



Financial Statements
As of December 31, 2021 with Summarized
Financial Information for December 31, 2020

Together with Auditor's Report

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of
SPACES, Inc.
Cleveland, Ohio

Opinion

We have audited the accompanying financial statements of SPACES, Inc. (a 501(c)(3) nonprofit 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 financial statements referred to above present fairly, in all material respects, the financial position of SPACES, Inc. as of December 31, 2021, and the changes in 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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of SPACES, Inc. 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 the 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 SPACES, Inc.'s ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities 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 auditor's 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 there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the 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 SPACES, Inc.'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 SPACES, Inc.'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 SPACES, Inc.'s December 31, 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated July 27, 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.

SAMUEL, KELLOGG & CO., INC.

Cleveland, Ohio
August 31, 2022

SPACES, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 WITH SUMMARIZED FINANCIAL INFORMATION FOR DECEMBER 31, 2020

ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
CURRENT ASSETS:				
Cash and cash equivalents	\$ 208,633	\$ 46,695	\$ 255,328	\$ 298,760
Accounts receivable	3,040	-	3,040	4,300
Grants receivable	91,302	209,783	301,085	373,055
Pledge receivable	7,888	-	7,888	13,140
Total current assets	<u>\$ 310,863</u>	<u>\$ 256,478</u>	<u>\$ 567,341</u>	<u>\$ 689,255</u>
PROPERTY AND EQUIPMENT:				
Land	\$ 51,800	-	\$ 51,800	\$ 51,800
Building and improvements	1,998,755	-	1,998,755	1,998,755
Furniture and equipment	55,802	-	55,802	54,630
Computers	28,126	-	28,126	26,857
Website design	38,000	-	38,000	38,000
Software	6,195	-	6,195	6,195
Less - accumulated depreciation	<u>\$ 2,178,678</u>	<u>-</u>	<u>\$ 2,178,678</u>	<u>\$ 2,176,237</u>
	<u>\$ 346,721</u>	<u>-</u>	<u>\$ 346,721</u>	<u>\$ 278,424</u>
	<u>\$ 1,831,957</u>	<u>\$ -</u>	<u>\$ 1,831,957</u>	<u>\$ 1,897,813</u>
OTHER ASSETS:				
Investments	\$ 69,200	\$ 11,487	\$ 80,687	\$ 59,933
	<u>\$ 69,200</u>	<u>\$ 11,487</u>	<u>\$ 80,687</u>	<u>\$ 59,933</u>
Total assets	<u>\$ 2,212,020</u>	<u>\$ 267,965</u>	<u>\$ 2,479,985</u>	<u>\$ 2,647,001</u>

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

SPACES, INC.

STATEMENT OF FINANCIAL POSITION
AS OF DECEMBER 31, 2021 WITH SUMMARIZED FINANCIAL INFORMATION FOR DECEMBER 31, 2020

LIABILITIES AND NET ASSETS

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
CURRENT LIABILITIES:				
Accounts payable	\$ 13,803	\$ -	\$ 13,803	\$ 9,924
Current maturities of long-term debt	19,211	-	19,211	18,307
Note payable - SBA payroll protection loan	-	-	-	48,500
Accrued expenses, other liabilities	3,025	-	3,025	4,372
Total current liabilities	\$ 36,039	\$ -	\$ 36,039	\$ 81,103
LONG-TERM LIABILITIES:				
Mortgage payable	\$ 198,350	\$ -	\$ 198,350	\$ 220,551
Less - current maturities	19,211	-	19,211	18,307
	\$ 179,139	\$ -	\$ 179,139	\$ 202,244
Total liabilities	\$ 215,178	\$ -	\$ 215,178	\$ 283,347
NET ASSETS:				
Without donor restrictions	\$ 1,996,842	\$ -	\$ 1,996,842	\$ 1,932,568
With donor restrictions	-	267,965	267,965	431,086
Total net assets	\$ 1,996,842	\$ 267,965	\$ 2,264,807	\$ 2,363,654
Total liabilities and net assets	\$ 2,212,020	\$ 267,965	\$ 2,479,985	\$ 2,647,001

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

SPACES, INC.

