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**PROTECTING KIDS.  
PROVIDING HOPE.**

**Audited Financial Statements  
December 31, 2021**

## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of  
Children's Rights, Inc.

### ***Opinion***

We have audited the accompanying financial statements of Children's Rights, Inc. (the "Organization") which comprise the statement of financial position as of December 31, 2021, and the related statements of activities, functional expenses, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Organization as of December 31, 2021, 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.

### ***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Organization and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### ***Responsibilities of Management 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 and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

### ***Auditors' Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists.

The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users on the basis of these financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Organization's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

### ***Report on Summarized Comparative Information***

We have previously audited the Organization's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated May 25, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020 is consistent, in all material respects, with the audited financial statements from which it has been derived.



Schall & Ashenfarb  
Certified Public Accountants, LLC

June 14, 2022

**CHILDREN'S RIGHTS, INC.**  
**STATEMENT OF FINANCIAL POSITION**  
**AS OF DECEMBER 31, 2021**  
(With comparative totals as of December 31, 2020)

	<u>12/31/21</u>	<u>12/31/20</u>
<b>Assets</b>		
Cash and cash equivalents	\$10,297,844	\$2,548,880
Investments	591	2,279
Attorneys' fees receivable	59,760	27,471
Contributions receivable, net (Note 4)	809,719	475,519
Prepaid expenses and other current assets	66,039	99,537
Fixed assets, net (Note 5)	141,402	155,210
Security deposit (Note 6)	168,510	168,510
	<u>11,543,865</u>	<u>3,477,406</u>
Total assets	<u>\$11,543,865</u>	<u>\$3,477,406</u>
<b>Liabilities and Net Assets</b>		
Liabilities:		
Accounts payable and accrued expenses	\$363,395	\$688,685
Deferred rent	166,540	182,877
Loans payable (Note 7)	0	2,200,000
Total liabilities	<u>529,935</u>	<u>3,071,562</u>
Net assets:		
Without donor restrictions	9,463,073	(1,258,165)
With donor restrictions (Note 8)	1,550,857	1,664,009
Total net assets	<u>11,013,930</u>	<u>405,844</u>
Total liabilities and net assets	<u>\$11,543,865</u>	<u>\$3,477,406</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**CHILDREN'S RIGHTS, INC.**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(With comparative totals for the year ended December 31, 2020)

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total 12/31/21</u>	<u>Total 12/31/20</u>
Public support and revenue:				
Attorneys' fees income	\$13,090,166		\$13,090,166	\$769,351
Contributions	2,191,200	\$1,005,000	3,196,200	3,248,987
Government grant - Paycheck Protection Program (Note 9)	657,900		657,900	739,700
Special events income (net of expenses with a direct benefit to donors) (Note 13)	0		0	1,157,618
Other income	1,048		1,048	1,194
In-kind donations (Note 2h)	0		0	6,000
Investment income (Note 3)	5,956		5,956	8,470
Net assets released from restrictions (Note 8)	1,118,152	(1,118,152)	0	0
Total public support and revenue	<u>17,064,422</u>	<u>(113,152)</u>	<u>16,951,270</u>	<u>5,931,320</u>
Expenses:				
Program services	4,465,191		4,465,191	4,342,266
Management and general	695,764		695,764	761,073
Fundraising	1,182,229		1,182,229	1,130,307
Total expenses	<u>6,343,184</u>	<u>0</u>	<u>6,343,184</u>	<u>6,233,646</u>
Change in net assets	10,721,238	(113,152)	10,608,086	(302,326)
Net assets - beginning of year	<u>(1,258,165)</u>	<u>1,664,009</u>	<u>405,844</u>	<u>708,170</u>
Net assets - end of year	<u><u>\$9,463,073</u></u>	<u><u>\$1,550,857</u></u>	<u><u>\$11,013,930</u></u>	<u><u>\$405,844</u></u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**CHILDREN'S RIGHTS, INC.**  
**STATEMENT OF FUNCTIONAL EXPENSES**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(With comparative totals for the year ended December 31, 2020)

