Davis Phinney Foundation

(a nonprofit Ohio corporation)

Boulder, Colorado

Financial Statements

December 31, 2019 and 2018

Davis Phinney Foundation

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Brock CPAs

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Independent Auditor's Report

To the Board of Directors
Davis Phinney Foundation
Boulder, Colorado

We have audited the accompanying financial statements of Davis Phinney Foundation (a nonprofit Ohio corporation), which comprise the statements of financial position as of December 31, 2019 and 2018, and the related statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

The Organization's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Boulder Fort Collins Littleton Longmont Northglenn

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Davis Phinney Foundation as of December 31, 2019 and 2018, and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Brock and Company, CPAs, P.C.

Certified Public Accountants

Longmont, Colorado
April 8, 2020

Davis Phinney Foundation

Statements of Financial Position

December 31	**2019**	2018
ASSETS		
Current Assets		
Cash and cash equivalents	**$ 883,381**	$ 768,662
Investments, at fair value	**1,203,073**	1,243,309
Accounts receivable	**55,288**	82,571
Pledge receivable, current portion	**2,028**	7,000
Accrued interest receivable	**6,196**	4,958
Inventory	**34,678**	1,088
Prepaid expenses and other current assets	**16,555**	80,672
Total current assets	**2,201,199**	2,188,260
Equipment, at cost		
Furniture, fixtures, and equipment	**48,533**	44,309
Less accumulated depreciation	**(30,188)**	(24,516)
Net equipment	**18,345**	19,793
Other Assets		
Pledge receivable, net of current portion	**-**	2,028
Deposits and other assets	**4,897**	6,618
Total other assets	**4,897**	8,646
Total assets	**$ 2,224,441**	$ 2,216,699
LIABILITIES AND NET ASSETS		
Current Liabilities		
Accounts payable	**$ 61,320**	$ 62,592
Grants payable, current	**92,315**	54,350
Accrued compensation and benefits	**91,556**	106,908
Deferred revenue	**77,333**	390,076
Total current liabilities	**322,524**	613,926
Long-Term Liability		
Grants payable, long-term	**3,333**	40,415
Total liabilities	**325,857**	654,341
Net Assets		
Without donor restrictions	**1,880,727**	1,544,501
With donor restrictions	**17,857**	17,857
Total net assets	**1,898,584**	1,562,358
Total liabilities and net assets	**$ 2,224,441**	$ 2,216,699

The accompanying Notes are an integral part of these financial statements

Davis Phinney Foundation

Statements of Activities

Years ended December 31	2019		
	Without Donor Restrictions	**With Donor Restrictions**	**Total**
Operating Revenue and Support			
Sponsorships	**$ 1,292,484**	**$ -**	**$ 1,292,484**
Special events income, net	**899,147**	**-**	**899,147**
Contributions	**655,999**	**-**	**655,999**
In-kind contributions	**25,819**	**-**	**25,819**
Total operating revenue and support	**2,873,449**	**-**	**2,873,449**
Operating Expenses			
Program services	**1,933,302**	**-**	**1,933,302**
Supporting services			
General and administrative	**119,184**	**-**	**119,184**
Fundraising	**526,457**	**-**	**526,457**
Total operating expenses	**2,578,943**	**-**	**2,578,943**
Total operating revenue and support in excess of operating expenses	**294,506**	**-**	**294,506**
Other Changes			
Interest income	**36,027**	**-**	**36,027**
Realized gain on investments	**3,150**	**-**	**3,150**
Unrealized gain (loss) on investments	**2,543**	**-**	**2,543**
Total other changes	**41,720**	**-**	**41,720**
Change in Net Assets	**336,226**	**-**	**336,226**
Net Assets, Beginning of Year	**1,544,501**	**17,857**	**1,562,358**
Net Assets, End of Year	**$ 1,880,727**	**$ 17,857**	**$ 1,898,584**

2018		
Without Donor Restrictions	With Donor Restrictions	Total
$ 906,098	$ -	$ 906,098
934,155	-	934,155
658,695	-	658,695
-	-	-
2,498,948	-	2,498,948
1,801,424	-	1,801,424
124,860	-	124,860
403,290	-	403,290
2,329,574	-	2,329,574
169,374	-	169,374
25,837	-	25,837
-	-	-
(1,691)	-	(1,691)
24,146	-	24,146
193,520	-	193,520
1,350,981	17,857	1,368,838
$ 1,544,501	$ 17,857	$ 1,562,358

