Parkinson's Foundation, Inc.

Financial Statements
Years Ended June 30, 2022 and 2021

The report accompanying these financial statements was issued by

BDO USA, LLP, a Delaware limited liability partnership and the U.S. member of BDO International Limited, a UK company limited by guarantee.

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Years Ended June 30, 2022 and 2021

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Contents

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Independent Auditor's Report

Board of Directors
Parkinson's Foundation, Inc.
Miami, Florida

Opinion

We have audited the financial statements of Parkinson's Foundation, Inc. (a nonprofit organization) (the "Foundation"), which comprise the statements of financial position as of June 30, 2022 and 2021, and the related statements of activities, functional expenses, and cash flows for the years 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 Foundation as of June 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). 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 the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. 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 the Foundation's ability to continue as a going concern within one year after the date that the financial statements are issued or 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 GAAS 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 GAAS, 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 Foundation'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 Foundation'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.

BDO USA, LLP

Miami, FL
October 20, 2022

Financial Statements

Parkinson's Foundation, Inc.

Statements of Financial Position

June 30,		2022		2021
Assets				
Cash	$	**209,523**	$	717,976
Pledges receivable, net		**5,430,599**		2,246,793
Other receivables		**708,328**		733,764
Prepaid expenses and other assets		**192,752**		1,064,382
Investments		**43,678,031**		51,887,412
Property and equipment, net		**1,480,883**		1,216,239
Total Assets	$	**51,700,116**	$	57,866,566
Liabilities and Net Assets				
Liabilities				
Accounts payable and accrued expenses	$	**4,072,033**	$	4,489,822
Refundable advances		**701,538**		1,231,474
Grants payable		**16,771,095**		20,382,699
Annuities payable		**358,190**		357,619
Paycheck Protection Program loan payable		**-**		2,164,400
Total Liabilities		**21,902,856**		28,626,014
Net Assets				
Without donor restrictions		**23,604,184**		24,508,656
With donor restrictions		**6,193,076**		4,731,896
Total Net Assets		**29,797,260**		29,240,552
Total Liabilities and Net Assets	$	**51,700,116**	$	57,866,566

See accompanying notes to the financial statements.

Parkinson's Foundation, Inc.

Statements of Activities

Years ended June 30,	2022			2021		
	Without Donor Restrictions	With Donor Restrictions	Total	Without Donor Restrictions	With Donor Restrictions	Total
Revenue and Public Support:						
Direct -						
Private individuals, corporations and private foundations	$ 30,114,385	$ 1,925,900	$ 32,040,285	$ 24,293,787	$ 410,241	$ 24,704,028
Legacies and bequests	12,105,126	-	12,105,126	13,423,776	-	13,423,776
Special events (less direct costs of $920,413 and $1,069,960 for the years ended June 30, 2022 and 2021, respectively)	2,507,628	-	2,507,628	3,015,070	-	3,015,070
Total Direct	44,727,139	1,925,900	46,653,039	40,732,633	410,241	41,142,874
Other -						
Contributions of nonfinancial assets	34,487,362	-	34,487,362	1,482,622	-	1,482,622
Paycheck Protection Program loan forgiveness	2,164,400	-	2,164,400	-	-	-
Change in value of split interest agreements	-	(29,576)	(29,576)	-	12,290	12,290
Investment return, net	(4,737,618)	(8,653)	(4,746,271)	7,768,206	7,908	7,776,114
Total Other	31,914,144	(38,229)	31,875,915	9,250,828	20,198	9,271,026
Net assets released from restrictions	426,491	(426,491)	-	247,793	(247,793)	-
Total Revenue and Public Support	77,067,774	1,461,180	78,528,954	50,231,254	182,646	50,413,900
Expenses:						
Program services:						
Pillar one - improved care	11,659,157	-	11,659,157	10,930,148	-	10,930,148
Pillar two - research	13,243,851	-	13,243,851	18,269,976	-	18,269,976
Pillar three - education and empowerment	45,715,253	-	45,715,253	12,122,292	-	12,122,292
Total Program Services	70,618,261	-	70,618,261	41,322,416	-	41,322,416
Supporting services:						
Management and general	2,641,539	-	2,641,539	1,654,002	-	1,654,002
Fundraising	4,712,446	-	4,712,446	4,160,359	-	4,160,359
Total Supporting Services	7,353,985	-	7,353,985	5,814,361	-	5,814,361
Total Expenses	77,972,246	-	77,972,246	47,136,777	-	47,136,777
Change in Net Assets	(904,472)	1,461,180	556,708	3,094,477	182,646	3,277,123
Net Assets, beginning of year	24,508,656	4,731,896	29,240,552	21,414,179	4,549,250	25,963,429
Net Assets, end of year	$ 23,604,184	$ 6,193,076	$ 29,797,260	$ 24,508,656	$ 4,731,896	$ 29,240,552

See accompanying notes to the financial statements.

Parkinson's Foundation, Inc.

Statement of Functional Expenses
(With Summarized Comparative Totals for the Year Ended June 30, 2021)