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED DECEMBER 31, 2021 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total 2021	Total 2020
REVENUE, GAINS, AND OTHER SUPPORT:				
Contributed Revenue				
Grant income	\$ -	\$ 229,500	\$ 229,500	\$ 315,000
Government grants	-	65,969	65,969	329,454
Corporate contributions	10,600	-	10,600	2,209
Individual contributions	21,420	-	21,420	12,641
Trustee contributions	6,745	-	6,745	9,825
Special events				
Revenue	31,241	-	31,241	21,984
In-kind donations	1,221	-	1,221	9,766
Special events expenses	(15,964)	-	(15,964)	(10,809)
Capital fund contributions	-	2,004	2,004	1,744
Earned Revenue				
Memberships and lecture fees	1,610	-	1,610	2,250
Rental income	7,115	-	7,115	4,590
Miscellaneous	4,809	-	4,809	10,792
Net assets released from restrictions	460,594	(460,594)	-	-
	\$ 529,391	\$ (163,121)	\$ 366,270	\$ 709,446
EXPENSES:				
Program services	\$ 369,842	-	\$ 369,842	\$ 452,697
Management and general	125,037	-	125,037	103,865
Fund raising costs	81,303	-	81,303	79,334
Total expenses	\$ 576,182	-	\$ 576,182	\$ 635,896
CHANGE IN NET ASSETS FROM OPERATIONS	\$ (46,791)	\$ (163,121)	\$ (209,912)	\$ 73,550
NON-OPERATING ACTIVITY:				
Investment income (loss)	\$ 10,065	-	\$ 10,065	\$ 6,916
Forgiveness of sba payroll protection loans	101,000	-	101,000	-
	\$ 111,065	-	\$ 111,065	\$ 6,916
CHANGE IN NET ASSETS	\$ 64,274	\$ (163,121)	\$ (98,847)	\$ 80,466
NET ASSETS	1,932,568	431,086	2,363,654	2,283,188
NET ASSETS	1,996,842	267,965	2,264,807	2,363,654

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

SPACES, INC.

STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021 WITH SUMMARIZED FINANCIAL INFORMATION FOR THE YEAR ENDED DECEMBER 31, 2020

	Program Services	Management and General	Fund Raising	Total 2021	Total 2020
Direct program costs	\$ 50,114	\$ -	\$ -	\$ 50,114	\$ 47,662
Personnel costs to staff	113,221	68,052	69,989	251,262	223,846
Payments to creative personnel	23,165	-	-	23,165	25,139
Regranting of income to artists	95,618	-	-	95,618	158,750
Occupancy costs	17,834	1,574	1,573	20,981	21,217
Professional services	-	32,692	-	32,692	53,956
Office expenses and other	158	6,098	-	6,256	8,307
Equipment rental	2,477	1,486	991	4,954	4,832
Telephone and data services	26	6,182	-	6,208	4,315
Insurance	4,802	1,703	424	6,929	6,415
Depreciation	54,571	6,069	7,657	68,297	67,424
Interest	7,587	669	669	8,925	12,412
Miscellaneous	269	512	-	781	1,621
Total expenses	\$ 369,842	\$ 125,037	\$ 81,303	\$ 576,182	\$ 635,896