The accompanying Notes are an integral part of these financial statements

Davis Phinney Foundation

Statements of Functional Expenses

Years ended December 31	2019			
		Supporting Services		
	Program Services	General and Administrative	Fundraising	Total
Salaries	$ 679,630	$ 69,949	$ 293,682	$ 1,043,261
Payroll taxes and benefits	94,540	22,637	36,508	153,685
Total personnel	774,170	92,586	330,190	1,196,946
Program events	448,088	20	58,308	506,416
Travel and meals	173,606	488	7,079	181,173
Computer and information technology	91,574	5,675	22,580	119,829
Research awards and grants	102,820	-	-	102,820
Printing	64,946	320	30,490	95,756
Rent	62,201	4,146	16,587	82,934
Consulting	39,318	2,620	10,485	52,423
Postage and shipping	30,383	473	8,513	39,369
Contract labor	16,668	794	17,728	35,190
Multimedia expense	24,044	10	37	24,091
Advertising	22,039	166	1,700	23,905
Telephone and Internet	18,890	888	2,696	22,474
Program manuals	19,532	-	-	19,532
Repairs and maintenance	10,207	681	2,722	13,610
Legal and professional fees	9,648	663	2,573	12,884
Miscellaneous	6,819	2,843	1,474	11,136
Bank fees	1,560	-	6,994	8,554
Insurance	6,030	397	1,588	8,015
Dues and subscriptions	2,933	186	2,858	5,977
Taxes and licenses	8	5,725	2	5,735
Office expenses	3,564	219	719	4,502
Total operating expenses before depreciation	1,929,048	118,900	525,323	2,573,271
Depreciation	4,254	284	1,134	5,672
Total operating expenses	$ 1,933,302	$ 119,184	$ 526,457	$ 2,578,943

2018			
	Supporting Services		
Program Services	General and Administrative	Fundraising	Total
$ 578,050	$ 74,125	$ 259,992	$ 912,167
86,444	13,219	30,637	130,300
664,494	87,344	290,629	1,042,467
248,985	1	18,979	267,965
126,379	536	3,963	130,878
70,723	10,365	15,775	96,863
171,156	-	-	171,156
43,246	85	10,441	53,772
34,380	2,352	9,168	45,900
47,940	4,511	9,451	61,902
107,671	68	5,111	112,850
2,340	631	19,300	22,271
45,649	103	5,180	50,932
12,950	67	404	13,421
11,109	929	2,395	14,433
191,649	-	-	191,649
6,034	402	1,609	8,045
186	9,969	-	10,155
852	581	1,176	2,609
1,463	13	5,965	7,441
3,383	159	635	4,177
970	65	429	1,464
200	5,721	-	5,921
5,691	693	1,620	8,004
1,797,450	124,595	402,230	2,324,275
3,974	265	1,060	5,299
$ 1,801,424	$ 124,860	$ 403,290	$ 2,329,574

The accompanying Notes are an integral
part of these financial statements

Davis Phinney Foundation

Statements of Cash Flows

Increase (Decrease) in Cash and Cash Equivalents

Years ended December 31	2019	2018
Cash Flows From Operating Activities		
Change in net assets	**$ 336,226**	$ 193,520
Adjustments to reconcile change in net assets to net cash provided by operating activities		
Depreciation	**5,672**	5,299
Realized and unrealized (gain) loss on investments	**(5,694)**	1,691
Amortization of pledge receivable discount	**-**	(81)
Increase (decrease) from changes in assets and liabilities		
Accounts receivable	**27,283**	(79,990)
Pledge receivable	**7,000**	8,713
Accrued interest receivable	**(1,238)**	(4,958)
Inventory	**(33,590)**	6,163
Prepaid expenses and other current assets	**64,117**	(56,271)
Deposits and other assets	**1,721**	(4,897)
Accounts payable	**(1,272)**	16,592
Grants payable	**883**	55,552
Accrued compensation and benefits	**(15,352)**	29,550
Deferred revenue	**(312,743)**	(1,284)
Net cash provided by operating activities	**73,013**	169,599
Cash Flows From Investing Activities		
Proceeds from maturity of investments	**1,748,531**	1,597,054
Purchases of investments	**(1,702,601)**	(2,047,000)
Purchases of equipment	**(4,224)**	(10,900)
Net cash provided (used) by investing activities	**41,706**	(460,846)
Net Increase (Decrease) in Cash and Cash Equivalents	**114,719**	(291,247)
Cash and Cash Equivalents, Beginning of Year	**768,662**	1,059,909
Cash and Cash Equivalents, End of Year	**$ 883,381**	$ 768,662

