NEVADA BLIND CHILDREN'S FOUNDATION

FINANCIAL STATEMENTS

JUNE 30, 2020 AND 2019

ELLSWORTH • STOUT

CPAs and Consultants

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Independent Auditor's Report

To the Board of Directors of
Nevada Blind Children's Foundation

We have audited the accompanying financial statements of Nevada Blind Children's Foundation (a nonprofit organization), which comprise the statements of financial position as of June 30, 2020 and 2019, and the related statements of activities, functional expenses and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements
Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal 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 audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 Nevada Blind Children's Foundation as of June 30, 2020 and 2019, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Ellsworth & Stout, LLC

Las Vegas, Nevada
September 22, 2020

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NEVADA BLIND CHILDREN'S FOUNDATION
STATEMENTS OF FINANCIAL POSITION
JUNE 30, 2020 AND 2019

	2020	2019
ASSETS		
Current Assets:		
Cash and cash equivalents	$ 558,445	$ 316,773
Accounts receivable	-	12,600
Unconditional promises to give, net	275,000	262,500
Prepaid expenses	5,363	2,317
Total current assets	838,808	594,190
Property and Equipment, net	103,355	62,044
Other Assets:		
Investments	66,210	65,151
Unconditional promise to give, net of current portion	-	32,500
Deposits and other assets	64,829	64,829
Total other assets	131,039	162,480
Total Assets	$ 1,073,202	$ 818,714
LIABILITIES AND NET ASSETS		
Current Liabilities:		
Accounts payable	$ 5,735	$ 15,084
Accrued expenses	13,708	31,452
Current maturities of long-term debt	64,019	-
Deferred revenue	19,200	-
Grant advance	362,041	-
Total current liabilities	464,703	46,536
Other Liabilities:		
Long-term debt, net of current maturities	65,044	-
Total Liabilities	529,747	46,536
Net Assets:		
Without donor restrictions	430,717	513,492
With donor restrictions	112,738	258,686
Total net assets	543,455	772,178
Total Liabilities and Net Assets	$ 1,073,202	$ 818,714

See accompanying notes to the financial statements.

NEVADA BLIND CHILDREN'S FOUNDATION
STATEMENTS OF ACTIVITIES
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Net Assets without Donor Restrictions		
Revenue and other support:		
Contributions	$ 179,723	$ 129,394
Grants	637,959	-
Special events, net of expenses of $0 and $103,581	-	359,616
Program revenue	1,325	4,277
In-kind donations	21,146	106,241
Investment income, net of expenses of $1,299 and $1,226	2,438	1,170
Net assets released from donor restrictions	308,498	186,523
	1,151,089	787,221
Expenses:		
Program services	990,302	805,083
Supporting services:		
Fundraising	144,739	144,166
Management and general	99,209	74,661
	1,234,250	1,023,910
Other income:		
Net realized and unrealized gain on investments	386	2,987
	386	2,987
Decrease in net assets without donor restrictions	(82,775)	(233,702)
Net Assets with Donor Restrictions		
Contributions	162,550	364,500
Net assets released from donor restrictions	(308,498)	(186,523)
Decrease in net assets with donor restrictions	(145,948)	177,977
Decrease in Net Assets	(228,723)	(55,725)
Net Assets, Beginning of Year	772,178	827,903
Net Assets, End of Year	$ 543,455	$ 772,178

See accompanying notes to the financial statements.

NEVADA BLIND CHILDREN'S FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2020

	Program Services	Fundraising	Management and General	Total
Advertising	$ 1,625	$ 1,083	$ -	$ 2,708
Bad debt	-	6,600	-	6,600
Depreciation	23,111	4,622	3,082	30,815
Fundraising	-	9,291	-	9,291
Insurance	17,748	-	1,972	19,720
Merchant fees	-	3,044	-	3,044
Office and other expenses	43,225	10,526	6,482	60,233
Professional services	38,687	20,482	4,357	63,526
Program expenses	40,159	-	-	40,159
Rent	168,644	9,369	9,369	187,382
Repairs and maintenance	34,622	3,714	2,886	41,222
Salaries, benefits and related expenses	595,408	69,912	70,346	735,666
Travel and conferences	6,144	-	-	6,144
Utilities	20,929	6,096	715	27,740
	$ 990,302	$ 144,739	$ 99,209	$ 1,234,250

See accompanying notes to the financial statements.

