

TURNING POINTE AUTISM FOUNDATION

**FINANCIAL STATEMENTS
AS OF DECEMBER 31, 2020 AND 2019**

TOGETHER WITH AUDITOR'S REPORT

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Turning Pointe Autism Foundation:

We have audited the accompanying financial statements of Turning Pointe Autism Foundation (the Foundation), which comprise the statement of financial position as of December 31, 2020 and 2019, and the related statements of activities, cash flows, and functional expenses 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 audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

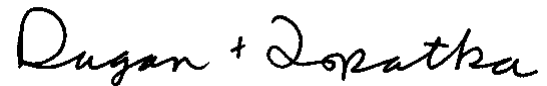
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or 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.

To the Board of Directors of
Turning Pointe Autism Foundation
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Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Turning Pointe Autism Foundation as of December 31, 2020 and 2019, 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.

A handwritten signature in black ink that reads "Dugan + Lopatka". The script is cursive and fluid.

DUGAN & LOPATKA

Warrenville, Illinois
March 17, 2021

TURNING POINTE AUTISM FOUNDATION
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020 AND 2019

ASSETS

	<u>2020</u>	<u>2019</u>
CURRENT ASSETS:		
Cash and cash equivalents	\$ 1,855,055	\$ 1,053,241
Receivables - Program service fees	396,755	429,151
Unconditional promise to give, current maturities	-	100,000
Short term investments	366,000	200,000
Other current assets	895	3,643
	<u>2,618,705</u>	<u>1,786,035</u>
PROPERTY AND EQUIPMENT, NET OF DEPRECIATION	<u>6,432,003</u>	<u>6,313,173</u>
OTHER ASSETS:		
Unconditional promise to give, net of current maturities	190,656	281,507
Long-term investments	312,734	490,822
	<u>503,390</u>	<u>772,329</u>
	<u>\$ 9,554,098</u>	<u>\$ 8,871,537</u>
 <u>LIABILITIES AND NET ASSETS</u> 		
CURRENT LIABILITIES:		
Note payable, current maturities	\$ 422,246	\$ 83,661
Accounts payable and accrued expenses	190,303	159,598
	<u>612,549</u>	<u>243,259</u>
LONG-TERM LIABILITIES:		
Note payable, net of current maturities, net of deferred financing costs	<u>1,780,527</u>	<u>1,619,807</u>
	<u>1,780,527</u>	<u>1,619,807</u>
	<u>2,393,076</u>	<u>1,863,066</u>
COMMITMENTS		
NET ASSETS:		
Without donor restrictions	6,970,366	6,626,964
With donor restrictions	190,656	381,507
	<u>7,161,022</u>	<u>7,008,471</u>
	<u>\$ 9,554,098</u>	<u>\$ 8,871,537</u>

The accompanying notes are an integral part of this statement.

TURNING POINTE AUTISM FOUNDATION
STATEMENT OF ACTIVITIES
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	2020			2019		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
PUBLIC SUPPORT AND REVENUE:						
Contributions	\$ 618,988	\$ 175,698	\$ 794,686	\$ 829,122	\$ 536,032	\$ 1,365,154
Special events	473,393	-	473,393	312,269	-	312,269
Program service fees	3,741,519	-	3,741,519	3,061,427	-	3,061,427
Enterprise revenue	26,649	-	26,649	31,804	-	31,804
Rental income	-	-	-	14,320	-	14,320
Investment income	39,821	-	39,821	44,337	-	44,337
Other revenues	3,199	-	3,199	15,815	-	15,815
	<u>4,903,569</u>	<u>175,698</u>	<u>5,079,267</u>	<u>4,309,094</u>	<u>536,032</u>	<u>4,845,126</u>
RECLASSIFICATION:						
Net assets released upon satisfaction of time or purpose restrictions	366,549	(366,549)	-	429,125	(429,125)	-
FUNCTIONAL EXPENSES:						
Program services	4,162,611	-	4,162,611	3,652,381	-	3,652,381
Management and general	349,412	-	349,412	337,933	-	337,933
Fundraising	414,693	-	414,693	330,224	-	330,224
	<u>4,926,716</u>	<u>-</u>	<u>4,926,716</u>	<u>4,320,538</u>	<u>-</u>	<u>4,320,538</u>
Change in net assets, before major property transactions	343,402	(190,851)	152,551	417,681	106,907	524,588
Gain on disposal of property	-	-	-	11,131	-	11,131
Change in net assets	343,402	(190,851)	152,551	428,812	106,907	535,719
NET ASSETS, Beginning of year	<u>6,626,964</u>	<u>381,507</u>	<u>7,008,471</u>	<u>6,198,152</u>	<u>274,600</u>	<u>6,472,752</u>
NET ASSETS, End of year	<u>\$ 6,970,366</u>	<u>\$ 190,656</u>	<u>\$ 7,161,022</u>	<u>\$ 6,626,964</u>	<u>\$ 381,507</u>	<u>\$ 7,008,471</u>

The accompanying notes are an integral part of this statement.