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

SPACES, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED, DECEMBER 31,

	<u>2021</u>	<u>2020</u>
CASH FLOW FROM OPERATING ACTIVITIES:		
Change in net assets	\$ <u>(98,847)</u>	\$ <u>80,466</u>
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	\$ 68,297	\$ 67,424
Forgiveness of SBA payroll protection loan	(101,000)	
Changes in operating assets and liabilities:		
(Increase) Decrease in Grants and accounts receivable	73,230	(220,740)
(Increase) Decrease in Pledge receivable	5,252	33,851
(Increase) Decrease in Prepaid expenses	-	2,667
Increase (Decrease) in current liabilities	2,532	1,548
Total adjustments	\$ <u>48,311</u>	\$ <u>(115,250)</u>
Net cash provided by operating activities	\$ <u>(50,536)</u>	\$ <u>(34,784)</u>
CASH FLOW FROM INVESTING ACTIVITIES:		
Purchase of property and equipment	\$ (2,441)	\$ (6,631)
Additions to endowment	(11,487)	-
(Income) loss in endowment fund	(9,267)	(6,805)
Net cash (used by) investing activities	\$ <u>(23,195)</u>	\$ <u>(13,436)</u>
CASH FLOW FROM FINANCING ACTIVITIES:		
Principal payments on mortgage payable	\$ (22,201)	\$ (106,417)
Proceeds from SBA payroll protection loan	52,500	48,500
Net cash provided by (used by) financing activities	\$ <u>30,299</u>	\$ <u>(57,917)</u>
Increase (Decrease) in cash and cash equivalents	\$ (43,432)	\$ (106,137)
Cash and cash equivalents at beginning of year	<u>298,760</u>	<u>404,897</u>
Cash and cash equivalents at end of year	\$ <u><u>255,328</u></u>	\$ <u><u>298,760</u></u>

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

SPACES, INC.
Notes to the Financial Statements

(1) NATURE OF OPERATIONS AND MISSION:

SPACES commissions artists from around the world - at all stages of their careers - to make new work that is responsive to timely issues. Through our Residency & Exhibition Program, we provide compensation, support, and access to resources for cultural producers who immerse themselves in Cleveland for up to eight weeks. Through our regranting program, residencies, and public programs we give artists the kind of support rarely seen outside major institutions, leading to ambitious new projects that reach an international stage and expand artists' practices.

In 2002, SPACES established our international artist residency model. Resulting programming is presented quarterly, with resident projects exhibited in conjunction with other artist projects. Founded in 2019, the Satellite Fund is administered by SPACES through a Regional Regranting Program of the Andy Warhol Foundation for the Visual Arts. The Warhol Foundation authorized SPACES to reallocate our annual grant to create and administer COVID-19 emergency relief funds in our communities. In May of 2020, we awarded \$60,000 in Emergency Relief Grants to 60 local artists following a first round of applications and selection by an independent jury of distinguished art professionals. SPACES continued to administer Emergency Relief Grants with additional support through the Cleveland Foundation, Takeyama Fund at the Cleveland Foundation, and through an individual gift by Susan E. Murray and Donald E. Harvey. In the second round of granting, \$55,250 was distributed among 66 Cuyahoga County artists.

In addition to our support for local artists via the Satellite Fund, we offer project-based support through the Urgent Art Fund to Cuyahoga County artists, in partnership with Cuyahoga Arts & Culture. This support may go toward production expenses and artist commission for creation of "urgent art" that is socially, politically, or culturally responsive. By designating funds specifically for such projects taking place in the public realm, we can help artists immediately engage their community in creative dialogue about the most pressing issues. By infusing our cultural economy with this support, we hope to contribute to the long-term vitality of the field.

SPACES' Creative Engagement initiatives complement our exhibitions with audience-forward programming contextualized by on-site, off-site, and digital exhibitions and artist projects. By providing accessible ways of learning about art, artists, and creative production we help forge connections and understanding of the cultural value of art. In 2021, with the support of Minority Arts & Education Fund, we have expanded our outreach to develop long-term partnerships with other cultural organizations, community development corporations, and similar networks. We translated our programming guide to Spanish and English, and have partnered with the Museum of Creative Human Art, the Tamir Rice Foundation, Centro Julia Burgos, and other local culturally-specific organizations to provide visiting artists and local residents the opportunity to collaborate in important and creative ways.