	Program Services			Supporting Services			
Year ended June 30, 2022	Pillar One: Improved Care	Pillar Two: Research	Pillar Three: Education and Empowerment	Management and General	Fundraising	2022 Totals	Summarized 2021 Totals
Salaries	$ 4,029,173	$ 1,653,153	$ 4,647,848	$ 998,341	$ 1,616,508	**$ 12,945,023**	$ 10,495,918
Payroll taxes and benefits	739,098	340,032	962,163	707,439	318,273	**3,067,005**	2,674,797
Total Salaries and Related Expenses	4,768,271	1,993,185	5,610,011	1,705,780	1,934,781	**16,012,028**	13,170,715
Grants	2,987,811	8,956,051	1,942,943	-	-	**13,886,805**	20,287,096
Conference and symposium fees	151,256	-	9,763	15,686	3,166	**179,871**	188,327
Legal and accounting	30,010	42,844	18,346	204,753	33,814	**329,767**	317,031
Professional services	796,388	1,361,350	469,035	117,551	205,079	**2,949,403**	3,262,938
Outside services	403,033	84,715	162,451	146,698	775,336	**1,572,233**	1,813,123
Printing and publications	448,838	11,744	377,251	18,790	424,990	**1,281,613**	1,079,400
Public relations and advertising	164,117	82,494	656,629	-	30,000	**933,240**	1,369,167
General insurance	12,822	16,642	13,136	135,431	5,861	**183,892**	175,896
Postage, freight and courier services	712,736	1,850	145,048	37,926	860,144	**1,757,704**	1,390,683
Meetings	495,153	16,036	307,412	6,806	13,166	**838,573**	255,479
Telephone	169,591	206,715	370,048	81,699	115,921	**943,974**	125,253
Repairs and maintenance	15,357	19,934	15,734	3,145	7,021	**61,191**	195,360
Office expenses	3,538	5,903	37,406	7,178	6,048	**60,073**	30,431
Travel and transportation	146,388	45,722	247,162	41,431	65,002	**545,705**	5,932
Lease and rentals	221,204	228,791	580,213	41,233	78,720	**1,150,161**	993,062
Bank and credit card expenses	75	-	125,878	35,706	75,412	**237,071**	198,962
Miscellaneous	-	65,392	22,299	11,334	26,854	**125,879**	381,226
Total Other Expenses	6,758,317	11,146,183	5,500,754	905,367	2,726,534	**27,037,155**	32,069,366
Advertising - in-kind	-	-	34,487,362	-	-	**34,487,362**	1,482,622
Depreciation and amortization	132,569	104,483	117,126	30,392	51,131	**435,701**	414,074
Total Expenses	$ 11,659,157	$ 13,243,851	$ 45,715,253	$ 2,641,539	$ 4,712,446	**$ 77,972,246**	$ 47,136,777

See accompanying notes to the financial statements.

Parkinson's Foundation, Inc.

Statement of Functional Expenses

	Program Services			Supporting Services		
Year ended June 30, 2021	**Pillar One: Improved Care**	**Pillar Two: Research**	**Pillar Three: Education and Empowerment**	**Management and General**	**Fundraising**	**Totals**
Salaries	$ 3,074,795	$ 1,213,916	$ 4,045,007	$ 813,228	$ 1,348,972	$ 10,495,918
Payroll taxes and benefits	787,520	296,083	1,004,234	240,915	346,045	2,674,797
Total Salaries and Related Expenses	3,862,315	1,509,999	5,049,241	1,054,143	1,695,017	13,170,715
Grants	3,548,296	14,483,034	2,255,766	-	-	20,287,096
Conference and symposium fees	83,328	90,839	3,728	9,974	458	188,327
Legal and accounting	32,672	52,186	54,972	109,519	67,682	317,031
Professional services	1,009,344	1,474,608	530,627	68,059	180,300	3,262,938
Outside services	567,760	111,449	337,242	45,469	751,203	1,813,123
Printing and publications	508,195	1,790	249,694	9,146	310,575	1,079,400
Public relations and advertising	139,184	123,199	891,549	-	215,235	1,369,167
General insurance	40,637	67,922	45,066	22,271	-	175,896
Postage, freight and courier services	566,385	-	101,211	19,103	703,984	1,390,683
Meetings	69,349	1,080	168,734	2,291	14,025	255,479
Telephone	27,115	19,833	46,076	14,375	17,854	125,253
Repairs and maintenance	5,892	40	208	177,220	12,000	195,360
Office expenses	6,122	1,670	14,751	2,857	5,031	30,431
Travel and transportation	(14,076)	2,798	9,197	4,399	3,614	5,932
Lease and rentals	232,064	158,864	493,961	29,795	78,378	993,062
Bank and credit card expenses	383	-	153,956	32,660	11,963	198,962
Miscellaneous	120,600	70,638	125,489	21,424	43,075	381,226
Total Other Expenses	6,943,250	16,659,950	5,482,227	568,562	2,415,377	32,069,366
Advertising - in-kind	-	-	1,482,622	-	-	1,482,622
Depreciation and amortization	124,583	100,027	108,202	31,297	49,965	414,074
Total Expenses	$ 10,930,148	$ 18,269,976	$ 12,122,292	$ 1,654,002	$ 4,160,359	$ 47,136,777

See accompanying notes to the financial statements.

Parkinson's Foundation, Inc.

Statements of Cash Flows

Years ended June 30,	**2022**	2021
Cash Flows from Operating Activities:		
Change in Net Assets	**$ 556,708**	$ 3,277,123
Adjustments to reconcile change in net assets to net cash (used in) provided by operating activities:		
Depreciation and amortization	**435,701**	414,074
Paycheck Protection Program loan forgiveness	**(2,164,400)**	-
Net unrealized and realized loss (gain)	**5,211,499**	(7,163,601)
Non-cash contribution - annuities	**(22,522)**	-
Change in value of split interest agreements	**29,476**	(12,290)
(Increase) decrease in operating assets:		
Pledges receivable, net	**(3,183,806)**	847,893
Other receivables	**25,436**	(407,859)
Prepaid expenses and other assets	**871,630**	(439,721)
Increase (decrease) in operating liabilities:		
Accounts payable and accrued expenses	**(417,789)**	817,394
Refundable advances	**(529,936)**	(436,353)
Grants payable	**(3,611,604)**	9,188,249
Total Adjustments	**(3,356,315)**	2,807,786
Net Cash (Used in) Provided by Operating Activities	**(2,799,607)**	6,084,909
Cash Flows from Investing Activities:		
Purchases of property and equipment	**(700,345)**	(284,576)
Sales of investments	**25,311,076**	11,527,147
Purchases of investments	**(22,313,194)**	(17,068,365)
Net Cash Provided by (Used in) Investing Activities	**2,297,537**	(5,825,794)
Cash Flows from Financing Activities:		
Borrowings under line-of-credit	**11,723,000**	2,505,056
Repayments of line-of-credit	**(11,723,000)**	(2,505,056)
Annuity payments to beneficiaries	**(51,683)**	(83,972)
Proceeds from annuities issued	**45,300**	-
Net Cash Used in Financing Activities	**(6,383)**	(83,972)
Net (Decrease) Increase in Cash	**(508,453)**	175,143
Cash, beginning of year	**717,976**	542,833
Cash, end of year	**$ 209,523**	$ 717,976
Supplemental Disclosures of Non-Cash Activities:		
Contribution from annuities	**$ 22,522**	$ -
Liabilities under annuities	**$ 22,778**	$ -
Supplemental Disclosures of Non-Cash Financing:		
Paycheck Protection Program loan forgiveness	**$ 2,164,400**	$ -

