

CAVE CANEM FOUNDATION, INC.
FINANCIAL STATEMENTS
FOR THE YEAR ENDED
DECEMBER 31, 2021

RB | RICH &
BANDER

CERTIFIED PUBLIC ACCOUNTANTS

CAVE CANEM FOUNDATION, INC.
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RICH AND BANDER, LLP
CERTIFIED PUBLIC ACCOUNTANTS

PETER R. RICH, CPA

JONATHAN A. BANDER, CPA

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Cave Canem Foundation, Inc.
Brooklyn, NY

Opinion

We have audited the accompanying financial statements of Cave Canem Foundation, Inc. (a 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 Cave Canem Foundation, Inc. as of December 31, 2021, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Arts in the Armed Forces, 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 Cave Canem Foundation, 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, including omissions, 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 Cave Canem Foundation, 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 Cave Canem Foundation, 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.

Rich and Bander, LLP

New York, NY
October 24, 2022

CAVE CANEM FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2021

ASSETS

Current assets

Cash and cash equivalents	\$	371,855
Grants and contributions receivable		271,200
Investments		2,848
Accounts receivable		900
Prepaid expenses		7,779
Total current assets		654,582

Property and equipment, net of accumulated depreciation **2,495**

Other assets

Security deposit		9,639
Total other assets		9,639

TOTAL ASSETS **\$ 666,716**

LIABILITIES AND NET ASSETS

Current liabilities

Accounts payable and accrued expenses	\$	51,468
Total current liabilities		51,468

Net assets

Without donor restrictions		
Undesignated		246,748
Designated by the Board for operating reserve fund		125,000
Total without donor restrictions		371,748
With donor restrictions		243,500
Total net assets		615,248

TOTAL LIABILITIES AND NET ASSETS **\$ 666,716**

CAVE CANEM FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Without Donor Restrictions	With Donor Restrictions	Total
Revenue, support and gains			
Grants and contributions			
Foundation	\$ 273,690	\$ 55,000	\$ 328,690
Government	169,700	53,500	223,200
Individual	155,457	-	155,457
Corporate	5,098	5,000	10,098
Total grants and contributions	603,945	113,500	717,445
Program service revenue			
Program fees	500	-	500
Total program service revenue	500	-	500
Other income			
Miscellaneous income	3,376	-	3,376
Unrealized gain on investments	346	-	346
Interest income	20	-	20
Dividend income	26	-	26
Total other income	3,768	-	3,768
Net assets released from restrictions	192,480	(192,480)	-
Total revenue, support and gains	800,693	(78,980)	721,713
Expenses			
Program services expense	353,819	-	353,819
Supporting services expense			
Management and general	171,932	-	171,932
Fundraising	253,134	-	253,134
Total supporting services expenses	425,066	-	425,066
Total expenses	778,885	-	778,885
Change in net assets	21,808	(78,980)	(57,172)
Net assets - beginning of year	349,940	322,480	672,420
Net assets - end of year	\$ 371,748	\$ 243,500	\$ 615,248

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

CAVE CANEM FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2021

	Program Services	Management & General	Fundraising	Total
Salaries and related payroll expenses	\$ 203,503	\$ 60,829	\$ 149,202	\$ 413,534
Professional fees	30,572	80,756	60,665	171,993
Honoraria	59,500	1,500	12,428	73,428
Payroll taxes	13,626	4,060	8,960	26,646
Regrants	26,040	-	-	26,040
Occupancy	11,818	3,605	9,527	24,950
Supplies - office and other	1,746	6,746	3,337	11,829
Telephone	3,407	1,127	3,034	7,568
Insurance	3,184	955	2,611	6,750
Catering and hospitality	-	4,059	1,517	5,576
Advertising and marketing	-	4,040	241	4,281
Banking fees	-	2,532	-	2,532
Office equipment	364	116	750	1,230
Printing, postage and shipping	-	40	859	899
Depreciation	-	822	-	822
Travel	59	434	-	493
Dues and subscriptions	-	311	3	314
	\$ 353,819	\$ 171,932	\$ 253,134	\$ 778,885