(2) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

a.) Basis of Accounting -

The Organization's financial statements have been prepared on the accrual basis of accounting.

b.) Financial statement presentation -

The Organization reports its financial position and activities according to these categories of net assets.

A description of these categories is as follows -

Net assets without donor restrictions:

Include the net assets that are free of donor restrictions and are available for any purpose.

Net assets with donor restrictions:

Include the net assets from contributions or other inflows where the use is limited by donor imposed restrictions that either expire by the passage of time or can be fulfilled and removed by actions of the Organization. In addition this category may include net assets from contributions or other inflows where the use is limited by donor which limit the use of the funds by the Organization.

c.) Depreciation -

Property and equipment accounts are depreciated utilizing the straight-line method based on estimated service lives of the property. Major classes of property and equipment, useful lives and accumulated depreciation at December 31, 2021 and 2020 is as follows:

<u>Assets</u>	<u>Estimated Useful Life</u>	<u>Costs</u>	<u>Accumulated Depreciation</u>	
			<u>2021</u>	<u>2020</u>
Land		\$ 51,800	\$ -	\$ -
Building and improvements	40 years	1,998,755	256,575	205,155
Furniture and equipment	5 years	55,802	39,657	32,593
Computers	5 years	28,126	21,494	19,281
Website design	5 years	38,000	22,800	15,200
Software	3 years	6,195	6,195	6,195
		<u>\$ 2,178,678</u>	<u>\$ 346,721</u>	<u>\$ 278,424</u>

Depreciation expense for the year ended December 31, 2021 and 2020 totaled \$68,297 and \$67,424, respectively.

d.) Property and equipment -

Property and equipment are stated at cost. Contributed assets are recorded at their fair market value at the date of receipt. Maintenance and repairs are charged to income while expenditures for renewals which prolong the life of the assets are capitalized. A provision for depreciation of assets is recorded by a charge against income at rates considered adequate to amortize the cost of such assets over their estimated useful life.

e.) Contributions -

The Organization recognizes contributions of property as income on the date received. Pledges or grants are recognized on the date the Organization is notified of the donation.

The Organization considers all contributions to be without donor restriction unless the donor has restricted the donation to a specific use or a specific period of time. Amounts received that are restricted by the donor are reported as net assets with donor restrictions.

f.) Income taxes -

Under Internal Revenue Code Section 501(c)(3), SPACES, Inc. qualifies as a public charity and, accordingly, is exempt from Federal income taxes.

g.) Statement of Cash Flow Disclosures -

The Company considers all highly liquid investments with a maturity of three months or less to be cash equivalents.

h.) Donated Services -

Accounting principals generally accepted in the United States of America requires that for donated services to be recognized in the financial statements, the services must either create or enhance a non-financial asset or be a specialized skill, provided by an entity possessing those skills, that would have been purchased if not donated.

The Organization has recognized \$1,221 and \$9,766, respectively during 2021 and 202 in donated design, professional, program services, and in-kind goods.

A number of volunteers have donated significant amounts of their time assisting SPACES programs, management and internal functions through various committee assignments. These donated services have not been recognized in the accompanying financial statements because the criteria for the recognition of such volunteer efforts have not been satisfied.

i.) Receivables -

The Organization follows the allowance method for providing for potential uncollectible accounts. In the opinion of management, at December 31, 2021 and 2019, a reserve of \$4000 and \$10,000, respectively has been recorded for potential pledges that may not be realized. The Organization wrote off \$6,000 in pledge receivables during 2021 and \$0 during 2020.

j.) Advertising costs -

Advertising costs are expensed as incurred.

k.) Compensated absences -

The employees of the Organization are entitled to paid vacation days, sick days, and personal days off depending on job classification and length of service. The Organization's policy is to recognize the cost of those compensated absences when actually paid to the employees. The cost of this accrual is not deemed material for the years 2021 and 2020.