NEVADA BLIND CHILDREN'S FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
YEAR ENDED JUNE 30, 2019

	Program Services	Fundraising	Management and General	Total
Advertising	$ 4,504	$ 3,003	$ -	$ 7,507
Bad debt	-	31,000	-	31,000
Depreciation	11,881	2,376	1,584	15,841
Fundraising	-	8,327	-	8,327
Insurance	13,528	-	1,503	15,031
Merchant fees	-	14,309	-	14,309
Office and other expenses	31,817	9,132	5,545	46,494
Professional services	69,632	19,952	11,207	100,791
Program expenses	58,612	-	-	58,612
Rent	162,994	9,055	9,055	181,104
Repairs and maintenance	10,036	1,172	889	12,097
Salaries, benefits and related expenses	393,115	43,730	42,768	479,613
Travel and conferences	10,986	-	-	10,986
Utilities	37,978	2,110	2,110	42,198
	$ 805,083	$ 144,166	$ 74,661	$ 1,023,910

See accompanying notes to the financial statements.

NEVADA BLIND CHILDREN'S FOUNDATION
STATEMENTS OF CASH FLOWS
YEARS ENDED JUNE 30, 2020 AND 2019

	2020	2019
Cash Flows from Operating Activities:		
Decrease in net assets	$ (228,723)	$ (55,725)
Adjustments to reconcile decrease in net assets to net cash provided by operating activities:		
Bad debt	6,600	31,000
Depreciation	30,815	15,841
Net realized and unrealized gain on investments	(386)	(2,987)
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable	12,600	(12,600)
(Increase) decrease in unconditional promises to give	13,400	180,000
(Increase) decrease in prepaid expenses	(3,046)	9,719
(Increase) decrease in deposits and other assets	-	9,411
Increase (decrease) in accounts payable	(9,349)	13,076
Increase (decrease) in accrued expenses	(17,744)	11,264
Increase (decrease) in deferred revenue	19,200	-
Increase (decrease) in grant advance	362,041	-
Net cash provided by operating activities	185,408	198,999
Cash Flows from Investing Activities:		
Purchase of property and equipment	(72,126)	(50,677)
Proceeds from sale of investments	22,978	133,350
Purchase of investments	(23,651)	(133,862)
Net cash used in investing activities	(72,799)	(51,189)
Cash Flows from Financing Activities:		
Proceeds from debt borrowings	129,063	-
Net cash provided by financing activities	129,063	-
Net Increase in Cash and Cash Equivalents	241,672	147,810
Cash and Cash Equivalents, Beginning of Year	316,773	168,963
Cash and Cash Equivalents, End of Year	$ 558,445	$ 316,773

See accompanying notes to the financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

This summary of significant accounting policies of Nevada Blind Children's Foundation (the Foundation) is presented to assist in understanding the Foundation's financial statements. The financial statements and notes are representations of the Foundation's management, which is responsible for their integrity and objectivity. These accounting policies conform to accounting principles generally accepted in the United States of America and have been consistently applied in the preparation of the financial statements.

Nature of the Organization

The Foundation was incorporated in March 2006. The mission of the Foundation is to provide the essential building blocks including extended educational curriculum, extracurricular activities, social opportunities, and transitional skills to children who are visually impaired. The Foundation's mission is fulfilled through the following services provided primarily in the Southern Nevada region:

- Removing obstacles to success by ensuring each visually impaired and/or blind child and their family has access to the basic necessities they need such as: food, personal care items, housing, transportation, family education and support;
- Providing a two-track education path for children from preschool to the age of 22;
- Providing adaptive recreation opportunities to support socialization, independence and educational goals;
- Coordinating health care providers including pediatricians, eye care professionals, and therapists, for referrals and consultations, creating a continuum of care that allows education professionals, parents, and health care professionals to work together;
- Providing life skills and vocational training, being a first place of employment, providing employer education, and transition services;
- Providing each child and his/her family with one point of contact who can work with the family and the community to ensure each child has access to the resources he/she need to thrive.

