

ASPEN HISTORICAL SOCIETY

FINANCIAL STATEMENTS

December 31, 2020

ASPEN HISTORICAL SOCIETY

FINANCIAL STATEMENTS

December 31, 2020

TABLE OF CONTENTS

ITEM	PAGE NUMBER
Independent Accountant's Review Report	1
Statement of Financial Position	2
Statement of Activities	3
Statement of Functional Expenses	4
Statement of Cash Flows	5
Notes to Financial Statements	6



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

Board of Trustees
Aspen Historical Society
Aspen, Colorado

We have reviewed the accompanying statement of financial position of Aspen Historical Society (a nonprofit organization) as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the 14 months then ended, and the related notes to the financial statements. A review includes primarily applying analytical procedures to management's financial data and making inquiries of management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

Management's Responsibility 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; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement whether due to fraud or error.

Accountant's Responsibility

Our responsibility is to conduct the review engagement in accordance with Statements on Standards for Accounting and Review Services issued by the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with accounting principles generally accepted in the United States of America. We believe that the results of our procedures provide a reasonable basis for our report.

Accountant's Conclusion

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with accounting principles generally accepted in the United States of America.

Adjustments to Prior Period Financial Statements

As discussed in Note 3 to the financial statements, Aspen Historical Society restated its October 31, 2019 financial statements during the current year to appropriately classify net assets with donor restrictions and to recognize expenses in the correct period in accordance with generally accepted accounting principles in the United States of America.

Reese Henry & Company, Inc.

Certified Public Accountants
Aspen, Colorado
August 4, 2021

ASPEN HISTORICAL SOCIETY
STATEMENT OF FINANCIAL POSITION
December 31, 2020

ASSETS

Cash and Cash Equivalents	\$ 790,668
Pledges Receivable	50,000
Inventory	6,390
Investments	1,157,805
Restricted Cash and Cash Equivalents	82,598
Restricted Investments	189,837
Prepaid Expenses	5,533
Land, Buildings and Equipment, net	2,005,607
Development Costs	24,761
TOTAL ASSETS	<u>\$ 4,313,199</u>

LIABILITIES AND NET ASSETS

LIABILITIES

Accounts Payable	\$ 5,233
Customer Deposit	4,625
Note Payable	197,416
TOTAL LIABILITIES	<u>207,274</u>

NET ASSETS

Net Assets without Donor Restrictions	
Undesignated	860,115
Invested in Land, Buildings and Equipment, net of related debt	1,808,191
Board Designated Funds	1,140,423
Total Net Assets without Donor Restrictions	<u>3,808,729</u>
Net Assets with Donor Restrictions	
Donor Restricted	272,435
Invested in Development Costs	24,761
Total Net Assets with Donor Restrictions	<u>297,196</u>
TOTAL NET ASSETS	<u>4,105,925</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 4,313,199</u>

See accompanying notes and independent accountant's review report.

ASPEN HISTORICAL SOCIETY
STATEMENT OF ACTIVITIES
For the 14 Months Ended December 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Total
REVENUES, GAINS AND OTHER SUPPORT			
Contributions	\$ 271,589	\$ 71,035	\$ 342,624
Grants	1,147,436	-	1,147,436
In Kind Contributions	3,236	21,592	24,828
Admissions	107,519	-	107,519
Sales, net	11,328	-	11,328
Investment Return, net	194,571	22,482	217,053
Other income	3,001	-	3,001
Net Assets Released From Restrictions:			
Satisfaction of Program Restrictions	31,114	(31,114)	-
TOTAL REVENUES, GAINS AND OTHER SUPPORT	1,769,794	83,995	1,853,789
EXPENSES			
Program Expenses	1,055,954	-	1,055,954
Supporting Services:			
General and Administration	201,526	-	201,526
Fundraising	99,348	-	99,348
Total Supporting Services	300,874	-	300,874
TOTAL EXPENSES	1,356,828	-	1,356,828
CHANGE IN NET ASSETS	412,966	83,995	496,961
NET ASSETS, Beginning (Restated)	3,395,763	213,201	3,608,964
NET ASSETS, Ending	\$ 3,808,729	\$ 297,196	\$ 4,105,925

See accompanying notes and independent account's review report.