	Program Services	Management and General	Fundraising	Total Expenses 12/31/21	Total Expenses 12/31/20
Salaries	\$2,877,925	\$335,942	\$480,027	\$3,693,894	\$3,513,607
Employee benefits and taxes	672,230	78,470	112,126	862,826	850,652
<b>Total salaries and related expenses</b>	<b>3,550,155</b>	<b>414,412</b>	<b>592,153</b>	<b>4,556,720</b>	<b>4,364,259</b>
Professional fees	138,208	48,600	200,073	386,881	446,390
Litigation costs	10,475			10,475	155,291
Research and legal library	78,570	1,077	125	79,772	78,492
Events			257,838	257,838	274,082
Travel	10,581	84		10,665	35,114
Occupancy	434,307	31,779	63,557	529,643	548,197
Computer support and maintenance	82,593	15,684	35,018	133,295	127,512
Office supplies	64,774	22,412	12,823	100,009	73,863
Insurance	10,708	15,006		25,714	23,312
Training	11,609	804	6,169	18,582	2,771
Licenses and fees	28,252	5,401	7,894	41,547	31,349
Interest		137,215		137,215	12,981
Depreciation	44,959	3,290	6,579	54,828	60,033
<b>Total expenses</b>	<b>\$4,465,191</b>	<b>\$695,764</b>	<b>\$1,182,229</b>	<b>\$6,343,184</b>	<b>\$6,233,646</b>

*The attached notes and auditors' report are an integral part of these financial statements.*

**CHILDREN'S RIGHTS, INC.**  
**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED DECEMBER 31, 2021**  
(With comparative totals for the year ended December 31, 2020)

	<u>12/31/21</u>	<u>12/31/20</u>
Cash flows from operating activities:		
Change in net assets	\$10,608,086	(\$302,326)
Adjustments to reconcile change in net assets to net cash provided by/(used for) operating activities:		
Depreciation	54,828	60,033
Net realized and unrealized loss/(gain) on investments	1,128	(243)
Changes in assets and liabilities:		
Attorneys' fees receivable	(32,289)	(14,256)
Contributions receivable	(334,200)	(50,034)
Prepaid expenses and other current assets	33,498	11,014
Accounts payable and accrued expenses	(325,290)	95,866
Deferred rent	(16,337)	9,875
Total adjustments	<u>(618,662)</u>	<u>112,255</u>
Net cash provided by/(used for) operating activities	<u>9,989,424</u>	<u>(190,071)</u>
Cash flows from investing activities:		
Purchases of fixed assets	(41,020)	(7,265)
Proceeds from sales of investments	560	494
Net cash used for investing activities	<u>(40,460)</u>	<u>(6,771)</u>
Cash flows from financing activities:		
Proceeds from loan payable	0	500,000
Payment of loan payable	(2,200,000)	(100,000)
Net cash (used for)/provided by financing activities	<u>(2,200,000)</u>	<u>400,000</u>
Net increase in cash and cash equivalents	7,748,964	203,158
Cash and cash equivalents - beginning of year	<u>2,548,880</u>	<u>2,345,722</u>
Cash and cash equivalents - end of year	<u>\$10,297,844</u>	<u>\$2,548,880</u>
Supplemental disclosure of cash flow information:		
Interest and taxes paid	<u>\$0</u>	<u>\$0</u>

*The attached notes and auditors' report are an integral part of these financial statements.*

**CHILDREN'S RIGHTS, INC.**  
**NOTES TO FINANCIAL STATEMENTS**  
**DECEMBER 31, 2021**

**Note 1 - Organization**

Children's Rights, Inc. (the "Organization") is a national advocacy group that holds governments accountable for keeping kids safe and healthy in child welfare, juvenile justice, education, and healthcare systems. Children's Rights, Inc. is a not-for-profit corporation founded in 1994 and has been notified by the Internal Revenue Service that they are exempt from Federal income tax under Section 501(c)(3) of the U.S. Internal Revenue Code and from state and local taxes under comparable laws. The Organization has not been determined to be a private foundation as defined in Section 509(a).

**Note 2 - Summary of Significant Accounting Policies**

a. Basis of Accounting

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

b. Basis of Presentation

The Organization reports information regarding its financial position and activity according to the following classes of net assets:

- *Net Assets Without Donor Restrictions* – represents those resources for which there are no restrictions by donors as to their use.
- *Net Assets With Donor Restrictions* – represents those resources, the uses of which have been restricted by donors to specific purposes or the passage of time and/or must remain intact, in perpetuity. The release from restrictions results from the satisfaction of the restricted purposes specified by the donor.

c. Revenue Recognition

Legal fees and expenses may be awarded in certain court cases. The amounts of these awards are the results of court determinations and appellate decisions, or of negotiations between the parties to the actions. Management projects that the Organization will be the recipient of legal awards in the future, but the precise amounts and timing of the awards is uncertain.