See accompanying notes to the financial statements.

1. General

Organization

Parkinson's Foundation Inc. (the "Foundation") is a not-for-profit organization exempt from income tax under Section 501(c)(3) of the U.S. Internal Revenue Code (the "Code"). The Foundation's mission is to make life better for people with Parkinson's disease ("PD" or "Parkinson's") by improving care and advancing research toward a cure. As a national organization with a local presence and impact, the Foundation brings help and hope to an estimated one million individuals in the United States and ten million individuals worldwide, who are living with Parkinson's.

The three pillars of the Foundation's mission are research, care and education:

Research

New discoveries prevent, control and will ultimately cure the disease for all people with Parkinson's.

- Priority 1: Identify and fund the most promising pathways to new and better therapies and ultimately a cure.
- Priority 2: Generate and distribute more data and put these findings right to work to improve Parkinson's health outcomes and quality of life.
- Priority 3: Build increased capacity for research development by leveraging existing partnerships and nurturing a pipeline of neuroscience investigators.

Care

All people with Parkinson's have access to equitable and quality care.

- Priority 1: Identify best practices of quality, patient-centered PD care.
- Priority 2: Drive adoption of best-practice care across disciplines.
- Priority 3: Reduce barriers that limit access to quality care.

Education

All people affected by PD have the information and resources they need.

- Priority 1: Develop new tools and resources in response to the needs of people affected by Parkinson's.
- Priority 2: Understand the needs of diverse and underserved communities.
- Priority 3: Ensure every person affected by Parkinson's is aware of the resources available to them.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Foundation are prepared using the accrual basis of accounting.

Financial Statement Presentation

Net assets and revenues, gains and losses are classified into two classes of net assets based on the existence or absence of donor-imposed restrictions. The two classes of net asset categories are as follows:

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 or by the passage of time. Other donor restrictions are perpetual in nature, where the donor has stipulated the funds be maintained in perpetuity. Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America ("U.S. GAAP") requires management to make estimates, including those regarding fair value, and assumptions that affect reported asset amounts and disclosures of contingent liabilities at the date of the financial statements and the reported amounts of changes in net assets during the reporting period. Accordingly, actual results could differ from those estimates.

Cash and Cash Equivalents

Cash and cash equivalents include all demand deposit accounts with an original maturity of three months or less which are used in daily operations. Investments in money market funds and U.S. Treasury bills are cash equivalents that have been included as a component of investments in the accompanying statements of financial position. The Foundation considers these investments to be part of their ongoing liquidity strategy.

Investments

The Foundation reports its investments under an accounting standard issued by the Financial Accounting Standards Board ("FASB") on accounting for certain investments held by not-for-profit organizations. Under the standard, a not-for-profit organization is required to report investments in marketable securities with readily determinable fair values and all investments in debt securities at fair value in the statements of financial position.

Purchased securities are stated at fair market value based on the most recently traded price of the security at the financial statement date. Donated securities are recorded at fair value and sold immediately. Investment gains and losses including realized and unrealized gains and losses on investments, and interest and dividends are included in the accompanying statements of activities.

Property and Equipment, Net

Property and equipment, net is stated at historical cost less accumulated depreciation and amortization, except donated property and equipment used in the normal course of business, which is stated at the approximate market value at the date of donation. During the years ended June 30, 2022 and 2021, no property and equipment was donated. Intangible assets are stated at cost less accumulated amortization and impairment losses.

Depreciation and amortization is computed using the straight-line method over the estimated useful lives, varying from three to 15 years, or shorter of useful life or lease term for leasehold improvements, of the respective assets. Repairs and maintenance costs are expensed as incurred. Intangible assets with indefinite lives are not amortized but are subject to annual reviews for impairment. Intangible assets with finite lives are amortized over their estimated useful economic lives and only tested for impairment when there is an indicator of impairment. When items are retired or otherwise disposed of, the related costs and accumulated depreciation and amortization are removed from the accounts and any resulting gains or losses are credited or charged to operations. The Foundation's policy is to capitalize all property and equipment expenditures greater than $5,000.

Impairment of Long-Lived Assets

The carrying value of long-lived assets is reviewed if the facts and circumstances, such as significant declines in revenues, earnings or cash flows or material adverse changes in the business climate, indicate that they may be impaired. The Foundation performs its review by comparing the carrying amounts of long-lived assets to the estimated undiscounted cash flows relating to such assets. If any impairment in the value of the long-lived assets is indicated, the carrying value of the long-lived assets is adjusted to reflect such impairment based on the fair value of the impaired assets or an estimate of fair value based on discounted cash flows.

Refundable Advances

Refundable advances consist of funds received from grantors to fund programs for which expenses will be incurred in future periods. Revenue will be recognized when funds under the program have been expended. Refundable advances totaled $701,538 and $1,231,474 as of June 30, 2022 and 2021, respectively.