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

CAVE CANEM FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2021

Cash flows from operating activities:	
Change in net assets	\$ (57,172)
<i>Adjustments to reconcile change in net assets to net cash provided by operating activities:</i>	
Depreciation	822
Donated securities	(2,502)
Unrealized gain	(346)
(Increase) decrease in operating assets:	
Accounts receivable	(900)
Grants and contributions receivable	65,680
Prepaid expenses	(5,467)
Increase (decrease) in operating liabilities:	
Accounts payable and accrued expenses	15,903
Total adjustments	73,190
Net cash provided by operating activities	16,018
Cash flows from investing activities:	
Purchase of property and equipment	(1,416)
Net cash used in investing activities	(1,416)
Net increase in cash and cash equivalents	14,602
Cash and cash equivalents, beginning of year	357,253
Cash and cash equivalents, end of year	\$ 371,855
Supplemental disclosures of cash flow information:	
Cash paid during the year for:	
Interest	\$ -
Unrelated business income taxes	\$ -

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Organization

Cave Canem Foundation, Inc. (the “Foundation”) is a New York not-for-profit foundation founded in 1997, for the artistic and professional development of the poetry of African-Americans through sponsorship of residence, workshops, readings, publications and other programs. The Foundation’s support comes primarily from individual donors and various government and agency grants.

Basis of Presentation

The Foundation’s financial statements have been prepared on the accrual basis of accounting and conform to accounting principles generally accepted in the United States of America.

Cash and Cash Equivalents

The Foundation considers all highly liquid investments, except those held for long-term investment, with maturities of three months or less when purchased to be cash equivalents.

Property and Equipment

The Foundation capitalizes all expenditures for property and equipment in excess of \$1,000 at cost, if purchased, or at fair value on the date of receipt, if donated. Depreciation for property and equipment is provided using the straight-line method for financial reporting purposes at rates based on the following estimated useful lives:

	<u>Years</u>
Equipment	3

Upon sale or retirement, the cost and related accumulated depreciation are eliminated from the respective accounts, and the resulting gain or loss is reported. Expenditures for major renewals and improvements that extend the useful lives of the property and equipment are capitalized. Expenditures for maintenance and repairs are charged to expense as incurred.

Investments

The Foundation records investment purchases at cost, or if donated, at fair value on the date of donation. Thereafter, investments are reported at their fair values in the statement of financial position. Net investment return/(loss) is reported in the statement of activities and consists of interest and dividend income, realized and unrealized capital gains and losses, less external and direct internal investment expenses.

Advertising and Marketing Costs

Advertising and marketing costs are expensed as incurred.

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2021

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Revenue, Revenue Recognition and Receivables

Grants and Contributions – Grants and contributions are recognized when cash, securities or other assets; an unconditional promise to give; or 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 release/return, are not recognized until the conditions on which they depend have been substantially met.

Grants and Contributions Receivable – Grants and contributions that are not yet collected are recorded as grants and contributions receivable. Amounts expected to be collected within one year are recorded at net realizable value. Amounts that are expected to be collected in future years are recorded at the present value of their estimated future cash flows. The Foundation uses the allowance method to determine uncollectible promises to give. The allowance is based on prior years' experience and management's analysis of specific promises made.

Accounts Receivable – Accounts receivable represents program fees that have been earned but not collected as of the financial statement date at amounts expected to be collected. The Foundation uses the allowance method to determine uncollectible accounts receivable. The allowance is based on prior years' experience and management's analysis of specific accounts receivable.

Program Fees – Program and course fees charged are recognized at the time the programs are offered at which time the Foundation's performance obligation is completed.