Note 1 - Nature of Organization and Significant Accounting Policies

Nature of Organization. Davis Phinney Foundation ("the Organization") is an Ohio non-profit corporation that was incorporated in 2004 to help people living with Parkinson's disease to live well today. The Organization was founded by Olympic medal-winner, Davis Phinney, who was diagnosed with Parkinson's disease in 2000 at the age of 40. Today, Davis is both a role model in the cycling community and an inspiration to the people living with the chronic disease. Funding for the Organization is obtained through events, grants, and charitable contributions from interested parties.

Basis of Accounting. The financial statements of the Organization have been prepared on the accrual basis of accounting and, accordingly, reflect all significant receivables, payables, and other liabilities.

Basis of Presentation. The Organization reports information regarding its financial position and activities according to two classes of net assets: net assets without donor restrictions and net assets with donor restrictions.

Net Assets Without Donor Restrictions. Net assets resulting from revenues generated by receiving contributions that have no donor stipulations, sponsorships, special events, and receiving interest and other income, less expenses incurred in providing program related services, raising contributions, and performing administrative functions.

Net Assets With Donor Restrictions. Net assets resulting from gifts of cash and other assets that are received with donor stipulations that limit the use of the donated assets, until the donor restriction expires, that is until the stipulated time restriction ends or the purpose of the restriction is accomplished.

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

Changes in Accounting Principles. On January 1, 2019, the Organization adopted FASB ASU No. 2014-09 (Topic 606) - *Revenue from Contracts With Customers*, which provides guidance for revenue recognition that superseded previous guidance. Under ASU 2014-09, revenue is recognized when promised goods or services are transferred to customers in an amount that reflects the consideration to which the Organization expects to be entitled in exchange for those goods and services. The Organization adopted ASU 2014-09 under the modified retrospective approach, applying the amendments to prospective reporting periods. Results from reporting periods beginning after January 1, 2019, are presented under Topic 606, while prior period amounts are not adjusted and continue to be reported in accordance with previous guidance. The adoption would not have had any material effect on the change in net assets for the year ended December 31, 2018, or on net assets as of December 31, 2018.

On January 1, 2019, the Organization adopted FASB ASU No. 2018-08 - *Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which clarifies and improves the scope of accounting guidance for contributions received and contributions made. The Organization adopted ASU 2018-08 under the modified retrospective approach, applying the amendments to prospective reporting periods.

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Changes in Accounting Principles (continued). The adoption would not have had any material effect on the change in net assets for the year ended December 31, 2018, or on net assets as of December 31, 2018.

On January 1, 2019, the Organization adopted FASB ASU No. 2016-01, *Recognition and Measurement of Financial Assets and Financial Liabilities*, which addresses certain aspects of recognition, measurement, presentation and disclosure of financial instruments that are marked to fair value and reported as available-for-sale. The Organization adopted ASU 2016-01 under the modified retrospective approach, applying the amendments to prospective reporting periods. The adoption would not have had any material effect on the change in net assets for the year ended December 31, 2018, or on net assets as of December 31, 2018.

Cash and Cash Equivalents. The Organization considers all highly liquid debt instruments with maturities of three months or less to be cash equivalents. The carrying value of cash and cash equivalents approximates fair value because of the short maturities of those financial instruments. The Organization routinely maintains cash balances in excess of federally insured limits.

Investments. The Organization's investments are stated at fair value. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The Organization's management determines the valuation policies utilizing information provided by the investment custodian.

Fair Value Measurements. The Organization reports using fair value measurements, which among other things requires enhanced disclosures about investments that are measured and reported at fair value and establishes a framework for measuring fair value. The framework provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described below:

Level 1 Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Organization 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.

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Fair Value Measurements (continued). 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 measurements. 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 on a recurring basis:

> *Certificates of Deposit.* The Organization values certificates of deposit at fair value by discounting the related cash flows based on current yields of similar instruments with comparable durations considering the credit-worthiness of the issuer. Early withdrawal charges may apply in the event the instruments are liquidated prior to their scheduled maturity date.
>
> *Equity Securities*. The Organization values equity securities with readily determinable market values at fair value as determined by quoted market prices on national securities exchanges valued at the closing price on the last business day of the fiscal year. Securities traded on the over-the-counter market are valued at the last reported bid price.

The methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Organization 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. There have been no changes in the methodologies used at December 31, 2019 and 2018.

In general, investments are exposed to various risks, such as interest rate, credit and overall market volatility risk. Due to the level of risk associated with certain investments, it is reasonably possible that changes in the values of the investments will occur in the near term and that such changes could materially affect the investment balances and the amounts reported in the statements of financial position.

Accounts Receivable. Accounts receivable are stated at the amount of consideration from customers, of which the Organization has an unconditional right to receive. At the time accounts receivable are originated, the Organization considers an allowance for doubtful accounts based on the creditworthiness of the customer. The allowance is continually reviewed and adjusted to maintain the allowance at a level considered adequate to cover future uncollectible amounts. The allowance is management's best estimate of uncollectible amounts and is determined based on historical performance that is tracked by the Organization on an ongoing basis. Management believes that substantially all accounts receivable are fully collectible at December 31, 2019 and 2018.

Promises to Give. Unconditional promises to give (pledges) are recognized as revenues in the period received. Pledges receivable are recorded at the amount the Organization expects to receive, allowing for estimated uncollectible pledges. The allowance for uncollectible pledges is estimated based on management's review of specific pledges outstanding. There was no allowance for doubtful accounts for the years ended December 31, 2019 and 2018 as management believes that all of the pledges receivable are collectible. Conditional promises to give are recognized when the conditions on which they depend are substantially met.

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Inventory. Inventory consists of program manuals held for distribution to clients at no cost. Inventory is stated at the lower of cost or market using the first-in, first-out method.

Equipment. It is the Organization's policy to capitalize equipment at cost for purchases over $2,500, while repair and maintenance items are charged to expense. Donations of property and equipment are capitalized at their estimated fair value at the date of gift. Such donations are reported as unrestricted contributions unless the donor has restricted the donated asset to a specific purpose. Equipment is depreciated using straight-line methods over the estimated useful lives of the assets, which is generally two to seven years. Depreciation expense for the years ended December 31, 2019 and 2018 was $5,672 and $5,299, respectively.

Impairment of Long-Lived Assets. In the event that facts and circumstances indicate that equipment, or other assets, may be impaired, an evaluation of recoverability would be performed. If an evaluation is required, the estimated future undiscounted cash flows associated with the asset are compared to the asset's carrying amount to determine if a write-down to market value would be necessary. No impairment losses were recorded during the years ended December 31, 2019 and 2018.

Revenue Recognition. The Organization's revenues from contracts with customers is comprised of sponsorships and special events. Sponsorships consist of marketing the corporate sponsors at program and fundraising events and are generally received in advance of the event. Special events consist primarily of event registrations and are also generally received in advance of the event. Any amounts received prior to the start of an event is recorded as a contract liability. Revenue is recognized at the point in time in which the event occurs, which satisfies the Organization's performance obligation. Revenue is reported at the amount of consideration which the Organization expects to be entitled in exchange for providing the goods and services. The Organization determines the transaction price based on standard charges for goods and services provided, reduced by discounts and other price concessions, if any.

Contributions. Contributions are recognized when the donation is received. Donor-restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets with donor restrictions are reclassified to net assets without donor restrictions. Contributions and grants that are restricted by the donor or grantor are reported as increases in net assets without donor restrictions if the restrictions expire in the fiscal year in which the contributions are recognized.

Contributed Services and Materials. Contributed services are recognized if services received (a) create or enhance non-financial assets or (b) require specialized skills and are provided by individuals possessing those skills and would typically need to be purchased if not provided by donation. Contributed materials are reported at fair market value on the date of gift.

Advertising. The Organization expenses advertising costs, including donated advertising, as they are incurred. Advertising expense for the years ended December 31, 2019 and 2018 totaled $23,905 and $13,421, respectively.

Functional Allocation of Expenses. Direct expenses have been allocated to the applicable program for which the expense was incurred.

Note 1 - Nature of Organization and Significant Accounting Policies (continued)

Functional Allocation of Expenses (continued). Indirect expenses have been allocated between program and supporting services based on an analysis of personnel time and space utilized for the related activities.