Grants Payable

The Foundation has made conditional promises to give to several institutions for various purposes. Conditional promises to give are not recorded as an expense until the conditions are substantially met. At each annual anniversary date of the agreement with these institutions, the Foundation determines whether the institution has substantially met the conditions and then grants the next annual funding commitment to the institution. Future funding commitments not yet paid are the result of pending research reports, financial reports or acknowledgement of the Foundation in conjunction with the publication of research results. Grants payable totaled $16,771,095 and $20,382,699 as of June 30, 2022 and 2021, respectively, and are due and payable before the end of the next fiscal year.

Split Interest Agreements

The Foundation receives contributions in which the donor or donor-designated beneficiary may retain a life interest. The assets are invested and administered by the Foundation and distributions are made to the beneficiaries under the terms of the agreement. Charitable gift annuities are recorded at fair value on the date received. The Foundation records a liability for the present value of the annuities payable using Internal Revenue Service actuarial assumptions, discounted using the applicable federal rate at the date of the gift, ranging from 1.78% to 4.50%.

A contribution is recorded for the difference between the fair value of the gift and the liability recorded. Investment income and gains or losses are credited or charged to the appropriate investment account, and annuity payments are charged to the liability account. Periodically, an adjustment is made to the liability to record the gain or loss due to re-computation of the liability based upon the revised life expectancy. These adjustments are recorded in the accompanying financial statements as "Change in value of split interest agreements." Upon the death of the donor annuitant, the Foundation recognizes the existing liability as a change in the value of the annuity and the related asset is available for use by the Foundation.

Charitable lead trusts and charitable remainder trusts, in which the Foundation is not the trustee, are recorded in the net assets with donor restrictions class as a receivable at the present value of the expected future cash inflows and contribution revenue is recognized for the same amount. In the event that the trust has an income beneficiary other than the Foundation, the contribution revenue is reduced by the amount of the present value of the estimated liability due to the income beneficiary.

The fair value of assets held under split interest agreements was approximately $259,000 and $278,000 at June 30, 2022 and 2021, respectively and are included as "Investments" in the statements of financial position.

Revenue Recognition - Contributions of Cash and other Nonfinancial Assets

Transfers of cash or other assets or settlement of liabilities that are both voluntary and nonreciprocal are recognized as contributions. Contributions may either be conditional or unconditional. A contribution is considered conditional when the donor imposes both a barrier and a right of return. Conditional contributions are recognized as revenue on the date all donor-imposed barriers are overcome or explicitly waived by the donor. Barriers may include specific and measurable outcomes, limitations on the performance of an activity and other stipulations related to the contribution. A donor has a right of return of any assets transferred or a right of release of its obligation to transfer any assets in the event the Foundation fails to overcome one or more barriers. Assets received before the barrier is overcome are accounted for as refundable advances.

Unconditional contributions may or may not be subject to donor-imposed restrictions. Donor-imposed restrictions limit the use of the donated assets but are less specific than donor-imposed conditions. Contributions received and unconditional promises to give are measured at their fair values and are reported as an increase in net assets. The Foundation reports gifts of cash and other assets as restricted support if they are received with donor stipulations about the use of the donated assets, or if they are designated as support for future periods.

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 statements of activities as "Net assets released from restrictions." Donor-restricted contributions whose restrictions are met in the same reporting period in which received are reported as net assets without donor restrictions. The Foundation received donations from several sources, including private individuals, corporations and private foundations.

Revenue Recognition - Contributed Services

Contributed services are recognized if the services received create or enhance a nonfinancial asset or require specialized skills, are provided by individuals possessing these skills, and would typically need to be purchased if not provided by donation (Note 8). During the years ended June 30, 2022 and 2021, one donor provided for 98% and 57% of contributed services, respectively,

Revenue Recognition – Special Events

Special event revenue is recognized in the period the event occurs.

Functional Expenses

The costs of the Foundation's programs and supporting services have been reported on a functional basis. This requires the allocation of costs among the various programs and supporting services based on estimates made by management. Those costs that are allocated include salaries and wages, the costs of the information technology department as well as indirect expenses such as building rental, telephone, insurance, postage, depreciation and amortization. Salaries and wages are allocated based on estimates of time and efforts while those of the information technology department are allocated based on the ratio of direct expenses to total expenses. Other expenses such as rent and depreciation are allocated based on the percentage of direct expenses by function divided by total direct expenses.

Joint Cost Allocation

The Foundation conducted activities that included requests for contributions, as well as program components. Those activities included direct mail campaigns. Joint costs for the direct mail campaigns included printing, agency fees and postage of approximately $2,392,000 and $2,617,000 for the years ended June 30, 2022 and 2021, respectively.

These joint costs were allocated based on estimates of the portion of educational messaging, including the corresponding call to action, versus fundraising as follows:

June 30,	**2022**	2021
Fundraising	**$ 1,474,695**	$ 1,624,200
Public education	**916,925**	992,314
Total Joint Costs for Direct Mail Campaigns	**$ 2,391,620**	$ 2,616,514

The joint costs mentioned above are from the Foundation's direct response efforts and generated revenue of approximately $6,155,000 and $5,110,000 during the years ended June 30, 2022 and 2021, respectively. The revenues generated significantly outweigh the fundraising costs incurred. The public education costs associated with direct response is a programmatic expense of the Foundation.

Tax Status

The Foundation is exempt from federal income taxes under Section 501(c)(3) of the Code as a charitable organization whereby only unrelated business income, as defined by Section 509(a)(1) of the Code, is subject to federal income tax. The Foundation currently has no unrelated business income. Accordingly, no provision for income taxes has been recorded as of June 30, 2022 and 2021.

The Organization has not taken an uncertain tax position that would require provision of a liability under ASC 740, *Income Taxes*. Under ASC 740, an organization must recognize the financial statement effects of a tax position taken for tax return purposes when it is more likely than not that the position will not be sustained upon examination by a taxing authority. The Foundation does not believe there are any material uncertain tax positions and, accordingly, it will not recognize the financial statement effects for unrecognized tax positions for the years ended June 30, 2022 and 2021. The Foundation has filed for, and received, income tax exemptions in the jurisdictions where it is required to do so. Additionally, the Foundation has filed IRS Form 990, as required, and all other applicable returns in jurisdictions where it is required.