Accordingly, the Organization follows the Financial Accounting Standards Board's ("FASB") Accounting Standards Codification ("ASC") 450-30, *Gain Contingencies*, under which the accounting treatment is to accrue an award only when, in its judgment, the amount appears certain of collection.

The Organization follows the requirements of FASB ASC 958-605 for recording contributions, which are recognized at the earlier of when cash is received or at the time a pledge becomes unconditional in nature. Contributions that do not contain donor restrictions are recorded in the class of net assets without donor restrictions.



Contributions that do contain donor restrictions are recorded in the class of net assets with donor restrictions. When a restriction expires, that is, when a stipulated time restriction ends, or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions. If donor restricted contributions are satisfied in the same period they were received, they are classified in the class of net assets without donor restrictions.

Contributions may be subject to conditions which are defined as both a barrier to entitlement and a right of return of payments or release from obligations and are recognized as income once the conditions have been substantially met.

Unconditional promises to give that are expected to be received in less than one year are recorded at net realizable value. Those that are due in greater than one year are recorded at fair value which is calculated using risk adjusted present value techniques. Long-term promises to give are treated as time restricted until the period they are due, at which time they will be released from restriction and counted towards operations.

Contributions that are due within one year are recorded at net realizable value. Long-term pledges are recorded at fair value, using risk-adjusted present value techniques. Pledges are reviewed for collectability. Based on knowledge of specific donors and factoring in historical experience, management has established a reserve for uncollectable pledges that totaled \$57,500 for each of the years ended December 31, 2021 and 2020.

d. Cash and Cash Equivalents

All highly liquid debt instruments purchased with a maturity of three months or less are considered to be cash and cash equivalents for purposes of the accompanying statement of cash flows.

e. Investments and Investment Income

Investments are recorded at fair value, which refers to the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date.

Accounting standards have established a fair value hierarchy that gives the highest priority to quoted market prices in active markets and the lowest priority to unobservable data. The fair value hierarchy is categorized into three levels based on the inputs as follows:

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

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

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

All investments at year end December 31, 2021 and 2020 are in certificates of deposit and are considered level 2. This method produces a fair value calculation that may not be indicative of net realizable value or reflective of future values. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in different fair value measurements.

Donated securities are recorded at fair value on the date of the gift.

Realized and unrealized gains and losses are included in income on the statement of activities.

f. Fixed Assets

Furniture and equipment purchases that exceed predetermined amounts are recorded at cost or at fair value at the date of donation. Leasehold improvements that significantly add benefit to the property and have a useful life of greater than one year are capitalized at cost. Routine maintenance is expensed as incurred.

Furniture, equipment, and leasehold improvements are depreciated using the straight-line method over the estimated useful life of the asset (between three to seven years) or the remaining life of the lease.

g. Deferred Rent

Rent expense is recognized evenly over the life of the lease using the straight-line method. Rent expense recognized in excess of cash payments, primarily due to free rent received at the beginning of the lease, is reflected as deferred rent. In future years, when payments exceed the amount of rent recognized as expense, the deferred rent will be reduced until it is zero at the end of the lease.

h. In-Kind Donations

The Organization recognizes contributions of services that create or enhance non-financial assets or require specialized skills, that are provided by those possessing those skills, and would have been paid if not contributed. In 2020, the Organization received donated office space for 3 attorneys based out of Atlanta, Georgia for half of the year, totaling \$6,000, and received no in-kind donations during fiscal year 2021.

i. Comparative Financial Information

The financial statements include certain prior year summarized comparative information in total but not by net asset class. Such information does not include sufficient detail to constitute a presentation in conformity with accounting principles generally accepted in the United States of America. Such information should be read in conjunction with the Organization's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

j. Functional Allocation of Expenses

The costs of providing various programs and other activities have been summarized on a functional basis in the financial statements. Accordingly, certain costs have been allocated among the programs and supporting services benefited. Such allocations are determined by management on an equitable basis.

The following costs are allocated based on time and effort:

- Salaries
- Employee benefits and taxes
- Insurance

The following costs are allocated based on the number of people at the New York office:

- Occupancy
- Computer support and maintenance
- Office supplies
- Depreciation

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

k. Management Estimates

The presentation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets, liabilities, revenues, and expenses, as well as the disclosure of contingent assets and liabilities. Actual results could differ from those estimates.

l. Accounting for Uncertainty of Income Taxes

The Organization does not believe its financial statements include any material, uncertain tax positions. Tax filings for the periods ending December 31, 2018 and later are subject to examination by applicable taxing authorities.

m. New Accounting Pronouncements

FASB issued Accounting Standards Update (“ASU”) No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets*, which becomes effective for the December 31, 2022 year. This ASU focuses on improving transparency in the reporting of contributed nonfinancial assets and requires a separate line-item presentation on the statement of activities and additional disclosures.