The Foundation's programs include Book/Time Buddies, Day Camp, Education Series, Fun Friday, Fund with Art Robotics, Scouting, Sensory and Therapy, Special Events, STEAM – Science Technology Engineering Art Math, Supper Summer Theatre, Tech & Task, Teen Programs, Tutoring, and What's Cooking?.

Basis of Presentation

The financial statements of the Foundation have been prepared on the accrual basis of accounting and accordingly reflect all significant receivables, payables, and other liabilities. The Foundation presents a classified statement of financial position with additional qualitative information about the availability of resources and liquidity in Note 2.

The accompanying financial statements have been presented in accordance with accounting principles generally in the United States of America applicable to not-for-profit organizations, principally Account Standards Codification (ASC) 958, *Not-for-Profit-Entities.* Under ASC 958 (as amended by Accounting Standards Update (ASU) 2016-14), the Foundation is required to report information regarding its financial position and changed in financial position according to two classes of net assets; net assets without donor restrictions and net assets with donor restrictions. The classification of net assets is based on the existence or absence of donor-imposed restrictions. Net assets are released by donor restriction by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other event specified by donors.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and judgments that affect the reported amounts of assets, liabilities, revenues and expenses. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

For the purpose of the statement of cash flows, the Foundation considers all highly liquid investments available for current use with an original maturity of three months or less to be cash equivalents.

At various times throughout the year, the Foundation maintained deposits in financial institutions which exceeded the Federal Deposit Insurance Corporation (FDIC) limit of $250,000. The Foundation has not experienced any losses in these accounts.

Property and Equipment

The Foundation capitalizes significant expenditures for property and equipment at cost, generally those that exceed $1,000. Property and equipment that are contributed to the Foundation are recorded at the approximate fair value at the date of donation. Depreciation is computed using straight line over the estimated useful lives of the assets, which range from 3 to 7 years.

Investments

Investments in marketable equity and debt securities that do not qualify as cash equivalents are reported at fair value based on quoted market prices on national exchanges. 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 the estimated fair values may differ from the amount that might ultimately be realized and those differences could be material. Gains or losses on sales of investments are determined on a specific cost identification method. Sales and purchases of investments are recognized based upon trade date of each transaction. Unrealized gains and losses are determined based on year-end fair value fluctuations.

Revenue Recognition

Contributions that are restricted by the donor are reported as increases in net assets without restrictions if the restrictions expire (that is, when a stipulated time restriction ends or the purpose of a 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. When a restriction expires, restricted net assets are reclassified to net assets without donor restrictions and reported in the statement of activities as net assets released from donor restrictions.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Contributed Materials and Services

Generally, donated materials, if significant in amount, are recorded at their fair market value, provided the Foundation has a clearly measurable and objective basis for determining the value. In the case of materials where such values cannot reasonably be determined, the donation is not recorded.

Contributed services are recognized as contributions in accordance with the FASB Codification 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 Foundation. Unpaid volunteers have donated their time to the Foundation's programs. The value of such services has not been reflected in the accompanying financial statements since the volunteers' time does not meet the criteria for recognition as contributed services. The fair values of in-kind contributions are summarized as follows as of June 30:

	2020	2019
Bus	$ -	$ 29,995
Donated goods	6,091	43,935
Professional services	15,055	32,311
	$ 21,146	$ 106,241

In addition, unpaid volunteers donated their time to the Foundation. The value of such services has not been reflected in the financial statements since the volunteers' time does not meet the criteria for recognition as contributed services.

Income Taxes

In December 2006, the Foundation received notification from the Internal Revenue Service that the Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and has been classified as a public charity under Sections 509(a)(1) and 170(b)(1)(A)(vi). Therefore, no provision for income taxes is made in the accompanying financial statements.

The Foundation is no longer subject to potential income tax examinations by tax authorities for years before 2017.

Allocation Methodology

The statement of functional expenses presents expenditures by both their nature and their function. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. All expenses are allocated based on management's estimate of time and effort, except for bad debt, fundraising, merchant fees, program expenses, and travel and conference expenses that are direct expenses.