ASPEN HISTORICAL SOCIETY
STATEMENT OF FUNCTIONAL EXPENSES
For the 14 Months Ended December 31, 2020

	Program Services	Supporting Services		Cost of Goods Sold	Total
		General and Administration	Fundraising		
Salaries and Wages	\$ 561,156	\$ 131,232	\$ 73,527	\$ -	\$ 765,915
Employee Benefits	90,840	19,998	11,205	-	122,043
Payroll Taxes	41,819	9,222	5,167	-	56,208
Accounting	-	17,903	-	-	17,903
Professional Services	1,844	-	-	-	1,844
Advertising and Promotion	21,403	-	-	-	21,403
Office	8,020	7,742	2,293	-	18,055
Information Technology	39,480	7,479	5,218	-	52,177
Occupancy	57,836	613	-	-	58,449
Depreciation	112,994	-	-	-	112,994
Insurance	26,099	2,900	-	-	28,999
Licenses and Fees	1,595	4,437	1,938	-	7,970
Program Expenses	83,392	-	-	-	83,392
Interest	9,476	-	-	-	9,476
Cost of Goods Sold	-	-	-	6,517	6,517
Total Expenses by Function	1,055,954	201,526	99,348	6,517	1,363,345
Less Expenses Included with Revenues on the Statement of Activities:					
Cost of Goods Sold	-	-	-	(6,517)	(6,517)
Total Expenses Included in the Expense Section of the Statement of Activities	\$ 1,055,954	\$ 201,526	\$ 99,348	\$ -	\$ 1,356,828

See accompanying notes and independent accountant's review report.

ASPEN HISTORICAL SOCIETY
STATEMENT OF CASH FLOWS
For the 14 Months Ended December 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES

Change in Net Assets	\$ 496,961
Adjustments to Reconcile Change in Net Assets to Net Cash and Cash Equivalents Provided by Operating Activities:	
Depreciation Expense	112,994
Loss on Disposal of Equipment	806
Unrealized Gain on Investments	(260,871)
In-Kind Contribution of Development Costs	(21,592)
(Increase) Decrease in Assets:	
Pledges Receivable	(50,000)
Prepaid Expenses	(2,019)
Increase (Decrease) in Liabilities:	
Accounts Payable	(6,288)
Accrued Expenses	(33,732)
Customer Deposits	2,500
NET CASH PROVIDED BY OPERATING ACTIVITIES	<u>238,759</u>

CASH FLOWS FROM INVESTING ACTIVITIES

Proceeds From the Sale of Investments	254,666
Purchase of Investments	(353,298)
Purchase of Equipment and Buildings	(97,835)
NET CASH USED IN INVESTING ACTIVITIES	<u>(196,467)</u>

CASH FLOWS FROM FINANCING ACTIVITIES

Payments on Note Payable	(7,088)
NET CASH USED IN FINANCING ACTIVITIES	<u>(7,088)</u>

NET INCREASE IN CASH AND CASH EQUIVALENTS **35,204**

CASH AND CASH EQUIVALENTS, Beginning	<u>838,062</u>
CASH AND CASH EQUIVALENTS, Ending	<u><u>\$ 873,266</u></u>

SUPPLEMENTARY CASH FLOW DISCLOSURES:

Interest Paid	<u><u>\$ 9,476</u></u>
---------------	------------------------

See accompanying notes and independent accountant's review report.

ASPEN HISTORICAL SOCIETY
NOTES TO THE FINANCIAL STATEMENTS
December 31, 2020

1. ORGANIZATION AND PURPOSE

The Aspen Historical Society (the “Society”) was incorporated in 1963 as a nonprofit organization under the laws of the State of Colorado. The Society brings together people interested in the history of the upper Roaring Fork Valley by discovering, collecting and preserving materials that help illustrate or establish the history of the area. The Society has been granted an exemption from Federal income taxes under Section 501(c)(3) of the Internal Revenue Code and is classified as a publicly supported charity under Section 509(a)(1) of the Code.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

BASIS OF ACCOUNTING

The financial statements of the Society have been prepared in accordance with generally accepted accounting principles in the United States of America (“GAAP”). The significant accounting policies followed are described below to enhance the usefulness of the financial statements to the reader.