Income Taxes. The Organization is a nonprofit corporation exempt from income taxes as described in Section 501(c)(3) of the Internal Revenue Code and is classified by the Internal Revenue Service as other than a private foundation. Accordingly, no provision for income taxes has been made.

The Organization utilizes the provisions of ASC 740, pertaining to accounting for uncertainty in income taxes. The pronouncement requires the use of a more-likely-than-not recognition criteria before and separate from the measurement of a tax position.

An entity shall initially recognize the financial statement effects of a tax position when it is more likely than not, based on the technical merits, that the position will be sustained upon examination. With respect to the organization, this would primarily relate to the determination of unrelated business taxable income and to the maintenance of its tax exempt status.

Management has evaluated the adopted policies and procedures that have been implemented to provide assurance that income is properly characterized and activities that jeopardize its tax exempt status are within limits established under existing tax code and regulations. Management has determined the effects of uncertain tax positions are not material to the Organization for recognition or disclosure in the accompanying financial statements and, accordingly, no income tax liability has been recorded for uncertain income tax positions in the accompanying financial statements.

As of December 31, 2019, income tax years ending December 31, 2016 through the current year are open for examination. Penalties and interest may be assessed on income taxes that are delinquent.

Reclassifications. Certain amounts from the financial statements for the year ended December 31, 2018 have been reclassified to conform with reporting for December 31, 2019, without affecting the change in net assets.

Subsequent Events. The Organization evaluates events and transactions occurring subsequent to the date of the financial statements for matters requiring recognition or disclosure in the financial statements. The accompanying financial statements consider events through April 8, 2020, the date at which the financial statements were available for release.

Note 2 - Investments

The following table sets forth by level, within the fair value hierarchy, the Organization's investments, at fair value, as of December 31, 2019:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 1,202,019	$ -	$ 1,202,019
U.S. equities	1,054	-	-	1,054
	$ 1,054	**$ 1,202,019**	**$ -**	**$ 1,203,073**

Note 2 - Investments (continued)

The following table sets forth by level, within the fair value hierarchy, the Organization's investments, at fair value, as of December 31, 2018:

	Level 1	Level 2	Level 3	Total
Certificates of deposit	$ -	$ 1,243,309	$ -	$ 1,243,309

Changes in Fair Value Levels. The availability of observable market data is monitored to assess the appropriate classification of financial instruments within the fair value hierarchy. Changes in economic conditions or model-based valuation techniques may require the transfer of financial instruments from one fair value level to another. In such instances, the transfer is reported at the beginning of the reporting period.

The Organization evaluated the significance of transfers between levels based upon the nature of the financial instruments and size of the transfer relative to total net assets available for benefits. For the years ended December 31, 2019 and 2018, there were no significant transfers in or out of fair value levels.

Investment income consisted of the following for the years ended December 31:

	2019	2018
Interest earned on investments and cash deposits	**$ 36,027**	$ 25,837
Realized gain on investments	**3,150**	-
Unrealized gain (loss) on investments	**2,543**	(1,691)
	$ 41,720	$ 24,146

Note 3 - Pledge Receivable

The following summarizes expected collections of the pledge receivable as of December 31:

	2019	2018
Due within one year	**$ 2,028**	$ 7,000
Due within one year	**-**	2,109
	2,028	9,109
Less net present value allowance	**-**	(81)
	$ 2,028	$ 9,028

Unconditional promises to give are measured in the aggregate using present value techniques that consider historical trends of collection similar to these fund raising activities, the type of donor, general economic conditions, and market interest rate assumptions. The interest element resulting from amortization of the discount for the time value of money is reported as contribution revenue. At December 31, 2018, amounts that are due beyond one year from year end are discounted at an effective rate of 4%.

Note 4 - Grants Payable

The Organization has made unconditional promises to grant funds to certain recipients. A schedule of committed payments is as follows at December 31, 2019:

Year	Amount
2020	$ 92,315
2021	3,333
	$ 95,648

Note 5 - Contract Liabilities

The Organization has contracts that are unsatisfied or partially unsatisfied as of December 31, 2019 and 2018, in the amounts of $77,333 and $390,076, respectively. The contract liabilities outstanding as of December 31, 2018 were recognized as revenue in 2019. As of December 31, 2019, the Organization expects to recognize the December 31, 2019 amounts as revenue in 2020.