Contract Balances

Contract assets are recognized when the Foundation has satisfied a contract obligation but must satisfy other performance obligations before being entitled to payment, or when the Foundation has the right to bill a customer before satisfying any or some of the performance obligations. Contract liabilities are recognized when the Foundation has an obligation to transfer goods or perform services to a customer for which the Foundation has received consideration or when payment is due prior to satisfying any or some of the performance obligations.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management of the Foundation to use estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Functional Allocation of Expenses

The costs of providing the various programs and other activities have been summarized on a functional basis on the statement of activities. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2021

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Net Assets

Net assets, revenues, gains, and losses are classified based on the existence or absence of donor or grantor-imposed restrictions. Accordingly, net assets and changes therein are classified and reported as follows:

Net Assets Without Donor Restrictions – Net assets available for use in general operations and not subject to donor (or certain grantor) restrictions. The governing board has designated, from net assets without donor restrictions, net assets for an operating reserve and board-designated endowment.

Net Assets With Donor Restrictions – Net assets subject to donor - (or certain grantor) - imposed restrictions. Some donor-imposed restrictions are temporary in nature, such as those that will be met by the passage of time or other events specified by the donor. Other donor-imposed restrictions are perpetual in nature, where the donor stipulates that resources be maintained in perpetuity. The Foundation reports contributions restricted by donors as increases in net assets without donor restrictions if the restrictions expire (that is, when a stipulated time restriction ends or purpose restriction is accomplished) in the reporting period in which the revenue is recognized. All other donor-restricted contributions are reported as increases in net assets with donor restrictions, depending on the nature of the restrictions. When a restriction expires, 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.

Income Tax Status

The Foundation is exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. It is also exempt from state income taxes. However, any unrelated business income may be subject to taxation. Currently, the Foundation does not have any unrelated business income. The Foundation's Forms 990, *Return of Organizations Exempt from Income Tax*, for the years ended December 31, 2020, 2019 and 2018 are subject to examination by the Internal Revenue Service, generally for three years after they were filed. The Foundation has evaluated its current tax positions and has concluded that as of December 31, 2021, the Foundation does not have any significant uncertain tax positions for which a reserve would be necessary.

Recent Accounting Pronouncements

In February 2016, the FASB issued ASU No. 2016-02, *Leases* (Topic 842), which requires lessees to recognize leases on the balance sheet and disclose key information about leasing arrangements. The new ASU establishes a right-of-use ("ROU") model that requires a lessee to recognize a ROU asset and lease liability on the balance sheet for most leases with terms longer than 12 months. Leases will be classified as finance or operating, with classification affecting the pattern and classification of the expense recognition in the statement of activities. The effective date for this standard has been delayed to annual reporting periods beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022.

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2021

1) NATURE OF THE ORGANIZATION AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

Recent Accounting Pronouncements (Cont'd)

A modified retrospective transition approach is required for lessees for capital and operating leases existing at, or entered into after, the beginning of the earliest comparative period presented in the financial statements, with certain practical expedients available.

In September 2020, the FASB issued ASU No. 2020-07, *Presentation and Disclosures by Not-for-Profit Entities for Contributed Nonfinancial Assets* (Topic 958) which requires not-for-profits to present contributed nonfinancial assets as a separate line item in the statement activities and provide additional disclosures about contributions of nonfinancial assets. Contributed nonfinancial assets, commonly referred to as gifts-in-kind, include fixed assets (such as land, buildings, and equipment), use of fixed assets or utilities, materials and supplies, intangible assets, services, and unconditional promises of those assets. The ASU is effective for annual periods beginning after June 15, 2021 and interim periods within annual periods beginning after June 15, 2022. Early adoption is permitted.

The Foundation is currently evaluating the effect that these updates will have on its financial statements.

2) LIQUIDITY AND AVAILABILITY

Financial assets available for general expenditure, that is, without donor or other restriction limiting their use, within one year of the balance sheet date, comprise the following:

Cash and cash equivalents	\$ 313,355
Grants and contributions receivable	141,200
Accounts receivable	<u>900</u>
Total	<u>\$ 455,455</u>

As part of the Foundation's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. To help manage unanticipated liquidity needs, the Foundation has a committed line of credit in the amount of \$20,000, which it could draw upon (see Note 9). During 2020 the Foundation also established a board-designated operating reserve fund established by the Foundation's Board of Directors (the "Board"), (See Note 10).