The U.S. federal jurisdiction is the major tax jurisdictions where the Foundation files income tax returns. The Foundation is generally no longer subject to U.S. Federal or State examinations by tax authorities for fiscal years before 2019.

Adopted Accounting Pronouncement

Contributed Nonfinancial Assets

In September 2020, the Financial Accounting Standards Board ("FASB') issued an Accounting Standard Update ("ASU") 2020-07, Not-For-Profit Entities (Topic 958): Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets. This ASU amends guidance for not-for-profit entities that receive contributed nonfinancial assets. The update requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statements of activities, and to disclose information regarding each type of contributed nonfinancial asset. The update is to be applied on a retrospective basis and is effective for annual reporting periods beginning after June 15, 2021, and for interim reporting periods beginning after June 15, 2022. The Foundation adopted this pronouncement during the year ended June 30, 2022. As a result of the adoption, the Foundation segregated "contributions of nonfinancial assets" on the statements of activities and added a related disclosure in Note 8.

Recent Accounting Pronouncement

Lease Accounting

In February 2016, the FASB issued an accounting standard update which amends existing lease guidance. The update requires lessees to recognize a right-of-use asset and related lease liability for many operating leases now currently off-balance sheet under current U.S. GAAP. Also, the FASB has issued amendments to the update with practical expedients related to land easements and lessor accounting. The Foundation is currently evaluating the effect the update will have on its financial statements but expects upon adoption that the update will have a material effect on the Foundation's financial condition due to the recognition of a right-of-use asset and related lease liability. The Foundation does not anticipate the update having a material effect on its results of operations or cash flows, though such an effect is possible.

The update originally required transition to the new lease guidance using a modified retrospective approach which would reflect the application of the update as of the beginning of the earliest comparative period presented. A subsequent amendment to the update provides an optional transition method that allows entities to initially apply the new lease guidance with a cumulative-effect adjustment to the opening balance of equity in the period of adoption. If this optional transition method is elected, after the adoption of the new lease guidance, the Foundation's presentation of comparative periods in the financial statements will continue to be in accordance with current lease accounting. The Foundation is evaluating the method of adoption it will elect. The update is effective for the Foundation's fiscal year ending on June 30, 2023.

Reclassifications

Certain amounts in the 2021 financial statements have been reclassified to conform to the 2022 presentation.

Subsequent Events

The Foundation has evaluated subsequent events through October 20, 2022, which is the date the financial statements were available to be issued. The Foundation is not aware of any subsequent events that require adjustments or disclosure in the financial statements other than as described in Note 9.

3. Liquidity Management and Availability of Resources

The Foundation updates a rolling three-month cash flow forecast on a weekly basis to anticipate cash requirements and, to the extent current inflows are insufficient, liquidates short-term investments maintained with their financial institution. The Foundation maintains cash and cash equivalents as short-term investments. As of June 30, 2022, the Foundation had approximately $9.1 million in cash and cash equivalents. Should current requirements exceed the amount maintained in short-term investments, longer term investments, totaling approximately $34.6 million as of June 30, 2022, would be gradually liquidated to ensure sufficient funds are available, absent any donor restrictions. The Foundation also has a credit line available with borrowing capacity of up to $2,500,000, which can be used to meet general expenditures within a year (Note 9).

The Foundation's financial assets available within one year of the statements of financial position date for general expenditures are as follows as of:

June 30,	**2022**	2021
Cash	**$ 209,523**	$ 717,976
Pledges receivable, net	**5,430,599**	2,246,793
Other receivables	**708,328**	733,764
Investments	**43,678,031**	51,887,412
Financial Assets	**50,026,481**	55,585,945
Less: Investments held in perpetuity	**(3,601,834)**	(3,601,834)
Annuity investments	**(259,329)**	(277,700)
Long-term pledges	**(2,087,695)**	(773,070)
Financial assets available to meet general expenditures over the next twelve months	**$ 44,077,623**	$ 50,933,341

4. Pledges Receivable, Net

Unconditional promises to give that are expected to be collected within one year are recorded at net realizable value. Unconditional promises to give that are expected to be collected in future years are recorded at the present value of the estimated future cash flows. The discounts on those amounts are computed using rates ranging from 0.20% to 4.5% for the years ended June 30, 2022 and 2021. Amortization of the discount is included in contribution revenue.

Two donors accounted for 42% of the pledges receivable balance at June 30, 2022 and two donors accounted for 33% of the pledges receivable balance at June 30, 2021.

Pledges receivable, net, consists of the following at June 30:

June 30,	**2022**	2021
Amounts due in:		
Less than one year	**$ 3,346,104**	$ 1,477,123
One to five years	**1,850,541**	712,250
More than five years	**473,103**	114,361
Total	**5,669,748**	2,303,734
Less: Allowance for uncollectible pledges	**(3,200)**	(3,400)
Present value discount	**(235,949)**	(53,541)
Pledges Receivable, Net	**$ 5,430,599**	$ 2,246,793

5. Investments

Investments are presented at their fair market values and consist of the following at June 30:

June 30,	**2022**	2021
Asset Description		
Cash and cash equivalents	**$ 9,119,100**	$ 15,242,393
Fixed income		
U.S. government agencies (GNMA/FNMA)	**2,289,119**	2,803,225
U.S. bond mutual funds	**25,212**	28,773
Corporate and other government securities	**8,884,011**	7,761,242
Equity securities and mutual funds	**21,337,535**	26,051,779
Real estate securities	**1,910,067**	-
Private equity	**112,987**	-
	$ 43,678,031	$ 51,887,412

The Foundation's investment return, including income earned on cash deposits, consisted of the following for the years ended June 30:

Years ended June 30,	**2022**	2021
Net realized and unrealized (loss) gain, net of investment fees of approximately $209,000 and $174,000, for the years ending June 30, 2022 and 2021, respectively	**$ (5,479,032)**	$ 7,163,601
Interest and dividends	**732,761**	612,513
	$ (4,746,271)	$ 7,776,114

Investments are monitored for the Foundation by the governing investment committee. Although the market value of investments is subject to fluctuations, management believes the investment policy is prudent for the long-term welfare of the Foundation.