Advertising

Advertising costs are expensed as incurred. Advertising expense for the years ended June 30, 2020 and 2019, was $2,708 and $7,507, respectively.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

In August 2015, the original effective dates of ASU 2014-09 were deferred by one year through the issuance of ASU 2015-14, Revenue from Contracts with Customers (Topic 606): Deferral of the Effective Date. For most nonprofit organizations, ASU 2014-09 (as revised) is effective for annual reporting periods beginning after December 15, 2018, and interim reporting periods within annual reporting periods beginning after December 15, 2019. Early application is allowed, but no earlier than annual reporting periods beginning after December 15, 2016, including interim reporting periods within that period. The Foundation has implemented this new standard at the beginning of the fiscal year and management has determined that the effects of implementation did not materially impact the recognition of revenues.

In February 2016, the FASB issued ASU 2016-02 (Topic 842) pertaining to leases. This pronouncement is effective for non-public companies for fiscal years beginning after December 15, 2021, with early adoption permitted. Management has not yet evaluated the effects of this standard on the Foundation's financial statements.

NOTE 2 – LIQUIDITY AND AVAILABILITY

As of June 30, 2020 and 2019, the Foundation has $338,932 and $365,125, respectively, of financial assets available within one year of the statement of financial position date to meet cash needs for general expenditure consisting of cash and cash equivalents of $99,444 and $90,025, accounts receivable of $0 and $12,600, and unconditional promises to give of $239,488 and $262,500. As part of the Foundation's liquidity management, it structures its financial assets to be available as its general expenditures, liabilities, and other obligations come due.

Contractual or donor imposed restrictions are not available for general expenditure. Amounts not available include amounts set aside for investing in the board-designated endowment fund of $66,744 that could be drawn upon if the governing board approves the action (as further discussed in Note 6 and Note 7). Although the Foundation does not intend to spend from its board-designated endowment fund other than amounts appropriated for general expenditure as part of its annual budget approval and appropriate process, amounts form its board-designated endowment fund could be made available if necessary.

NOTE 3 – UNCONDITIONAL PROMISES TO GIVE

Unconditional promises to give are recorded as receivables and revenue when received. As of June 30, 2020 and 2019, unconditional promises to give are as follows:

	2020	2019
Receivable in less than one year	$ 275,000	$ 262,500
Receivable in one to five years	-	32,500
Total unconditional promises to give	$ 275,000	$ 295,000

Unconditional promises to give due in more than one year are generally recognized at fair value, using present value techniques and a discount rate when the donor makes an unconditional promise to give the Foundation.

NOTE 4 – PROPERTY AND EQUIPMENT

As of June 30, 2020 and 2019, property and equipment consisted of the following:

	2020	2019
Computer equipment	$ 73,090	$ 59,152
Equipment	44,046	21,696
Furniture and fixtures	35,213	4,828
Leasehold improvements	15,447	9,994
Vehicles	29,995	29,995
	197,791	125,665
Less: accumulated depreciation	(94,436)	(63,621)
	$ 103,355	$ 62,044

Depreciation expense for the years ended June 30, 2020 and 2019 was $30,815 and $15,841, respectively.

NOTE 5 – FAIR VALUE MEASUREMENTS

The Foundation measures certain financial assets and liabilities at fair value on a recurring basis, and certain non-financial assets and liabilities on a nonrecurring basis. Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in the principal or most advantageous market in an orderly transaction between market participants on the measurement date. Fair value disclosures are reflected in a three-level hierarchy, maximizing the use of observable inputs and minimizing the use of unobservable inputs. The valuation hierarchy is based upon the transparency of inputs to the valuation of an asset or liability on the measurement date.

The three levels are defined as follows:

Level 1 – inputs to the valuation methodology are quoted prices (unadjusted) for an identical asset or liability in an active market.

Level 2 – inputs to the valuation methodology include quoted prices for a similar asset or liability in an active market or model-derived valuations in which all significant inputs are 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 of the asset or liability.