TURNING POINTE AUTISM FOUNDATION
STATEMENT OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2020 AND 2019

	<u>2020</u>	<u>2019</u>
CASH FLOWS FROM OPERATING ACTIVITIES:		
Change in total net assets	\$ 152,551	\$ 535,719
Adjustments to reconcile change in total net assets to net cash provided by operating activities:		
Depreciation	250,410	171,573
Deferred mortgage closing costs	369	16,237
(Gain) on sale of property and equipment	-	(11,131)
Unrealized (gain) loss on investments	(25,099)	(29,572)
Change in assets and liabilities:		
(Increase) decrease in program service fees receivable	32,396	(57,768)
(Increase) decrease in unconditional promise to give	190,851	(131,507)
(Increase) decrease in other assets	2,748	(1,143)
(Decrease) in deposit on residential life lease	-	(89,178)
Increase in accounts payable and accrued expenses	30,705	30,081
	<u>634,931</u>	<u>433,311</u>
CASH FLOWS FROM INVESTING ACTIVITIES:		
Purchase of investments	(78,259)	(63,314)
Proceeds from sale of investments	115,446	50,830
Purchase of property and equipment	(369,240)	(817,628)
Proceeds from sale of property and equipment	-	243,044
	<u>(332,053)</u>	<u>(587,068)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:		
Borrowings on notes payable	589,900	-
Payments on notes payable	(90,964)	(59,815)
	<u>498,936</u>	<u>(59,815)</u>
CHANGE IN CASH AND CASH EQUIVALENTS	801,814	(213,572)
CASH AND CASH EQUIVALENTS, Beginning of year	<u>1,053,241</u>	<u>1,266,813</u>
CASH AND CASH EQUIVALENTS, End of year	<u>\$ 1,855,055</u>	<u>\$ 1,053,241</u>
SUPPLEMENTAL DISCLOSURES:		
Interest paid	<u>\$ 67,126</u>	<u>\$ 94,247</u>

The accompanying notes are an integral part of this statement.

TURNING POINTE AUTISM FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020

	<u>Autism School</u>	<u>Adult Services</u>	<u>Residential Program</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
FUNCTIONAL EXPENSES:							
Salaries and related expenses	\$ 3,000,309	\$ 317,588	\$ -	\$ 3,317,897	\$ 226,226	\$ 172,560	\$ 3,716,683
Occupancy	178,339	30,380	-	208,719	7,636	9,002	225,357
Professional fees	39,913	2,753	-	42,666	86,544	417	129,627
Fundraising	430	308	-	738	80	174,294	175,112
Depreciation	200,784	39,310	-	240,094	5,190	5,126	250,410
Insurance	55,531	11,869	-	67,400	1,978	2,035	71,413
Interest	48,062	10,273	-	58,335	1,712	11,249	71,296
Supplies	43,385	21,232	-	64,617	1,823	686	67,126
Advertising and website development	49,556	10,581	-	60,137	5,307	5,834	71,278
Travel and transportation	27,362	2,539	-	29,901	2,639	992	33,532
Miscellaneous	58,859	13,248	-	72,107	10,277	32,498	114,882
Total functional expenses	<u>\$ 3,702,530</u>	<u>\$ 460,081</u>	<u>\$ -</u>	<u>\$ 4,162,611</u>	<u>\$ 349,412</u>	<u>\$ 414,693</u>	<u>\$ 4,926,716</u>

The accompanying notes are an integral part of this statement.