CHANGE IN FISCAL YEAR END

The Society changed its fiscal year end from October 31 to December 31. The financial statements presented reflect this change and present balances and activity for the 14 months ended December 31, 2020.

BASIS OF PRESENTATION

The Society is required to report information regarding its financial position and activities according to of net assets as follows:

Net Assets without Donor Restrictions: Net assets that are not subject to donor-imposed stipulations.

Net Assets with Donor Restrictions: Net assets subject to donor-imposed stipulations that may or will be met, either by actions of the Society and/or the passage of time. When a restriction expires, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions.

Net assets that are subject to donor-imposed stipulations requiring that they be maintained permanently by the Society. Generally, the donors of these assets permit the Society to use all or part of the income earned on any related investments for general or specific purposes.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include all cash held in deposits and temporary investments with an original maturity of three months or less. Cash and investments with an original maturity of three months or less that are held in investment accounts and are included in investments.

PLEDGES RECEIVABLE

Unconditional pledges are recognized as contribution revenue in the period the pledge is made. Pledges are recorded at net realizable value if expected to be collected in one year and at fair value if expected to be collected in more than one year. Conditional pledges are recognized when the conditions on which they depend are substantially met. As of December 31, 2020, the Society has received no conditional pledges and no allowance for doubtful accounts. As of December 31, 2020, the full balance of pledges receivable is expected to be received during 2021.

INVENTORY

Inventory consists of gift shop merchandise, photos and publications and is stated at lower of cost or market determined by first-in, first-out method.

INVESTMENTS

The Society carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values. Unrealized gains and losses are included in the statement of activities. Investment income and gains restricted by a donor are reported as increases in net assets with donor restriction and are released from restriction if the restrictions are met (either by passage of time or by use) in the reporting period in which the income and gains are recognized.

FAIR VALUE MEASUREMENTS

The Society records investments in the fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value into three levels: quoted market prices in active markets for identical assets and liabilities (Level 1); inputs other than quoted market prices that are observable for the asset or liability, either directly or indirectly (Level 2); and unobservable inputs for the asset or liability (Level 3).

LAND, BUILDINGS AND EQUIPMENT

Fixed assets are accounted for at cost. Maintenance and repairs are charged to expense as incurred; major renewals and betterments are capitalized. Donated fixed assets are recorded at fair market value at the time of ownership transfer. Depreciation is provided over the estimated useful lives of the respective assets on a straight-line basis. Useful lives range from ten to thirty-nine years for buildings and improvements, and five to seven years for equipment and vehicles.

DEVELOPMENT COSTS

Various planning costs (architect fees, planning fees, etc.) related to the construction of a ski museum and the renovation of the Carriage House have been incurred. The Society has selected a site for the ski museum and intends to build a museum in the future. When the projects are completed, these costs will be capitalized as building costs. If the projects are deemed no longer feasible by the Society the costs will be charged to expense.

DONATED HISTORICAL ITEMS

The Society does not capitalize donated historical items or recognize them as revenues or gains. Donations of historical items are added to collections that are held for public exhibition, education, or research in furtherance of public service rather than financial gain; are protected, kept unencumbered, cared for, and preserved; and are subject to a policy that requires the proceeds from sales of collection items to be used to acquire other items for collections.

CONTRIBUTIONS

Unconditional contributions are recorded as net assets without donor restrictions or net assets with donor restrictions depending on the existence and nature of any donor restrictions. Donor-restricted support is reported as an increase in net assets with donor restrictions, depending on the nature of the restriction. When a restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, temporarily restricted net assets are reclassified to unrestricted net assets and reported in the statement of activities as net assets released from restrictions. Contributions received with donor-imposed restrictions that are met in the same year in which the contributions are recorded as net assets without donor restrictions.

DONATED SERVICES

Donated services are recognized as contributions if the services (a) create or enhance nonfinancial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Society. Volunteers provide a variety of services throughout the year that are not recognized as contributions in the financial statements since the recognition criteria were not met. The value of donated services received during the 14 months ended December 31, 2020 was \$24,828.