3) PROPERTY AND EQUIPMENT

The following is a summary of property and equipment less accumulated depreciation as of December 31, 2021. Depreciation expense for the year then ended was \$822.

Equipment	\$ 3,501
Less: accumulated depreciation	<u>1,006</u>
	<u>\$ 2,495</u>

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2021

4) GRANTS AND CONTRIBUTIONS RECEIVABLE

Grants and contributions receivable at December 31, 2021 consists of the following:

Foundation contributions	\$ 185,000
Government grants	78,500
Individual contributions	<u>7,700</u>
	<u>\$ 271,200</u>

These amounts are generally collected within one year. The Foundation believes its receivables to be fully collectible; accordingly, no allowance for doubtful accounts was recorded for the year then ended.

5) FAIR VALUE MEASUREMENTS

The Foundation has a number of financial instruments held for trading purposes. The Foundation estimates that the fair value of all financial instruments at December 31, 2021 does not differ materially from the aggregate carrying values of its financial instruments recorded in the accompanying statement of financial position. The estimated fair value amounts have been determined by the Foundation using available market information and appropriate valuation methodologies. Considerable judgment is necessarily required in interpreting market data to develop the estimates of fair value, and accordingly, the estimates are not necessarily indicative of the amounts that the Foundation could realize in a current market exchange.

Accounting Standards Codification 820, *Fair Value Measurement*, establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three broad levels: Level 1, inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority; Level 2, defined as inputs other than quoted prices in active markets that are either directly or indirectly observable; and Level 3, defined as unobservable inputs in which little or no market data exists, therefore requiring an entity to develop its own assumptions. The asset's 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.

All of the Foundation's investment assets are classified within Level 1 because they comprise open-end mutual funds with readily determinable fair values based on daily redemption values.

Assets Measured and Recognized at Fair Value on a Recurring Basis

The following table presents assets and liabilities measured at fair value on a recurring basis, except those measured at cost or by using NAV per share as a practical expedient as identified in the following, at December 31, 2021:

<u>Security Type</u>	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual funds	\$ <u>2,848</u>	\$ <u>2,848</u>	\$ <u>-</u>	\$ <u>-</u>
Total	\$ <u>2,848</u>	\$ <u>2,848</u>	\$ <u>-</u>	\$ <u>-</u>

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2021

6) INVESTMENTS

As of December 31, 2021, the Foundation held \$2,848 in equity securities that are classified as investments on the statement of financial position. Investments are summarized as follows at December 31, 2021:

	<u>Cost</u>	<u>Fair Value</u>
Equity securities	\$ 2,476	\$ 2,848
Total	<u>\$ 2,476</u>	<u>\$ 2,848</u>

7) ADVERTISING AND MARKETING COSTS

For the year ended December 31, 2021, advertising and marketing expense amounted to \$4,281.

8) DISSAGGREGATION OF REVENUE FROM CONTRACTS WITH CUSTOMERS

The following table disaggregates the Foundation's revenue based on the timing of satisfaction of performance obligations for the year ended December 31, 2021:

Revenue recognized at a point in time:	
Program fees	<u>\$ 500</u>
Total	<u>\$ 500</u>

9) LINE OF CREDIT

The Foundation has available a \$20,000 revolving line of credit with a financial institution at a variable interest rate of 3.25% over the Wall Street Journal Prime Index Rate per annum. On December 31, 2021, the interest rate on the line of credit was 11.4% per annum. The line of credit is reviewed annually and its renewal is at the sole discretion of the bank. There was no outstanding balance on the line of credit as of December 31, 2021. The line of credit is available for the general business operations of the Foundation.