l) Use of 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 assumptions that affect certain reported amounts of assets and liabilities. Accordingly, actual results could differ from those estimates.

j) Liquidity and Availability -

SPACES, Inc. manages its cash available to meet general expenditures following these guiding principles:

Operating within a prudent range of financial soundness and stability,

Maintaining adequate liquid assets, and

Maintaining sufficient reserves to provide reasonable assurance that the mission fulfillment will continue to be met, ensuring sustainability of the Organization

Financial assets available for general expenditures, that is, without donor or other restrictions limiting their use, within one year of the Statement of Financial Position date comprise the following:

	<u>2021</u>		<u>2020</u>
Cash and cash equivalents	\$ 240,476	\$	239,551
Accounts receivable	3,040		4,300

Grants receivable for general operations	194,189	34,962
Pledge receivables for general operations	-	655
Allowable distribution from Endowment	12,737	10,011
	<u>\$ 450,442</u>	<u>\$ 289,479</u>

(3) **CLASSIFICATION OF FUNCTIONAL EXPENSES:**

The expenses of SPACES, Inc. have been classified under the following functions:

Program expenses

Includes all costs associated with carrying out the purpose and mission of the Organization.

Management and general

Includes the costs necessary to maintain an equitable employment program; ensure an adequate working environment; provide coordination and articulation of the Organization's program strategy through the Office of the Executive Director; secure proper administrative functioning of the Board of Trustees; maintain competent legal services for the program administration of the Organization; and to manage the financial and budgetary responsibilities of the Organization.

Fund raising

Includes the costs to provide the structure necessary to encourage and secure financial support from individuals, corporations, foundations, and government funding agencies.

(4) **NET ASSETS WITH DONOR RESTRICTIONS:**

Net assets with donor restrictions consist of funds received or to be received which are restricted for a specific purpose or for a specific period of time. For the year ended December 31, 2021 and 2020 the activity of net assets with donor restrictions is as follows:

	<u>Restricted By</u>		
	<u>Passage of Time</u>	<u>Purpose</u>	<u>Total</u>
Net assets with donor restrictions - December 31, 2019	\$ 136,125	\$ 212,708	\$ 348,833
Activity during 2020			
Grant income and pledges	78,994	567,204	646,198
Released from restrictions during year	<u>(159,574)</u>	<u>(404,371)</u>	<u>(563,945)</u>
Net assets with donor restrictions - December 31, 2020	\$ 55,545	\$ 375,541	\$ 431,086
Activity during 2021			
Grant income and pledges	244,073	53,400	297,473
Released from restrictions during year	<u>(158,052)</u>	<u>(302,542)</u>	<u>(460,594)</u>
Net assets with donor restrictions - December 31, 2021	<u>\$ 141,566</u>	<u>\$ 126,399</u>	<u>\$ 267,965</u>

(5) **ENDOWMENT ASSETS:**

SPACES, Inc. has established an endowment fund with the Cleveland Foundation.

The purpose of the endowment is to support the Organization's mission. Under terms of the endowment, the Organization has agreed to limit annual distributions to 5% of the previous years investment value. The principal of the fund may be distributed upon the affirmative vote of the majority of the voting members during a meeting during which a quorum of the board of directors is present. Funds from this endowment may be used for purchasing, relocating and renovating a historic building on the near west side of Cleveland. The value reported is the fair market value provided to the Organization by the Cleveland Foundation.

The following table summarizes the activity for the fair value measurement using significant unobservable inputs for 2021 and 2020:

Market value at January 1, 2020	\$ 53,128
Investment earnings	7,416
Investment fees	(611)
Additions to the endowment	-
Distributions	-
Market value at December 31, 2020	<u>\$ 59,933</u>
Investment earnings	9,984
Investment fees	(717)
Additions to the endowment	11,487
Distributions	-
Market value at December 31, 2021	<u><u>\$ 80,687</u></u>

Cumulative amounts available for distribution at December 31, 2021 and 2020 were \$12,737 and \$10,011, respectively.