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

Fair values of assets measured at June 30, 2020 are as follows:

	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Pooled investments:				
Bond funds	$ 24,392	$ -	$ 24,392	$ -
Limited partnerships	695	-	-	695
Money market funds	1,669	1,669	-	-
Mutual funds	39,454	39,454	-	-
	$ 66,210	$ 41,123	$ 24,392	$ 695

Fair values of assets measured at June 30, 2019 are as follows:

	Total	Level 1	Level 2	Level 3
Recurring fair value measurements:				
Pooled investments:				
Bond funds	$ 14,926	$ -	$ 14,926	$ -
Foreign equity funds	14,854	14,854	-	-
Limited partnerships	893	-	-	893
Money market funds	2,130	2,130	-	-
Mutual funds	32,348	32,348	-	-
	$ 65,151	$ 49,332	$ 14,926	$ 893

Investments are part of the board-designated endowment fund and are managed by an affiliate organization, the Nevada Community Foundation, Inc. ("NCF"). The investments are pooled with master investment accounts of the NCF and are primarily invested in bonds, equities, and mutual funds.

Limited partnerships are investments in limited partnerships that invest primarily in other limited partnerships for the purpose of making investments in international private equity investments, equity securities, warrants or other options that are generally not actively traded at the time of the investment. Generally, the partnership may not transfer or withdraw its investment in limited partnerships prior to their termination. Since the investments are valued using unobservable inputs and do not permit redemption at the measurement date, such investments are classified as Level 3 of the fair value hierarchy. The Foundation recognizes transfers between levels in the fair value hierarchy at the end of the reporting period.

NOTE 5 – FAIR VALUE MEASUREMENTS (Continued)

The following table presents information about fair value measurements that use significant unobservable inputs (Level 3) for the years ended June 30:

	2020	2019
Limited partnerships		
Balance - Beginning of Year	$ 893	$ 740
Total gains or losses recognized in the change in net assets without donor restrictions:		
Change in value of limited partnerships	(198)	153
Balance - End of Year	$ 695	$ 893

The Board of Directors reviews and approves the Foundation's fair value measurement policies and procedures on an as-needed basis. The Board determines if the valuation techniques used in fair value measurements are still appropriate. The policies, procedures, and valuation techniques used in fair value measurements have remained unchanged for the years ended June 30, 2020 and 2019.

NOTE 6 – NET ASSETS

Net Assets without Donor Restrictions

As of June 30, 2020 and 2019, the Foundation's governing board has designated, from net assets without donor restrictions of $430,717 and $513,492, respectively, net assets for the purpose of establishing a board-designated endowment fund for the long-term financial security of the Foundation and to support the mission of the Foundation of $66,744 and $65,713.

Net Assets with Donor Restrictions

Net assets are released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by donors. Net assets with donor restrictions are restricted for the following purposes as of June 30:

	2020	2019
Subject to expenditure for specified purpose and/or passage of time:		
After school program	$ 35,512	$ 1,288
Educational support	-	72,898
Learning center	62,000	62,000
Other	5,000	32,500
Preschool	-	90,000
Work Readyness	10,226	-
	$ 112,738	$ 258,686

As of June 30, 2020 and 2019, net assets with donor restrictions consist of cash and cash equivalents of $112,738 and $226,186, and unconditional promises to give of $0 and $32,500, respectively.

NOTE 7 – ENDOWMENT

The Board of Directors established an endowment fund ("Fund") administered by the NCF on August 1, 2007 for the long-term security of the Foundation. As of June 30, 2020, the Board of Directors had designated $66,744 of net assets without donor restrictions as a general endowment fund to support the mission of the Foundation. Since that amount resulted from an internal designation and is not donor-restricted, it is classified and reported as net assets without donor restrictions (as further discussed in Note 6). The principle of the Fund ($50,000) is intended to be held in perpetuity while the income generated by the Fund is intended to be used for programs and operations. The principle and income can be withdrawn from the Fund with approval from three quarters of the Board of Directors of the Foundation. The Fund is classified as a long-term asset on the statement of financial position because the intent of the Board is to hold the Fund for an extended time period.

Laws and regulations allow the governing board to appropriate so much of an endowment fund as is prudent considering the following relevant factors: the duration and preservation of the endowment fund, the purposes of the Foundation and the endowment fund, general economic conditions, the possible effect of inflation or deflation, the expected total return from income and the appreciation of investments, the Foundation's other resources, and the Foundation's investment policy.