The Foundation's investment objectives are to safeguard and preserve the real purchasing power of the portfolio while earning investment returns that are commensurate with the Foundation's risk tolerance and sufficient to meet the Foundation's operational requirements.

The Foundation's investments are classified into three categories: general fund, operating fund and with donor restrictions fund. Investment categories as of June 30, 2022 and 2021 were as follows:

- The general fund is invested with the objective of preserving the long-term real purchasing power of the general fund's assets while seeking an appropriate level of investment return.

- The operating fund is invested with the objective of preserving assets to cover the Foundation's operating expenses and to realize earnings in a way that allows for immediate liquidity to meet the Foundation's ongoing programmatic and operational needs. By policy, the operating fund assets should be maintained in highly liquid and secure investments with a fixed principal value that can be drawn on immediate notice.

- The donor restricted fund, similar to the general fund, is invested with the objective of preserving long-term real purchasing power. Investments with donor restrictions are comprised of donor contributions that are restricted for a specific purpose or in perpetuity.

Changes in the Foundation's investment categories were as follows for the year ended June 30, 2022:

	General and Operating Fund	With Donor Restrictions	Total
Beginning balance	$ 48,007,878	$ 3,879,534	$ 51,887,412
Additions	21,594,027	45,300	21,639,327
Interest and dividends	731,704	1,057	732,761
Investment losses, net of fees	(5,469,322)	(9,710)	(5,479,032)
Withdrawals	(25,047,418)	(55,019)	(25,102,437)
	$ 39,816,869	**$ 3,861,162**	**$ 43,678,031**

Changes in the Foundation's investment categories were as follows for the year ended June 30, 2021:

	General and Operating Fund	With Donor Restrictions	Total
Beginning balance	$ 35,224,120	$ 3,958,473	$ 39,182,593
Additions	16,455,552	300	16,455,852
Interest and dividends	611,310	1,203	612,513
Investment earnings, net of fees	7,156,896	6,705	7,163,601
Withdrawals	(11,440,000)	(87,147)	(11,527,147)
	$ 48,007,878	**$ 3,879,534**	**$ 51,887,412**

6. Fair Value Measurements

The FASB Accounting Standards Codification ("ASC") Topic 820, Fair Value Measurement and Disclosures, 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 under FASB ASC 820 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 methodologies used for assets measured at fair value. There have been no changes in the methodologies used at June 30, 2022 and 2021.

Cash and cash equivalents are valued at cost which approximates fair value.

The Fixed Income Portfolio consists of investments in securities issued by the U.S. Treasury, U.S. agencies, and corporate bonds through an independent investment advisor. These investments are valued at the closing price reported in the active market in which the individual securities are traded.

The Equity Portfolio consists of exchange traded funds and mutual funds managed primarily through investments held by independent investment advisors with discretionary investment authority. Equity Portfolio investments are valued at the closing price reported in the active market in which the individual securities are traded.

Real estate securities are valued at the closing price reported in the active market in which the individual securities are traded.

The Foundation uses the net asset value ("NAV") to determine the fair value of its private equity investments which (a) do not have a readily determinable fair value and (b) prepare their financial statements consistent with the measurement principles of an investment company. The private equity investments are valued at the estimated fair value utilizing net asset values, at estimated fair values provided by the fund managers or general partners, or other valuation methods. Because of the inherent uncertainty of valuation, it is possible that estimated values may differ significantly from the values that would have been used had a ready market for the securities existed. Funds may or may not be redeemable at their net asset value per share in accordance with the partnership agreement. The Foundation considers the length of time until the investment is redeemable, including notice and lock-up periods or any other restriction on the disposition of the investment.

The Foundation also considers the nature of the portfolios of the underlying investments and their ability to liquidate their underlying investments. The limited partnership's ability to liquidate certain investments may be inhibited since the issuers may be privately held or the limited partnership may own a relatively large portion of the issuer's securities.

The preceding methods 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 methods are 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.

The values assigned to certain investments are based upon currently available information and do not necessarily represent amounts that may ultimately be realized. Because of the inherent uncertainty of valuation, those estimated fair values may differ significantly from the values that would have been used had a ready market for the investments existed and the differences could be material.

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2022 for each of the fair value hierarchy levels:

Description	Fair Value June 30, 2022	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 9,119,100	$ 9,119,100	$ -	$ -
Fixed income:				
U.S. government agencies (GNMA/FNMA)	2,289,119	-	2,289,119	-
U.S. bond mutual funds	25,212	25,212	-	-
Corporate and other government securities	8,884,011	7,030,617	1,853,394	-
Equity securities and mutual funds	21,337,535	21,337,535	-	-
Real estate securities	1,910,067	1,910,067	-	-
	43,565,044	39,422,531	4,142,513	-
Private equity investments at net asset value	112,987			
	$ 43,678,031	$ 39,422,531	$ 4,142,513	$ -

The following table represents the Foundation's financial instruments measured at fair value on a recurring basis at June 30, 2021 for each of the fair value hierarchy levels:

Description	Fair Value June 30, 2021	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:				
Cash and cash equivalents	$ 15,242,393	$ 15,242,393	$ -	$ -
Fixed income:				
U.S. government agencies (GNMA/FNMA)	2,803,225	-	2,803,225	-
U.S. bond mutual funds	28,773	28,773	-	-
Corporate and other government securities	7,761,242	3,758,375	4,002,868	-
Equity securities and mutual funds	26,051,779	26,051,779	-	-
	$ 51,887,412	$ 45,081,320	$ 6,806,093	$ -

The carrying amounts for cash, receivables, accounts payable and certain other assets and liabilities approximate fair value due to the short-term nature of these financial instruments.