FASB issued ASU No. 2016-02, *Leases*. The ASU which becomes effective for the December 31, 2022 year, requires the full obligation of long-term leases to be recorded as a liability with a corresponding “right to use asset” on the statement of financial position.

The Organization is in the process of evaluating the impact these standards will have on future financial statements.

**Note 3 - Investment Income**

The following summarizes investment income:

	<u>12/31/21</u>	<u>12/31/20</u>
Interest and dividends income	\$7,084	\$8,227
Realized and Unrealized (loss)/gain on investments	<u>(1,128)</u>	<u>243</u>
Total investment income, net	<u>\$5,956</u>	<u>\$8,470</u>

**Note 4 - Contributions Receivable**

Contributions receivable are due in the following periods:

Year ending:	December 31, 2022	\$618,305
	December 31, 2023	149,964
	December 31, 2024	83,950
	December 31, 2025	<u>15,000</u>
		867,219
Less: allowance for doubtful accounts		<u>(57,500)</u>
Total contributions receivable, net		<u>\$809,719</u>

The amounts have not been discounted using present value techniques due to the immaterial nature.

**Note 5 - Fixed Assets**

Fixed assets consist of:

	<u>12/31/21</u>	<u>12/31/20</u>
Furniture and equipment	\$352,786	\$311,766
Leasehold improvements	<u>104,539</u>	<u>104,539</u>
	457,325	416,305
Less: accumulated depreciation	<u>(315,923)</u>	<u>(261,095)</u>
Total fixed assets, net	<u>\$141,402</u>	<u>\$155,210</u>

**Note 6 - Commitments**

- a) The Organization has a non-cancelable lease agreement for office space, which expires in 2026. Under terms of that lease, an irrevocable standby letter of credit, which represents four months' rent, was established. A certificate of deposit account was opened in the amount of \$168,510 for this purpose. The lease provides a provision for a free fixed rent allowance of \$151,313 for the first three and a half months of the lease.

Future minimum rental payments under the lease are as follows:

Year ending:	December 31, 2022	\$550,466
	December 31, 2023	550,466
	December 31, 2024	550,466
	December 31, 2025	550,466
	December 31, 2026	<u>412,850</u>
Total		<u>\$2,614,714</u>

- b) The Organization received grants between 2016 and 2021 to be used for expert witness fees. Terms of the grants specify that if the Organization receives legal fee awards on specific cases, that they will be required to reimburse the grantee, plus interest at an annual rate of 7%. As the Organization is unable to determine the probability of a recovery, no liability has been reflected on the financial statements.

During the year ended December 31, 2021, the Organization repaid two of the grants that totaled \$30,000 plus additional interest.

#### Note 7 - Loans Payable

During the year ended December 31, 2021, the Organization received an attorney's fee award as part of a settlement of one of its legal cases, in the amount of \$5,400,000. These funds were used to pay off \$2,200,000 in loans that existed at December 31, 2020, including \$1,400,000 from related parties through common board members that had been approved in accordance with the Organization's conflict of interest policy.

The outstanding loans at December 31, 2020, which paid interest at various amounts between 2% and 5% per annum, can be summarized as follows:

Loan Payable – Greater Houston Community Foundation	\$500,000
Loan Payable – Open Road Alliance	400,000
Loan Payable – Open Road Alliance	400,000
Loan Payable – Greater Houston Community Foundation	400,000
Loan Payable – The James Stanton Foundation	<u>500,000</u>
Total	<u>\$2,200,000</u>