10) BOARD DESIGNATED NET ASSETS

The Foundation has a Board Designated Operating Reserve Fund (the "Fund") that was established to maintain an adequate level of net assets without donor restrictions to support the Foundation's day-to-day operations in the event of unforeseen shortfalls. The Fund may also be used for one-time, non-restructuring and specific program needs. The Fund is funded with surplus operating funds with no donor restrictions. The Board may, from time to time, direct a specific source revenue, such as one-time gifts, bequests, special grants or special appeals to be set aside for the Fund. In 2020 the Board designated \$150,000 of operating funds with no donor restrictions to the Fund. The total Fund's balance at December 31, 2021 is \$125,000.

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2021

11) NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are restricted for the following purposes or periods:

Subject to expenditure for specified purpose:	
Fundraising Salary	\$ 90,000
Retreat	40,000
Workshops	25,250
Readings	13,250
Public Core Programs	5,000
Purchase of Equipment	<u>5,000</u>
Subtotal	178,500
Subject to the passage of time:	
For periods after December 31, 2021	<u>65,000</u>
Subtotal	65,000
Total net assets with donor restrictions	<u>\$ 243,500</u>

Net assets were released from donor restrictions by incurring expenses satisfying the restricted purpose or by occurrence of the passage of time or other events specified by the donors as follows for the year ended December 31, 2021:

Expiration of time restrictions	\$ 14,250
Satisfaction of purpose restrictions:	
Fundraising Salary	90,000
Retreats	40,000
Workshops	23,612
Poetry Coalition Fellowship	12,480
Readings	<u>12,138</u>
Subtotal	178,230
Total	<u>\$ 192,480</u>

12) FUNCTIONALIZED EXPENSES

The financial statements report certain categories of expenses that are attributable to one or more program or supporting functions of the Foundation. Therefore, these expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include rent and occupancy costs related to the office space, as well as salaries and related payroll expenses, telephone, office supplies, and utilities, which are allocated on the basis of estimates of time and effort.

CAVE CANEM FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS (CONT'D)
DECEMBER 31, 2021

13) CONCENTRATIONS OF RISK

The Foundation maintains its cash balances at a major financial institution. The balances are insured by the Federal Deposit Insurance Corporation up to \$250,000. As of December 31, 2021, the total uninsured balance was \$116,147. The Foundation has not experienced any losses on such accounts and believes it is not exposed to any significant credit risk regarding its cash balances.

During the year ended December 31, 2021, the Foundation received approximately 24% of its total grants and contributions from two donors. In addition, grants and contributions receivable from four donors accounted for approximately 79% of grants and contributions receivable at year-end.

14) LEASE COMMITMENTS

The Foundation leases office space in Brooklyn, New York under a lease agreement that expires on December 31, 2024. Rent is payable in equally monthly installments of \$1,678. During the lease term the Foundation is also responsible for paying its share of real estate taxes and common charges for trash and real estate escalation throughout the lease term.

Future minimum lease payments under the lease agreement are as follows:

For the year ending December 31,	
2022	\$ 20,136
2023	20,136
2024	<u>20,136</u>
Total	<u>\$ 60,408</u>

Rental expense (included in occupancy in the statement of functional expenses) for the year ended December 31, 2021 was \$20,136.

15) CONTINGENCIES

From time to time the Foundation may become involved in legal claims arising in the ordinary course of its activities. In the opinion of management, the outcome of any legal proceedings would be covered by the Foundation's insurance policies, subject to normal deductibles, and accordingly, would not have a material effect on its financial position or changes in net assets.

16) COVID-19 AND SUBSEQUENT EVENTS

On March 11, 2020, the World Health Organization recognized the novel strain of coronavirus COVID-19, as a pandemic. In direct response, on March 22, 2020, the Governor of New York State issued executive order *New York State on PAUSE*, which closed all non-essential businesses state-wide. The coronavirus outbreak has severely impacted economic activity across the world. The Foundation's Board of Directors and Management are in discussion to identify and limit the negative long-term implications of this pandemic to the Foundation.

Management has evaluated subsequent events through October 24, 2022, which is the date the financial statements were available to be issued.