TURNING POINTE AUTISM FOUNDATION
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2019

	<u>Autism School</u>	<u>Adult Services</u>	<u>Residential Program</u>	<u>Total Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
FUNCTIONAL EXPENSES:							
Salaries and related expenses	\$ 2,526,895	\$ 327,700	\$ -	\$ 2,854,595	\$ 189,987	\$ 135,133	\$ 3,179,715
Occupancy	205,660	39,650	11,744	257,054	8,724	5,715	271,493
Professional fees	30,753	2,972	-	33,725	98,050	865	132,640
Fundraising	1,935	3,913	-	5,848	-	143,875	149,723
Depreciation	138,047	22,142	3,926	164,115	3,676	3,782	171,573
Insurance	45,012	9,621	-	54,633	1,603	3,178	59,414
Interest	73,286	15,664	-	88,950	2,611	2,686	94,247
Supplies	37,636	26,668	-	64,304	4,822	1,181	70,307
Advertising and website development	56,803	28,923	-	85,726	13,238	23,155	122,119
Travel and transportation	25,873	2,957	-	28,830	8,597	1,714	39,141
Miscellaneous	8,725	5,314	562	14,601	6,625	8,940	30,166
Total functional expenses	<u>\$ 3,150,625</u>	<u>\$ 485,524</u>	<u>\$ 16,232</u>	<u>\$ 3,652,381</u>	<u>\$ 337,933</u>	<u>\$ 330,224</u>	<u>\$ 4,320,538</u>

The accompanying notes are an integral part of this statement.

TURNING POINTE AUTISM FOUNDATION
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

Turning Pointe Autism Foundation (the Foundation) is an Illinois not-for-profit corporation supported by private donations and fund-raising activities. Its purpose is to provide a place of learning in an environment that is helpful for those with autism.

The financial statements were available to be issued on March 17, 2021, with subsequent events being evaluated through this date.

Accounting Method -

The accounting records are maintained on the accrual basis which recognizes revenues as they are earned and expenses as they are incurred.

Basis of Presentation -

The financial statements have been prepared in accordance with U.S. generally accepted accounting principles ("US GAAP"), which require the Foundation to report information regarding its financial position and activities according to the following net asset classifications:

Net assets without donor restrictions - Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the Foundation. These net assets may be used at the discretion of the Foundation's management and the board of directors.

Net assets with donor restrictions - Net assets subject to stipulations imposed by donors and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Foundation by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity. The Foundation has \$190,656 and \$381,507 restricted in future years of operation as of December 31, 2020 and 2019, respectively.

Cash and Cash Equivalents -

The Foundation considers all cash accounts, which are not subject to withdrawal restrictions or penalties, and all highly liquid investments with an initial maturity of three months or less to be cash equivalents.

Credit Risk -

Financial instruments, which potentially subject the Foundation to concentrations of credit risk, consist principally of cash. The Foundation places its cash and deposits with high credit quality financial institutions; however, deposits may exceed the federally insured limits.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Investments -

The Foundation invests cash in certificates of deposit (CDs) and funds with a community foundation. The CDs are guaranteed by the FDIC and are recorded at cost due to low market volatility and tradability of the securities. The community foundation funds are reported at fair market value for financial statement purposes.

Program Service Fees Receivable -

Program service fees receivable represent fees for service due to the Foundation from schools. These receivables were reviewed at year end and amounts deemed uncollectible were written off.

Property and Equipment -

Property and equipment are carried at cost or if donated, at the estimated fair market value at date of donation. The Foundation follows the practice of capitalizing all expenditures for fixed assets in excess of \$500 and have a useful life that exceeds one year. Depreciation is computed using straight-line over the estimated useful lives of the assets, ranging from 5 to 39 years.

Revenue Recognition for Contributions and Grants -

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

The Foundation reports gifts of cash and other assets as with donor restriction revenue if they are received with donor stipulations that limit the use of the donated assets. When a donor 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 and reported in the statement of activities as net assets released from restrictions.

Program Service Fees -

The Foundation provides several learning experiences for those with autism and charges program service fees to compensate for the costs of services provided.

Program service fee revenue for the Autism School is reported at the amount that reflects the consideration to which the Foundation expects to be entitled in exchange for tuition. The Foundation bills the student's school district for tuition at the end of the month in which the services were provided. Revenue is recognized as the performance obligations are satisfied. Performance obligations are determined based on the nature of the services provided; revenue for performance obligations satisfied over time is recognized based on actual charges incurred.

(1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES: (Continued)

Program Service Fees - (Continued)

The Foundation provides additional life skills training for adults enrolled in the adult services program to which the Foundation expects to collect services fees in exchange for these services. The Foundation bills a not-for-profit that refers the students for their services monthly. Revenue is recognized monthly as services are provided and as the performance obligations are satisfied.

Program services are comprised of the following at December 31, 2020 and 2019:

School	\$ 3,652,471	\$ 2,896,124
Adult services	<u>89,048</u>	<u>165,303</u>
Total	<u>\$ 3,741,519</u>	<u>\$ 3,061,427</u>

Use of Estimates -

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect reported amounts and disclosures. Actual results could differ from those estimates.