The Foundation has a spending policy in which the principal is not to be spent unless it is absolutely necessary for mission critical expenditures. To achieve that objective, the Foundation has an investment policy and its primary investment goal is to minimize the risk of loss of principal while providing a reasonable level of current and future income, as well as provide for a modest appreciation of principal over time. The investment revenue earned during the year is considered unrestricted and can be used for the Foundation's programs and operations.

Endowment assets are invested in a well-diversified asset mix, which includes equity and debt securities, that is intended to result in a consistent inflation-protected rate of return that has sufficient liquidity to make annual distributions if needed, while growing the fund if possible. 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.

The following table presents the composition of and changes in endowment net assets for the years ended June 30:

	2020	2019
Board-designated endowment net assets, beginning of year	$ 65,713	$ 62,211
Investment income	1,944	1,741
Net depreciation	386	2,987
Amounts appropriated for expenditure	(1,299)	(1,226)
Board-designated endowment net assets, end of year	$ 66,744	$ 65,713

NOTE 8 – LONG-TERM DEBT

As of June 30, 2020, long-term debt consisted of the following:

On April 15, 2020, the Company was granted a loan from a financial institution in the aggregate amount of $129,063, pursuant to the Paycheck Protection Program (the "PPP") under Division A, Title I of the CARES Act, which was enacted March 27, 2020. The loan matures on April 15, 2022 and bears interest at a fixed rate of 1% per annum, payable monthly commencing on October 15, 2020. The Note may be prepaid by the Borrower at any time prior to maturity with no prepayment penalties. Funds from the loan may only be used for payroll costs, costs used to continue group health care benefits, mortgage payments, rent, utilities, and interest on other debt obligations. The Company's intent is to use the entire loan amount for qualifying expenses. Under the terms of the PPP, certain amounts of the loan may be forgiven if they are used for qualifying expenses as described in the CARES Act.	$	129,063
Less: current maturities		(64,019)
	$	65,044

As of June 30, long-term debt matures as follows:

2021	$	64,019
2022		65,044
	$	129,063

NOTE 9 – RELATED PARTY TRANSACTIONS

During the years ended June 30, 2020 and 2019, the Foundation's board members and employee donations totaled $46,967 and $97,529, which accounted for 14% and 11% of total contributions, respectively.

As of June 30, 2020 and 2019, unconditional promises to give included $235,000 and $255,000 of pledges receivable from the Foundation's board members.

NOTE 10 – CONCENTRATIONS

For the year ended June 30, 2020, approximately 63% of the Foundation's revenues was provided by one grantor. For the year ended June 30, 2019, approximately 30% of the Foundation's revenues was provided by two major contributors. It is always considered reasonably possible that benefactors, grantors or contributors might be lost in the near term.

NOTE 11 – LEASE AGREEMENTS

The Foundation entered into a commercial lease agreement in August 2017. The lease has an original term of nine months through May 31, 2018, with a three-year extension which has been exercised. Future monthly rent payments are $15,274 with 3% annual increases. In connection with the lease agreement, the Foundation also entered into a lease to purchase option agreement. In consideration of the purchase option, the Foundation paid $50,000 which is a non-refundable deposit but will be applied to the final purchase price in the event that the Foundation exercises the purchase option. The purchase option expires May 31, 2021. Future minimum payments under the lease agreement are as follows:

2021	$ 173,051

Total rent expense for the years ended June 30, 2020 and 2019 was $187,382 and $181,104, respectively.

NOTE 12 - CONTINGENCIES

In March 2020, the World Health Organization officially characterized a novel strain of the coronavirus (COVID-19) as a global pandemic. Management is currently responding to the existing effects and planning for the potential future effects that the COVID-19 pandemic may have on the Foundation's operations, including the overall health of the economy and consumer spending. At the current time, management is unable to quantify the potential effects of this pandemic on the Foundation's future financial statements.

NOTE 13 – SUBSEQUENT EVENTS

Management of the Foundation has evaluated subsequent events through September 22, 2020, the date on which the financial statements were available to be issued. No events were identified that would require additional disclosure.