Note 6 - Net Assets With Donor Restrictions

The following summarizes the changes in net assets with donor restrictions for the years ended December 31, 2019 and 2018:

	Community Support
Balance, January 1, 2018	$ 17,857
Additions	-
Releases	-
Balance, December 31, 2018	$ 17,857
Additions	-
Releases	-
Balance, December 31, 2019	**$ 17,857**

Note 7 - Commitments and Subsequent Events

Operating Leases. The Organization leased a building in Boulder, Colorado under a noncancelable operating lease. The lease required monthly base rent payments of $2,220, and required the Organization to pay expenses and utilities. The lease expired in September 2018 and was extended on a month-to-month basis through January 2019. Rent expense under the lease totaled $8,993 and $45,900 for the years ended December 31, 2019 and 2018, respectively.

The Organization relocated to new office facilities in Louisville, Colorado in January 2019. The lease requires monthly base rent payments of $5,069, with an escalated payment schedule, and requires the Organization to pay pro-rata common costs. The lease expires in April 2024. Rent expense under the lease totaled $73,941 for the year ended December 31, 2019.

Note 7 - Commitments and Subsequent Events (continued)

Future annual minimum base lease payments required under the operating leases are as follows at December 31, 2019:

Year	Amount
2020	$ 60,313
2021	62,376
2022	64,438
2023	66,499
2024	17,269
	$ 270,895

Event Venues. The Organization reserves future events under multiple noncancelable contractual agreements. Future minimum payments required under contractual reservations are as follows at December 31, 2019:

Date	Location	Amount
October 2020	Albany, New York	$ 20,608

In February 2020, the Organization reserved a location for an event in August 2020 in Keystone, Colorado under a noncancelable contractual agreement. Future minimum payments required under the contractual reservation total $46,688.

Note 8 - Revenue from Contracts with Customers

The composition of revenue by segment based on the timing of the transfer of goods or services is as follows for the years ended December 31:

	2019	2018
Recognized at a point in time		
Sponsorships	**$ 1,292,484**	$ 906,098
Event registrations and sales	**32,775**	17,110
	$ 1,325,259	$ 923,208

Note 9 - Special Events

The Organization's net revenue from special fundraising events is as follows for the years ended December 31:

	2019	2018
Event contributions	**$ 1,008,917**	$ 1,026,709
Event registrations and sales	**32,775**	17,110
	1,041,692	1,043,819
Direct costs	**(142,545)**	(109,664)
Net revenue	**$ 899,147**	$ 934,155

Note 10 - In-kind Contributions

Contributed services and materials are as follows for the years ended December 31:

	2019	2018
Professional services	**$ 16,040**	$ -
Materials and supplies	**9,779**	-
	$ 25,819	$ -

Note 11 - Retirement Plan

The Organization provides for a deferred compensation plan under Internal Revenue Code Section 408(p) which allows an employee to contribute up to $13,000 of their annual compensation. The Organization provides a 2% contribution to the plan for any employee with annual compensation in excess of $5,000. The Organization contributed $17,516 and $13,293 to the plan for the years ended December 31, 2019 and 2018, respectively.

Note 12 - Availability and Liquidity

The Organization had $2,149,966 and $2,106,500 in financial assets available within one year of December 31, 2019 and 2018, respectively. The Organization receives significant contributions and promises to give that are restricted by donors, and considers contributions restricted for programs which are ongoing, major, and central to its annual operations to be available to meet cash needs for general expenditures. The Organization manages its liquidity and reserves following three guiding principles: operating within a prudent range of financial soundness and stability; maintaining adequate liquid assets to fund near-term operating needs; and maintaining sufficient reserves to provide reasonable assurance that long-term obligations will be discharged. To achieve these guiding principles, the Organization forecasts its future cash flows and monitors its liquidity monthly. The Organization's goal is to maintain financial assets to meet ten months of operating expenses. As part of its liquidity plan, the Organization invests in short-term certificates of deposit with staggered maturity dates that are available for liquidation as needed. During the years ended December 31, 2019 and 2018, the level of liquidity and reserves was managed within the Organization's guiding principles and goals.

Note 13 - Uncertainty and Subsequent Event

During 2020, a health care pandemic has occurred in the United States and internationally. In response to the crisis, the federal, state, and municipal governments have enacted various policies to curtail group gatherings until the risk has diminished. Certain services of the Organization could be subject to closure or substantially modified operations. Additionally, the global economy has been negatively impacted. No reliable estimate of the potential future financial impacts of this uncertainty on the Organization can be made at this time.