(6) NOTE PAYABLE - SBA PAYROLL PROTECTION LOAN:

The Organization has received loans in the amount of \$48,500 on April 29, 2020 and \$52,500 on February 12, 2021 from the SBA payroll protection program to assist with payroll and other operating expenses during the pandemic. As the terms of the loan allows, the Organization has filed for and received total forgiveness of these loans on March 12, 2021 and August 9, 2021. This forgiveness has been recognized as income as of those dates.

(7) MORTGAGE PAYABLE:

In connection with the purchase and renovation of the new gallery, SPACES, Inc., through its single member LLC, entered into a mortgage payable of \$800,000 with Hingetown Holdings, LLC for the purchase of the ground floor air-rights parcel. The mortgage is payable in 60 monthly installments of \$5,280 which includes principal and interest at the rate of 5% beginning July 1, 2016 with a balloon payment due on July 1, 2021. Beginning in 2018, SPACES began making accelerated principal payments in order to retire the debt prior to this required balloon payment. During 2021 and 2020, SPACES made additional payments of \$3,705 and \$56,000, respectively. Effective January 1, 2021 the terms of the note were modified to lower the interest rate to 4% and to remove the balloon payment that was due on July 1, 2021. Under terms of the modified agreement the note is payable in 120 monthly payments of \$2,233 with the final payment due December 1, 2030.

The required maturities of this long-term debt during the next five years are as follows:

<u>YEAR</u>	<u>AMOUNT</u>
2022	\$ 19,211
2023	19,994
2024	20,809
2025	21,656
2026	22,539
	<u><u>\$ 104,209</u></u>

(8) DONATIONS TO BE RECEIVED IN FUTURE PERIODS:

As of December 31, 2021 the Organization has received notification of donations for specific programs from various Foundations. These assets are reflected as net assets

with donor restrictions until such time that they are expended for their intended purpose. Of the donations to be received in future periods, these funds should be received over the following periods:

<u>To be Received</u>	<u>2021</u>
In less than one year	\$ 297,618
Between one year and five years	3,467
In more than five years	-
	<u> </u>
	\$ <u><u>301,085</u></u>

Also, as of December 31, 2021 the Organization has outstanding pledges.

These pledges are recorded after being discounted to the net present value of the future anticipated cash flows. These pledges are reflected as net assets without donor restrictions. Of the donations to be received in future periods, these funds should be received as follows:

<u>Pledges - To be Received</u>	<u>2021</u>
In less than one year	\$ 12,250
Between one year and five years	-
In more than five years	-
	<u> </u>
	\$ 12,250
Less:	
Allowance for uncollectible pledges	(4,000)
Discount, at 3%	<u>(362)</u>
	<u> </u>
	\$ <u><u>7,888</u></u>

(9) **PENSION PLAN:**

The Organization has adopted a simple IRA plan. For the years ended December 31, 2021 and 2020 the Organization made a match of \$477 and \$929, respectively for the amount deferred by participating employees.

(10) **CONCENTRATIONS OF RISK:**

Financial instruments that potentially subject the Organization to concentrations of credit risk consist principally of temporary cash investments. The Organization maintains its cash with financial institutions and limits the amount of credit exposure to any one financial institution.

(11) **LEASE COMMITMENTS:**

The Organization has entered into various non-cancellable operating lease agreements for certain office equipment with initial lease terms in excess of one year.

As of December 31, 2021, the Organization is obligated for the following annual lease commitments:

<u>YEAR</u>	<u>AMOUNT</u>
2022	\$ 5,028
2023	5,028
2024	2,933
2025	-
2026	-
	<u> </u>
	\$ <u><u>12,989</u></u>

(13) **SUBSEQUENT EVENTS**

In preparing these financial statements, the Organization has evaluated events, and transactions for potential recognition or disclosure through August 31, 2022, the date financial statements were available to be issued.