INCOME TAXES

The Society is organized as a Colorado nonprofit corporation and has been recognized by the IRS as exempt from Federal income taxes under Internal Revenue Code Section 509(a)(1) as an organization described in IRS Section 501(c)(3) and qualifies for the charitable contribution deduction under Code Section 170(b)(1)(A)(vi) and has been determined to not be a private foundation under Code Sections 509(a)(1) and (3). The Society is annually required to file a Return of Organization Exempt from Income Tax (Form 990) with the IRS. In addition, the Society is subject to income tax on net income that is derived from business activities that are unrelated to their exempt purpose. The Society has determined that it has no activities unrelated to its exempt purpose.

USE OF ESTIMATES

The preparation of financial statements includes the use of estimates that affect the financial statements. Accordingly, actual results could differ from those estimates.

ADVERTISING

The Society elects to expense advertising costs as incurred. Advertising totaled \$21,403 for the 14 months ended December 31, 2020.

FUNCTIONAL ALLOCATION OF EXPENSES

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

NEWLY ADOPTED ACCOUNTING PRONOUNCEMENTS

In June 2018, the FASB issued Accounting Standards Update (“ASU”) No. 2018-08, *Not-For-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*. The amendments in this ASU clarify and improve current guidance about whether a transfer of assets (or the reduction, settlement, or cancellation of liabilities) is a contribution or an exchange transaction. The Society adopted this ASU for the year ending December 31, 2020. The adoption of this ASU had no significant impact on how the Society recognizes revenue.

In May 2014, the FASB issued Accounting Standards Update (ASU) No. 2014-09, *Revenue from Contracts with Customers (Topic 606)*, which supersedes current revenue recognition requirements and industry-specific guidance. The codification was amended through additional ASU’s and, as amended, requires an entity to recognize revenue when it transfers promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. The Society adopted this ASU for the year ending December 31, 2020. The adoption of this ASU had no significant impact on how the Society recognizes revenue.

DATE OF MANAGEMENT’S REVIEW

Management has evaluated subsequent events through August 4, 2021, the date the financial statements were available to be issued.

3. RESTATEMENT

The Society’s October 31, 2019 net assets, development costs and prepaid expenses have been restated. Net assets with donor restrictions and development costs increased by \$3,169, and net assets without donor restrictions decreased by the same amount. This was due to development costs incurred for the Lift One Capital Campaign being improperly classified as net assets without donor restrictions.

Net assets without donor restrictions decreased and expenses increased by \$27,310. Prepaid expenses decreased by \$27,310 as the project related to the prepaid expenses was completed during the year ended October 31, 2019.

Net assets without donor restrictions and development costs decreased by \$192,473. Development costs of \$192,473 were considered impaired and written off during the year ended October 31, 2019.

4. LIQUIDITY AND AVAILABILITY OF RESOURCES

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

Cash and Cash Equivalents	\$ 790,668
Investments	<u>1,157,805</u>
Total assets available for general expenditures	<u>\$ 1,948,473</u>

As part of the Society'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. The Society has a goal to maintain financial assets, which consist of cash on hand to meet 90 days of minimal operating expenses. Although the Society does not intend to spend from its board designated funds, the funds could be made available if necessary.

5. FAIR VALUE MEASUREMENTS

The fair value option was chosen to measure all financial assets and liabilities in order to mitigate volatility in reported changes in net assets. The carrying amount reported in the statement of financial position for cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities approximate fair value because of the immediate or short-term maturities of these financial instruments.

Investments measured on a recurring basis and reported at fair value are classified and disclosed in one of the three fair value hierarchy categories described in Note 2.

The following table summarizes the valuation of these instruments using the fair value hierarchy levels as of December 31, 2020:

	<u>Fair Value</u>	<u>Level 1</u>
Bond Funds	\$ 267,193	\$ 267,193
Exchange Traded Funds	212,723	212,723
Equities	656,149	656,150
Real Estate Investment Trusts	39,582	39,582
Fixed Income	28,645	28,645
	<u>\$ 1,204,292</u>	<u>\$ 1,204,293</u>

As of December 31, 2020, cash held in investments was \$143,350.