#### Note 8 - Net Assets with Donor Restrictions

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

	December 31, 2021			
	Balance <u>1/1/21</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/21</u>
Program restrictions:				
Legal Campaigns	\$1,377,169	\$605,000	(\$652,330)	\$1,329,839
Advocacy	69,848	250,000	(218,830)	101,018
401(K) matching	<u>46,992</u>	<u>0</u>	<u>(46,992)</u>	<u>0</u>
Total program	1,494,009	855,000	(918,152)	1,430,857
Time restrictions	<u>170,000</u>	<u>150,000</u>	<u>(200,000)</u>	<u>120,000</u>
Total	<u>\$1,664,009</u>	<u>\$1,005,000</u>	<u>(\$1,118,152)</u>	<u>\$1,550,857</u>
	December 31, 2020			
	Balance <u>1/1/20</u>	<u>Contributions</u>	Released from <u>Restrictions</u>	Balance <u>12/31/20</u>
Program restrictions:				
Legal Campaigns	\$334,849	\$1,740,000	(\$627,832)	\$1,447,017
401(K) matching	<u>0</u>	<u>92,990</u>	<u>(45,998)</u>	<u>46,992</u>
Total program	334,849	1,832,990	(673,830)	1,494,009
Time restrictions	<u>55,000</u>	<u>300,000</u>	<u>(185,000)</u>	<u>170,000</u>
Total	<u>\$389,849</u>	<u>\$2,132,990</u>	<u>(\$858,830)</u>	<u>\$1,664,009</u>

**Note 9 - Paycheck Protection Program**

The Organization obtained loans from the Small Business Administration (“SBA”) in the amounts of \$657,900 and \$739,700 in 2021 and 2020, respectively, through the Paycheck Protection Program (“PPP”). Terms of the loans indicated that if certain conditions were met, which included maintaining average work forces during periods subsequent to receipt of the loan funds that were greater than pre-determined historical periods, that the loan, or a portion thereof, would be forgiven. The Organization accounts for the PPP loans as a contribution in accordance with FASB ASC 958-605. The conditions for forgiveness of these loans were met and approval for forgiveness from the SBA occurred during 2021 and 2020 and the full amounts were recognized as revenue in the respective years.

**Note 10 - Availability and Liquidity**

Financial assets available within one year of the statement of financial position date for general expenditures are as follows:

Financial assets at year-end:		
Cash and cash equivalents	\$10,297,844	
Investments	591	
Attorneys’ fees receivable	59,760	
Contributions receivable, net	<u>809,719</u>	
 Total financial assets		\$11,167,914
 Less amounts not available for general expenditures:		
Donor restricted contributions – purpose restrictions		<u>(1,430,857)</u>
 Financial assets available within one year to meet cash needs for general expenditures		<u>\$9,737,057</u>

Earned revenue in the form of attorneys’ fee awards represents a substantial portion of the Organization’s overall revenue.

**Note 11 - Pension Plan**

Employees that have at least six months of service are eligible to participate in an employer sponsored defined-contribution 401(k) pension plan. Effective January 1, 2015, the plan instituted a safe harbor match feature where the Organization matches 100% of the first 3% contributed by the employee and 50% on the next 2% contributed. Employer contributions to the plan amounted to \$116,000 and \$102,000 for the years ended December 31, 2021 and 2020, respectively.

**Note 12 - Concentration of Credit Risk**

Financial instruments which potentially subject the Organization to concentration of credit risk consist of cash, money market accounts and investment securities which have been placed with financial institutions that management deems to be creditworthy. Accounts are insured by the Federal Deposit Insurance Corporation ("FDIC") or the Securities Investor Protection Corporation ("SIPC"). Investments are subject to market value fluctuations and principal is not guaranteed. At year end and at various times during the year, the Organization had material uninsured balances; however, no losses have been suffered due to the failure of any of these institutions.

**Note 13 - Special Events**

Due to the pandemic, the Organization did not hold a fundraising event in 2021. A summary of the annual benefit, which was held as a virtual event for 2020, is as follows:

Event income	\$1,157,618
Less: expenses with a direct benefit to donor	<u>0</u>
	1,157,618
Less: other event expenses	<u>(274,082)</u>
Total	<u>\$883,536</u>

**Note 14 - Subsequent Events**

Subsequent events have been evaluated through June 14, 2022, the date the financial statements were available to be issued. There were no material events that have occurred that required adjustment to or disclosure to the financial statements.

**Note 15 - Other Matters**

On January 30, 2020, the World Health Organization declared the coronavirus outbreak a "Public Health Emergency of International Concern" and on March 10, 2020, declared it to be a pandemic. Actions taken around the world to help mitigate the spread of the coronavirus include restrictions on travel, quarantines in certain areas, and forced closures for certain types of public places and businesses. The coronavirus and actions taken to mitigate it have had and are expected to continue to have an adverse impact on the economies and financial markets of many countries, including the geographical area in which the Organization operates. As of the date of these financial statements, many of the travel restrictions and stay at home orders have been lifted; however, supply chains remain impacted. Management continues to monitor the outbreak; however, as of the date of these financial statements, the potential impact cannot be quantified.