Unconditional promises to give before unamortized discount	$ 305,000	$ 375,000
Less: Unamortized discount	29,311	31,636
Net unconditional promises to give	$ 275,689	$ 343,364

	2019	2018
Amounts due in:		
Less than one year	$ 55,000	$ 75,000
One to five years	200,000	200,000
More than five years	50,000	100,000
Total	$ 305,000	$ 375,000

At September 30, 2019 and 2018, pledges receivable have been discounted to reflect the present value. The discount rate for the years ended September 30, 2019 and 2018 was 1.60%.

Pledges receivable at September 30, 2019 and 2018 are due from two donors.

The Organization has received a conditional pledge to support staff positions of $50,000 per year through December 31, 2025. Since this pledge is conditional upon the Organization paying the staffs' salaries, it will not be recorded as contribution revenue until the salaries are paid.

NOTE E - NET ASSETS WITHOUT DONOR RESTRICTIONS

Net assets without donor restrictions are categorized by the following designations:

	2019	2018
Undesignated	$ 2,034,774	$ 2,646,864
Designated by the Board to fund research	236,244	-
Designated by the Board for Ethan Wang	69,853	-
Designated by the Board for endowment	2,656,609	1,700,645
Total net assets without donor restrictions	$ 4,997,480	$ 4,347,509

NOTE F - BOARD DESIGNATED ENDOWMENT FUNDS

Endowment net asset composition by type of fund is as follows:

	2019		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ -	$ -
Board designated endowment funds	2,656,609		2,656,609
Total endowment funds	$ 2,656,609	$ -	$ 2,656,609

	2018		
	Without Donor Restrictions	With Donor Restrictions	Total
Donor restricted endowment funds	$ -	$ -	$ -
Board designated endowment funds	1,700,645		1,700,645
Total endowment funds	$ 1,700,645	$ -	$ 1,700,645

NOTE F - BOARD DESIGNATED ENDOWMENT FUNDS (Continued)

A reconciliation of endowment activity for the years ended September 30, 2019 and 2018 is as follows:

	Without Donor Restrictions	With Donor Restrictions	Total Endowment
Endowment net assets, September 30, 2017	$ 1,415,481	$ -	$ 1,415,481
Additions	100,000	-	100,000
Withdrawals	-	-	-
Investment income	55,444	-	55,444
Net appreciation	129,720	-	129,720
Endowment net assets, September 30, 2018	1,700,645	-	1,700,645
Additions	800,000	-	800,000
Withdrawals	-	-	-
Investment income	51,863	-	51,863
Net appreciation	104,101	-	104,101
Endowment net assets, September 30, 2019	$ 2,656,609	$ -	$ 2,656,609

NOTE G - NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the following purposes:

	2019	2018
Office space	$ 270,689	$ 318,364
Grants to purchase wheelchairs	6	7,906
Total net assets with donor restrictions	$ 270,695	$ 326,270

Net assets were released from purpose restrictions during 2019 and 2018 as follows:

	2019	2018
Office space	$ 47,666	$ 50,000
Purchase of other adaptive equipment	7,909	10,000
	$ 55,575	$ 60,000

NOTE H - CONCENTRATIONS, RISKS AND UNCERTAINTIES

The Organization invests in various investment securities. Investment securities are exposed to various risks, such as interest rate, market and credit risks. Due to the level of risk 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 those changes could materially affect the amounts reported in the consolidated statements of financial position. The Organization maintains cash balances at several financial institutions. Accounts at some of the financial institutions are insured by the Federal Deposit Insurance Corporation up to $250,000. At September 30, 2019 and 2018, the Organization's uninsured cash and equivalents, including cash in the Board restricted investment portfolio, totaled approximately $1,555,000 and $1,920,000 respectively.

During the years ended September 30, 2019 and 2018, approximately 28% and 26%, respectively, of the Organization's revenue was derived from the annual wiffleball tournament that is held each year in August.

NOTE I - GRANT COMMITMENTS

Grants payable of $203,562 and $189,773 represent unconditional promises for quality of life grants approved by the Trustees but not paid prior to September 30, 2019 and 2018, respectively. These grants have not been discounted due to the short duration involved.

In addition, as of September 30, 2019, the Trustees had approved the payment of certain conditional grants which have not been expensed or accrued. Refer to Note N - Subsequent Events regarding these conditional grants.

NOTE J - PROPERTY AND EQUIPMENT

Property and equipment at September 30, 2019 and 2018 are as follows:

	Estimated Useful Life	2019	2018
Land and building	20 years	$ 836,592	$ 827,992
Land improvements	15 years	8,473	-
Leasehold improvements	5 years	54,119	54,119
Equipment	3-10 years	61,511	49,511
		960,695	931,622
Less accumulated depreciation and amortization		140,841	83,169
		$ 819,854	$ 848,453

NOTE K - LEASE COMMITMENTS

The Organization has a commitment under an operating lease for office space which expires August 2020 and office equipment which expires September 2021. Rent expense for the years ended September 30, 2019 and 2018 was $54,016 and $55,990, respectively. The following is a schedule of the approximate minimum future rental payments for the noncancelable operating leases as of September 30, 2019:

Year Ending September 30,	
2020	$ 47,633
2021	1,800
	$ 49,433

NOTE L - LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure; that is, without donor or other restrictions limiting their use, within one year of the statement of financial position date, comprise the following:

Cash and cash equivalents	$ 1,334,875
Receivables	104,223
Pledges receivable	5,000
	$ 1,444,098

Although we do not intend to spend our board designated funds of $2,962,706 on general expenditures these amounts could be made available if necessary.

NOTE M - RECLASSIFICATIONS

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

NOTE N - SUBSEQUENT EVENTS

In connection with the outbreak of the COVID-19 virus, the Organization is monitoring developments and the directives of federal, state, and local officials to determine what precautions and procedures it may need to follow to maintain its operational capability. The Organization's investments have experienced declines in fair value from September 30, 2019; however, the Organization believes it can continue to operate effectively and meet all its financial obligations. However, due to the uncertainty and difficulty in predicting the ultimate outcome and severity of the impact of COVID-19 on the Organization, the economy, and the financial markets, it is possible that the ultimate impact of these uncertainties may be material to the Organization's financial position.

The Organization is unable to hold its annual wiffleball tournament during the year ending September 30, 2020 which in the year ended September 30, 2019 accounted for approximately 28% of revenues.

Subsequent to year end, the Organization received a loan in the amount of $78,417 to fund payroll and rent, through the federal Paycheck Protection Program ("PPP") created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for six months after the funding of the loan. The loan may be forgiven subject to compliance and approval based on the timing and use of these funds in accordance with the PPP. The loan is uncollateralized and is fully guaranteed by the Federal government.

During the year ending September 30, 2020, the Organization approved research grants totaling $350,000 and a grant of $25,000 to another organization to be paid during the fiscal year ending September 30, 2020. In addition, the Organization is finalizing another research grant that was conditionally approved by the Trustees prior to September 30, 2019 to another organization to be paid during the fiscal years ending September 30, 2020 and 2021 for a total of approximately $200,000.

The Organization has evaluated the impact of subsequent events through July 30, 2020, which is the date the consolidated financial statements were available to be issued, and has determined that there were no other subsequent events requiring adjustment or disclosure in the consolidated financial statements.