6. INVESTMENTS

Investment return includes the following for the 14 months ended December 31, 2020:

Interest and Dividend Income	\$ 22,009
Realized Loss	(56,685)
Unrealized Gain	260,871
Investment Management Fees	<u>(9,142)</u>
Investment Return, Net	<u>\$ 217,053</u>

The Society's endowment consists of funds established for a variety of purposes. Its endowment includes both donor-restricted funds and funds designated by the Board of Trustees (the "Board") to function as endowments. As required by generally accepted accounting principles, net assets associated with endowments are classified and reported based on the existence or absence of donor-imposed restrictions.

The Board of the Society has not adopted the Uniform Prudent Management of Institutional Funds Act (UPMIFA). Though they have not adopted this Act, the Board classifies as permanently restricted net assets (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 that is not required to be held in perpetuity is classified as Board Designated or net assets with donor restrictions.

The expendable investment return earned from the corpus, which includes interest and dividends, and realized and unrealized gains, net of administrative fees, is included in the net assets with donor restrictions and is reported as net assets released from restrictions as the funds are spent. The Society is committed to preserving the corpus of its endowment.

The Society has a formal investment policy that was approved by the Board. The policy was set to provide long-term financial stability of the Society's assets. It requires the use of an investment manager to manage the portfolio and annually review the policy and outcome with the Board. Endowment assets are invested in a well-diversified asset mix which includes equities and bonds to result in a consistent inflation-protected rate of return that has sufficient liquidity to make an annual distribution that would approximate the annual earnings without invading corpus. Investment assets and allocation between asset classes and strategies are managed to not expose the fund to unacceptable levels of risk. The Society's spending policy is to only spend earnings and not invade corpus.

6. INVESTMENTS (CONTINUED)

The endowment's composition by type of fund as of December 31, 2020 is as follows:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total Endowment Funds
Donor-restricted endowment funds			
Original donor-restricted gift amount and amounts required to be maintained in perpetuity by donor	\$ -	\$ 146,042	\$ 146,042
Accumulated Investment Gains	17,382	43,795	61,177
Board endowment funds - Ruth Whyte	841,649	-	841,649
Board endowment funds- Other	298,774	-	298,774
Total Endowment Funds	<u>\$ 1,157,805</u>	<u>\$ 189,837</u>	<u>\$ 1,347,642</u>

Changes in the endowment's net assets as of December 31, 2020, are as follows:

	Net Assets without Donor Restrictions	Net Assets with Donor Restrictions	Total Endowment Funds
Endowment Net Assets, beginning of year	\$ 813,017	\$ 175,122	\$ 988,139
Contributions	142,450	-	142,450
Investment Return, net	194,571	22,482	217,053
Transfer	1,000	(1,000)	-
Amounts appropriated for expenditures	6,767	(6,767)	-
Endowment Net Assets, end of year	<u>\$ 1,157,805</u>	<u>\$ 189,837</u>	<u>\$ 1,347,642</u>

7. LAND, BUILDINGS AND EQUIPMENT

As of December 31, 2020, land, buildings and equipment consists of the following:

Land, Buildings and Improvements	\$ 3,254,712
Furniture and Fixtures	73,389
Equipment	85,255
Vehicles	22,975
	<u>3,436,331</u>
Less Accumulated Depreciation	<u>(1,430,724)</u>
Total Land, Buildings and Equipment, net	<u>\$ 2,005,607</u>

Depreciation expense was \$112,485 for the 14 months ended December 31, 2020.

8. NOTE PAYABLE

On May 18, 2016, the Society signed a loan agreement with a bank for the purchase of warehouse space. The note is due in monthly payments of \$1,183, including interest at the fixed rate of 3.97%. The note is secured by all security interest, pledges and the real property owned by the Society. The original note matured May 18, 2021. On May 1, 2021, the note was amended with monthly payments of \$1,121, including interest at the fixed rate of 3.38% and a due date of May 28, 2026. The note may be prepaid in full or in part at any time without indemnity. The future maturity schedule is as follows:

For the year ending December 31,	
2021	\$ 6,744
2022	7,117
2023	7,362
2024	7,614
2025	7,876
2026	160,703
	<u>\$ 197,416</u>

9. PAYROLL PROTECTION PROGRAM LOAN

On April 22, 2020, the Society received a loan from the Paycheck Protection Program (PPP) by the Small Business Association in the amount of \$143,186. The note matures on April 22, 2022 and bears an interest rate of 1%. The full amount of the loan was fully forgiven on November 16, 2020. The Society recognized the \$143,186 to grant revenue for the 14 months ended December 31, 2020.