The Foundation's private equity investments are in a limited partnership.

	June 30, 2022	June 30, 2021	Unfunded Commitments as of June 30, 2022	Redemption Frequency	Redemption Notice Period
Privite Equity:					
Addition Three, L.P.	**$ 112,987**	$ -	$ 180,000	Illiquid	Illiquid

The objective of the limited partnership is to make venture capital and growth stage investments, principally by investing in and holding equity and equity-oriented securities of privately held early and growth-stage technology and related companies.

7. Property and Equipment, Net

Property and equipment, net, consists of the following as of June 30:

June 30,	2022	2021
Leasehold improvements	$ 658,743	$ 658,743
Equipment, furniture and intangible assets	2,529,019	2,131,924
	3,187,762	2,790,667
Less: accumulated depreciation and amortization	(1,706,879)	(1,574,428)
	$ 1,480,883	$ 1,216,239

Depreciation and amortization expense was $435,701 and $414,074 for the years ended June 30, 2022 and 2021, respectively.

8. Contributions of nonfinancial assets

Contributed nonfinancial assets during the years ended June 30, 2022 and 2021 were as follows:

	Revenue Recognized				
Nonfinancial Asset	June 30, 2022	June 30, 2021	Utilization in Programs/Activities	Donor Restrictions	Valuation Techniques/Inputs
Advertising services	$ 34,487,362	$ 1,482,622	Education and Empowerment	Without Donor Restrictions	The Foundation estimated the fair value of donated advertising services based on current rates for specific time slots and length of airings.

During the year ended June 30, 2022, the Foundation engaged a new marketing consultant and expanded the delivery of its original public service announcement ("PSA"). Additionally, the Foundation created a second PSA to provide additional education and awareness of PD. A significant amount of free advertising time was generated through the broadcasting of the two PSAs, which were aired all throughout the United States. During the prior fiscal year, the Foundation only had the original PSA which was being aired in specific regions.

9. Line-of-Credit

In May 2020, the Foundation obtained a $2,500,000 revolving line-of-credit with a third-party financial institution. Subsequent to year end, the line of credit was increased to $5,000,000. The line-of-credit is secured by the Foundation's assets and the entire obligation is due and payable on demand. The line-of-credit matures on October 31, 2023 and has a variable interest rate based on the Wall Street Journal prime rate. At June 30, 2022 and 2021, the interest rate on the line-of-credit was 4.75% and 3.25%, respectively. At June 30, 2022 and 2021, the amount available on the line-of-credit was $2,500,000.

10. Paycheck Protection Program Loan

During the year ended June 30, 2020, the Foundation applied for, and received, funds under the United States Business Administration ("SBA") Paycheck Protection Program ("PPP") in the amount of $2,164,400. The application for these funds required the Foundation to, in good faith, certify that the current economic uncertainty made the loan request necessary to support the ongoing operations of the Foundation. This certification further required the Foundation to take into account its current business activity and its ability to access other sources of liquidity sufficient to support ongoing operations in a manner that is not significantly detrimental to the business.

Funds are eligible for forgiveness to the extent that they are used to cover certain payroll, rent and utility costs and whether the Foundation retained employees during a specified period of time.

During the year ended June 30, 2022, the Foundation received formal forgiveness from the SBA for the full amount of the loan and recorded the forgiveness as "Paycheck Protection Program loan forgiveness" on the statements of activities.

11. Related Parties

Certain members of the Board of Directors (the "Board") have supported the Foundation financially. Below is a summary of transactions with members of the Board as of and for the years ended June 30:

June 30,	**2022**	2021
Pledges receivable	**$ 265,000**	$ 100,000
Contributions	**$ 1,278,792**	$ 507,952

12. Retirement Plan

The Foundation has a tax deferred retirement plan available to all employees. The Foundation allows the participants to make pre-tax contributions up to defined statutory limits. The plan is a safe harbor plan with non-elective matching contributions of five percent. The Foundation's matching contribution to the plan for the years ended June 30, 2022 and 2021 amounted to approximately $638,000 and $548,000, respectively.

13. Endowment

The Foundation's endowment consists of individual funds established for a variety of purposes and is comprised of donor-funds restricted in perpetuity. As required by U.S. GAAP, net assets associated with endowment funds are classified and reported based on the existence or absence of donor-imposed restrictions.

The State of Florida adopted the Florida Uniform Prudent Management of Institutional Funds Act ("FUPMIFA"). The Foundation has interpreted the FUPMIFA as requiring the preservation of the fair value of the original gift as of the gift date of the donor-restricted endowment funds absent explicit donor stipulations to the contrary. As a result of this interpretation, the Foundation classifies as net assets with donor restrictions (a) the original value of gifts donated to the permanent endowment,

(b) the original value of subsequent gifts to the permanent endowment and (c) accumulations to the permanent endowment made in accordance with the direction of the applicable donor gift instrument at the time the accumulation is added to the fund. The remaining portion of the donor-restricted endowment fund not held in perpetuity is classified as net assets with donor restrictions until those amounts are appropriated for expenditure by the Foundation in a manner consistent with the standard of prudence prescribed by FUPMIFA.

The Foundation considers the following factors in making a determination to appropriate or accumulate donor-restricted endowment fund earnings:

(1) The duration and preservation of the fund;
(2) The purposes of the Foundation and the donor-restricted endowment fund;
(3) General economic conditions;
(4) The possible effect of inflation and deflation;
(5) The expected total return from income and the appreciation of investments;
(6) Other resources of the Foundation
(7) The investment policies of the Foundation.