Income Taxes -

The Foundation has been determined by the Internal Revenue Service to be exempt from income tax under Section 501(c)(3) of the Internal Revenue Code. Accordingly, no provision for income tax has been established.

The Foundation files informational returns in the U.S. federal jurisdiction and Illinois. With few exceptions, the Foundation is no longer subject to U.S. federal, state and local, or non-U.S. income tax examinations by tax authorities for years before 2017. The Foundation does not expect a material net change in unrecognized tax benefits in the next twelve months.

Advertising Costs -

Advertising costs are expensed as incurred. Advertising expense for the years ended December 31, 2020 and 2019, was \$66,276 and \$80,638, respectively.

Expense Allocations -

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent, utilities, insurance, interest and depreciation, which are allocated on a square footage basis, as well as salaries, payroll taxes, and benefits which are allocated on the basis of estimates of time and effort.

(2) PLEDGES RECEIVABLE:

Unconditional promise to give at December 31, 2020 and 2019, is as follows -

	<u>2020</u>	<u>2019</u>
Receivable in less than one year	\$ -	\$ 100,000
Receivable in greater than one year and less than five years	<u>200,000</u>	<u>300,000</u>
Total unconditional promise to give	200,000	400,000
Less - Discounts to net present value	(9,344)	(18,493)
- Allowance for doubtful accounts	<u>-</u>	<u>-</u>
Net unconditional promise to give	<u>\$ 190,656</u>	<u>\$ 381,507</u>

(3) INVESTMENTS:

The following is a summary of investments at December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Certificates of deposit – at cost, current	\$ 366,000	\$ 200,000
Certificates of deposit – at cost, long term	-	209,000
Community Foundation funds – at fair market value	<u>312,734</u>	<u>281,822</u>
	<u>\$ 678,734</u>	<u>\$ 690,822</u>

Investment income for the years ended December 31, 2020 and 2019 consisted of the following:

	<u>2020</u>	<u>2019</u>
Dividend and interest	\$ 14,691	\$ 18,272
Realized gain	<u>3,708</u>	<u>179</u>
	18,399	18,451
Investment fees	(3,677)	(3,686)
Unrealized gain (loss)	<u>25,099</u>	<u>29,572</u>
	<u>\$ 39,821</u>	<u>\$ 44,337</u>

(4) FAIR VALUE MEASUREMENTS:

The Accounting Standards Codification for Fair Value Measurements establishes a framework for measuring fair value. That framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (level 1 measurements) and the lowest priority to unobservable inputs (level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1:

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

Level 2:

Inputs to the valuation methodology include:

- quoted prices for similar assets or liabilities in active markets;
- quoted prices for identical or similar assets or liabilities in inactive markets;
- inputs other than quoted prices that are observable for the asset or liability;
- inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the level 2 input must be observable for substantially the full term of the asset or liability.

Level 3:

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

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

Following is a description of the valuation methodology used for assets measured at fair value.

Community Foundation Fund: Valued at the fair market value of the Foundation's shares of net assets of the Community Foundation Fund as of December 31, 2020 and 2019.

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

(4) FAIR VALUE MEASUREMENTS: (Continued)

The following table sets forth by level, within the fair value hierarchy, the Foundation's assets at fair value as of December 31, 2020 and 2019:

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2020</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Community Foundation Fund	\$ <u>-</u>	\$ <u>-</u>	\$ <u>312,734</u>	\$ <u>312,734</u>

<u>Description</u>	<u>Assets at Fair Value as of December 31, 2019</u>			
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Total</u>
Community Foundation Fund	\$ <u>-</u>	\$ <u>-</u>	\$ <u>281,822</u>	\$ <u>281,822</u>

Level 3 Gains and Losses:

The following table sets forth a summary of changes in the fair value of the Foundation's level 3 assets for the years ended December 31, 2020 and 2019:

	<u>2020</u>	<u>2019</u>
Balance, beginning of year	\$ 281,822	\$ 248,766
Realized gain	3,708	179
Unrealized gain relating to instruments still held at the reporting date	25,099	29,572
Investment income (net of fees)	2,105	3,305
Purchases, sales, issuances and settlements (net)	<u>-</u>	<u>-</u>
Balance, end of year	\$ <u>312,734</u>	\$ <u>281,822</u>

(5) PROPERTY AND EQUIPMENT:

The recorded value of property and equipment – net of depreciation as of December 31, 2020 and 2019 is as follows:

	<u>2020</u>	<u>2019</u>
Land	\$ 1,560,000	\$ 1,560,000
Buildings and improvements	4,955,076	4,934,927
Construction in progress	262,967	-
Furniture and equipment	<u>317,107</u>	<u>230,983</u>
Total property and equipment	7,095,150	6,725,910
Less accumulated depreciation	<u>663,147</u>	<u>412,737</u>
Net property and equipment	\$ <u>6,432,003</u>	\$ <u>6,313,173</u>

(6) LIQUIDITY AND AVAILABILITY:

	December 31,	
	<u>2020</u>	<u>2019</u>
Total financial assets	\$ 2,809,361	\$ 2,067,542
Donor imposed restrictions	<u>190,656</u>	<u>381,507</u>
Net financial assets after donor-imposed restrictions	<u>2,618,705</u>	<u>1,686,035</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 2,618,705</u>	<u>\$ 1,686,035</u>

The Foundation receives significant contributions, some of which are restricted by donors to fund specific programs or projects. Such restricted funds are tracked for use for the identified program or project. Restricted contributions of \$175,698 and \$536,032 were received and included in financial assets for the years ended December 31, 2020 and 2019 respectively.

The Foundation manages its liquidity and reserves following three guiding principles:

- operating within a prudent range of financial soundness and stability.
- maintaining adequate liquid assets to fund near-term operating needs.
- maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged.

The Foundation invested a total of \$450,000 in several funds to enhance the return on assets. These funds are invested in high-grade securities and are not included in liquidity calculations described below.

The Foundation has a policy to maintain current financial assets less current liabilities at approximately 5 months of operating expenses. During the year, the level of liquidity and reserves was managed within the policy requirement.

(7) NOTES PAYABLE:

	<u>2020</u>	<u>2019</u>
Payable to a bank with monthly payments of \$9,518, plus interest of 4.44%, with the remaining amount due when the note matures in March, 2023, and secured by the mortgage.	\$ 1,180,936	\$ 1,240,505
Payable to a bank with monthly payments of \$3,669, plus interest at the Daily Adjusting LIBOR Rate (.15% as of December 31, 2020) plus 2.0%, with the remaining amount due when the note matures in March, 2023, and secured by the mortgage.	432,736	464,131

(7) NOTES PAYABLE: (Continued)

	<u>2020</u>	<u>2019</u>
Payroll Protection Program (PPP) loan payable to a bank as part of the Coronavirus Aid, Relief and Economic Security (CARES) Act, interest at 1% with the amount to be repaid in equal installments of principal and interest, beginning at the earlier of the date the Small Business Administration remits the loan forgiveness amount or 10 months after the end of the forgivable covered period, with the final payment due May, 2022. As part of the loan agreement, a portion can be forgiven. The Organization intends to maximize the forgivable portion of this loan. The Organization has adopted ASC 470 to account for the PPP loan and will record a gain from the forgiven portion of the loan when it is forgiven.	\$ 589,900	\$ -
	2,203,572	1,704,636
Less - current maturities	(422,246)	(83,661)
Less - unamortized debt insurance cost	<u>(799)</u>	<u>(1,168)</u>
Long-term portion	<u>\$ 1,780,527</u>	<u>\$ 1,619,807</u>

Minimum payments due are as follows:

<u>Year ending December 31,</u>	
2021	\$ 422,246
2022	367,417
2023	<u>1,413,909</u>
	<u>\$ 2,203,572</u>

(8) EMPLOYEE RETIREMENT PLAN:

The Foundation created a SIMPLE IRA plan for the benefit of eligible employees. Employees may enroll in the plan and start contributing to their IRA if their compensation was in excess of \$1,000 in the prior year or is expected to be in excess of that amount in the current year. The Foundation will make a contribution to each eligible employee's plan account equal to their contributions up to 3% of the employee's compensation for the year.

Contributions to the plan for the year ended December 31, 2020 and 2019, were \$56,780 and \$47,487, respectively.

(9) MANAGEMENT'S RESPONSE TO COVID-19 PANDEMIC:

In March 2020 the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The pandemic has not had a significant impact to the Foundation revenue stream or expenses through the date of the audit report. The Foundation has adjusted their operations to be in compliance with current state guidelines for schools during the pandemic. However, management cannot reasonably estimate the length or severity of this pandemic, or the extent to which the disruption from this pandemic may impact the Foundation's future operations and financial statements.

(10) SUBSEQUENT EVENTS:

In March 2021, the Foundation was notified by the Small Business Administration (SBA) that its Payroll Protection Program loan was forgiven in the full amount of \$589,900.