10. BOARD DESIGNATED NET ASSETS

A donor gifted a residence to the Society and designated the proceeds from the sale of the residence to be used to renovate the Wheeler Stallard museum. After completion of the renovation of the Wheeler Stallard museum, the Board agreed to designate the remaining funds to be used for maintaining the museum and the Society's property. The board designated balance at December 31, 2020 is \$841,649.

In February 2019, the board approved of transferring undesignated funds to a board designated endowment. The board designated endowment balance at December 31, 2020 is \$298,774.

11. NET ASSETS WITH DONOR RESTRICTIONS

Net assets with restrictions for time or purpose consist of the following as of December 31, 2020:

Pledges Receivable	\$	50,000
Hodges - Parlor Room		43,795
Capital Campaign - Carriage House Remodel		11,764
Capital Campaign - Lift One Museum		44,760
Roaring Fork Veterans History Project		835
	\$	<u>151,154</u>

Net assets to be held in perpetuity consist of the following as of December 31, 2020:

Bridge to the Future (Apex) Endowment	\$	25,000
Hodges - Parlor Room		99,842
Capital Campaign - Phase Two		21,200
	\$	<u>146,042</u>

12. SALES

Sales income consists of gift shop, photo and publication sales. For the 14 months ended December 31, 2020, gross sales income was \$17,845 and was reported net of \$6,517 of expenses.

13. COMMITMENTS AND CONTINGENCIES

On June 2, 2016, the Society signed a contract for electronic alarm monitoring and other services for alarm equipment. The term of the agreement is for 60 months and is automatically renewed for successive period of 12 months unless the Society provides the lessor with notice of its intention to terminate the contract. The fee is \$135 per quarter (excluding equipment) during the initial term of the agreement as well as any renewal term. Total expenses incurred during the 14 months ended December 31, 2020 were \$780.

On September 28, 2016, the Society entered a lease for a copier. The term of the lease is for 60 months. Unless otherwise notified in writing, the lease will automatically renew for an additional 3-month period. The lease payment is \$233 per month for the term of the agreement as well as any renewal term. Total expenses incurred during the 14 months ended December 31, 2020 was \$3,056.

Minimum future obligations are \$2,330 for the year ending December 31, 2021.

14. DEFINED CONTRIBUTION PLAN

The Society has adopted a 403(b) retirement plan covering all full-time employees. After one full year of employment, the Society will begin to contribute to the employee's individual retirement plan at the rate of 2% of the employee's salary. In addition to the 2% automatic contribution, the Society will match employee contributions up to an additional 4% of the employee's salary. The maximum amount the Society will pay into the individual 403(b) retirement plan is 6% of applicable employees' salaries. Contributions to the plan for the 14 months ended December 31, 2020 were \$39,476.

15. CONCENTRATIONS

Credit Risk

The Society has amounts on deposit at financial institutions that at times exceeds the \$250,000 covered by insurance provided by the U.S Federal Deposit Insurance Corporation (FDIC). As of December 31, 2020, the Society had \$565,007 of its cash deposits exposed to credit risk and not covered under the FDIC Insurance.

Revenue

The Society received approximately 49% of its revenue from one donor during the 14 months ended December 31, 2020.

Pledges Receivable

The Society's pledges receivable is made up of one donor as of December 31, 2020.

16. SUBSEQUENT EVENTS

On January 25, 2021, the Society received a loan from the Paycheck Protection Program (PPP) by the Small Business Association (SBA) in the amount of \$117,863. The note bears an interest rate of 1%. The loan is made under the provisions of the PPP and CARES Act so the principal may be reduced or forgiven in accordance with the loan forgiveness provisions of the CARES Act and regulations or requirements established by SBA and the U.S. Treasury. On June 24, 2021, the note was forgiven.