Summary of Endowment Net Assets at June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gift in perpetuity	$ -	$ 3,601,834	$ 3,601,834
Total endowment net assets	**$ -**	**$ 3,601,834**	**$ 3,601,834**

Summary of Endowment Net Assets at June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Original donor restricted gift in perpetuity	$ -	$ 3,601,834	$ 3,601,834
Total endowment net assets	**$ -**	**$ 3,601,834**	**$ 3,601,834**

Changes in Endowment Net Assets During the Year Ended June 30, 2022:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	$ -	$ 3,601,834	$ 3,601,834
Investment return, net	(357,771)	-	(357,771)
Amounts appropriated for expenditure	357,771	-	357,771
Endowment net assets, ending	**$ -**	**$ 3,601,834**	**$ 3,601,834**

Changes in Endowment Net Assets During the Year Ended June 30, 2021:

	Without Donor Restrictions	With Donor Restrictions	Total
Endowment net assets, beginning	$ -	$ 3,601,834	$ 3,601,834
Investment return, net	615,093	-	615,093
Amounts appropriated for expenditure	(615,093)	-	(615,093)
Endowment net assets, ending	**$ -**	**$ 3,601,834**	**$ 3,601,834**

Endowment Net Assets are Invested as follows as of June 30:

	2022	2021
Investments	$ 3,601,834	$ 3,601,834
Total	**$ 3,601,834**	**$ 3,601,834**

Funds with Deficiencies

From time to time, the fair value of assets associated with individual donor restricted endowment funds may fall below the level that the donor requires the Foundation to retain as a fund of perpetual duration, which was $3,601,834 for the years ended June 30, 2022 and 2021. In accordance with U.S. GAAP, no deficiencies of this nature existed at June 30, 2022 and 2021.

Return Objectives and Risk Parameters

The Foundation has adopted investment and spending policies for endowment assets that attempt to provide a predictable stream of funding to programs supported by its endowment while seeking to maintain the purchasing power of the endowment assets. Endowment assets include those assets of donor-restricted funds that Foundation must hold in perpetuity or for a donor-specified period(s). The Foundation expects its endowment funds, over time, to provide a rate of return in excess of the original donor-restricted principal. Actual returns in any given year may vary.

Strategies Employed for Achieving Objectives

The Foundation's endowment assets are invested in fixed income, equity securities and mutual funds. The Foundation has adopted an investment policy designed to optimize returns without exposure to undue risk. The policy takes into consideration that fluctuating rates of return are characteristic of the securities market, therefore the greatest concern is long-term appreciation of the assets and consistency of total portfolio returns.

Spending Policy and How the Investment Objectives Relate to Spending Policy

The principal amount cannot be expended; however, the earnings generated by the original donated principal are available to be expended in the Foundation's operating needs.

14. Net Assets

Net assets without donor restrictions are used to support the operating activities of the Foundation. The major program activities are described in Note 1.

Net assets with donor restrictions consist of the following as of June 30:

June 30,	**2022**	2021
Restricted by donors due to:		
Purpose restrictions:		
Gifts held in perpetuity	**$ 3,601,834**	$ 3,601,834
Research	**611,021**	223,553
Time restrictions:		
Pledges, cash and split interest agreements	**1,980,221**	906,509
	$ 6,193,076	$ 4,731,896

Net assets in the amount $3,601,834 as of June 30, 2022 and 2021 are restricted in perpetuity to provide a source of funds predominantly for educational, research and other charitable purposes.

Increases in net assets with donor restrictions and releases from restrictions are summarized below for the years ended June 30:

June 30,	**2022**	2021
Split interest agreements	**$ (5,897)**	$ 8,208
Restricted contributions	**611,021**	223,553
Pledges and cash	**1,282,547**	198,678
Total Additions	**1,887,671**	430,439
Split interest agreements	**(30,315)**	9,113
Restricted contributions	**(223,553)**	-
Pledges and cash	**(172,623)**	(256,906)
Total Releases from Restrictions	**$ (426,491)**	$ (247,793)

15. Risks and Uncertainties

Concentrations of Credit Risk

Financial instruments that potentially subject the Foundation to concentration of credit risk consist primarily of cash deposits and investment securities. The Foundation's investment securities consist mainly of investment grade securities and cash deposits with major financial institutions and brokerage firms. By policy, the Foundation limits the amount of exposure to any one financial institution by verifying that the security holdings managed by the financial institution are maintained within approved levels. Although cash balances may exceed federally insured limits at times during the year, the Foundation has not experienced and does not expect to incur any losses in such accounts. Credit risk with respect to pledges receivable is limited due to the number and credit worthiness of the corporations and individuals who comprise the contributor base.

16. Commitments and Contingencies

Leases

In April 2013, the Foundation entered into an office lease agreement for its main headquarters in Miami, Florida. The lease provides for escalating rent payments and a period of free rent. The lease term began in October 2013 for a period of 130 months. Additionally, the Foundation leases office space for its offices located in New York and Kansas with various expiration dates up to 2026. The Foundation records rent expense on a straight-line basis over the lease term. As part of the New York lease agreement, the Foundation received an allowance of approximately $77,000 in consideration of the improvements made to the new office space. Tenant allowances received are deferred when received and amortized on a straight-line basis over the life of the lease term.

As of June 30, 2022 and 2021, the deferred rent liability balance was approximately $197,000 and $240,000, respectively, and is reflected within the caption "Accounts payable and accrued expenses" in the statements of financial position. The Foundation also leases certain office equipment under operating leases. Rent expense for office space for the years ended June 30, 2022 and 2021 was approximately $756,000 and $765,000, respectively.

The approximate future minimum lease payments under the non-cancelable leases for office space are as follows for the years ending June 30:

Years ended June 30,		
2023	$	708,000
2024		705,000
2025		491,000
2026		175,000
	$	2,079,000

Legal

The Foundation is exposed to various asserted and unasserted potential claims encountered in the normal course of business. In the opinion of management, the resolution of these matters will not have a material effect on the Foundation's financial position or the results of its operations. Any matter will be vigorously defended by the Foundation.