

LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2020 AND 2019

LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.

SEPTEMBER 30, 2020 AND 2019

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December 2, 2020

Board of Directors
Lupus Foundation of America, Greater Ohio Chapter, Inc.
Cleveland, Ohio

Independent Auditors' Report

We have audited the accompanying financial statements of Lupus Foundation of America, Greater Ohio Chapter, Inc. (a not-for-profit corporation), which comprise the statements of financial position as of September 30, 2020 and 2019, and the related statements of activities and changes in net assets, 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

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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of 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 auditors' 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 circumstance, 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 financial statement presentation.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Lupus Foundation of America, Greater Ohio Chapter, Inc. as of September 30, 2020 and 2019 and the changes in net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Koester, DiSalvo and Fried

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
STATEMENTS OF FINANCIAL POSITION

	ASSETS		
	<u>Sep. 30, 2020</u>	<u>Sep. 30, 2019</u>	Increase (Decrease)
Current Assets			
Cash and cash equivalents	\$ 130,364	\$ 69,557	\$ 60,807
Grants and accounts receivable	197,382	252,329	(54,947)
Special events equip. and supplies	8,970	5,569	3,401
Prepaid expenses	<u>1,778</u>	<u>1,778</u>	<u>-</u>
Total Current Assets	338,494	329,233	9,261
Property and Equipment			
Furniture & fixtures	21,261	21,261	-
Office equipment	18,375	18,358	17
Equipment-special events	2,490	2,490	-
Less: accumulated depreciation	<u>(37,667)</u>	<u>(37,243)</u>	<u>(424)</u>
Net Property and Equipment	4,459	4,866	(407)
 TOTAL ASSETS	 <u>\$ 342,953</u>	 <u>\$ 334,099</u>	 <u>\$ 8,854</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
STATEMENTS OF FINANCIAL POSITION

LIABILITIES AND NET ASSETS			
	<u>Sep. 30, 2020</u>	<u>Sep. 30, 2019</u>	<u>Increase (Decrease)</u>
Current Liabilities			
Accounts payable	\$ 19,541	\$ 53,074	\$ (33,533)
Current portion long term debt	6,195	-	6,195
Credit cards payable	5,176	21,617	(16,441)
Accrued payroll expenses	<u>15,103</u>	<u>9,787</u>	<u>5,316</u>
Total Current Liabilities	46,015	84,478	(38,463)
Long-Term Liabilities			
Long term payable	47,225	55,625	(8,400)
Economic Injury Disaster Loan	150,000	-	150,000
Less current portion long term debt	<u>(6,195)</u>	<u>-</u>	<u>(6,195)</u>
Total Long-Term Liabilities	<u>191,030</u>	<u>55,625</u>	<u>135,405</u>
Total Liabilities	237,045	140,103	96,942
Net Assets (Deficit)			
Without donor restrictions	(89,694)	969	(90,663)
With donor restrictions	<u>195,602</u>	<u>193,027</u>	<u>2,575</u>
Total Net Assets	<u>105,908</u>	<u>193,996</u>	<u>(88,088)</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 342,953</u>	<u>\$ 334,099</u>	<u>\$ 8,854</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Grants	\$ -	\$ 160,341	\$ 160,341
Contributions	181,127	-	181,127
Contributions-events	2,615	-	2,615
Membership	2,495	-	2,495
Fundraising	49,170	-	49,170
Miscellaneous	1,410	-	1,410
Interest income	3	-	3
Released from restrictions	<u>157,766</u>	<u>(157,766)</u>	<u>-</u>
 Total Revenue and Support	 394,586	 2,575	 397,161
Expenses			
Program expenses	373,515	-	373,515
Management services	36,284	-	36,284
Fundraising expenses	<u>75,450</u>	<u>-</u>	<u>75,450</u>
 Total Expenses	 <u>485,249</u>	 <u>-</u>	 <u>485,249</u>
 Change in Net Assets	 (90,663)	 2,575	 (88,088)
 Net assets at beginning of year	 <u>969</u>	 <u>193,027</u>	 <u>193,996</u>
 NET ASSETS AT END OF YEAR	 <u>\$ (89,694)</u>	 <u>\$ 195,602</u>	 <u>\$ 105,908</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
STATEMENT OF ACTIVITIES AND CHANGES IN NET ASSETS
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Grants	\$ -	\$ 276,463	\$ 276,463
Contributions	214,786	-	214,786
Contributions-events	5,046	-	5,046
Membership	3,250	-	3,250
Fundraising	111,424	-	111,424
Miscellaneous	2,702	-	2,702
Interest income	1	-	1
Loss on disposal	(2,400)	-	(2,400)
Released from restrictions	<u>95,999</u>	<u>(95,999)</u>	<u>-</u>
 Total Revenue and Support	 430,808	 180,464	 611,272
Expenses			
Program expenses	340,012	-	340,012
Management services	32,756	-	32,756
Fundraising expenses	<u>59,307</u>	<u>-</u>	<u>59,307</u>
 Total Expenses	 <u>432,075</u>	 <u>-</u>	 <u>432,075</u>
 Change in Net Assets	 (1,267)	 180,464	 179,197
Net assets at beginning of year	<u>2,236</u>	<u>12,563</u>	<u>14,799</u>
 NET ASSETS AT END OF YEAR	 <u>\$ 969</u>	 <u>\$ 193,027</u>	 <u>\$ 193,996</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2020

	<u>Program Expenses</u>	<u>Management Services</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Salaries and Related Costs				
Salaries	\$ 191,868	\$ 18,150	\$ 49,263	\$ 259,281
Payroll taxes	<u>14,642</u>	<u>1,385</u>	<u>3,759</u>	<u>19,786</u>
Total Salaries and Related Costs	206,510	19,535	53,022	279,067
Advertising	40,798	3,859	10,475	55,132
Bank charges	-	350	-	350
Computer / technology expense	3,960	375	1,017	5,352
Consulting	7,299	-	-	7,299
Conferences	30,684	-	-	30,684
Depreciation	2,052	154	128	2,334
Dues & subscriptions	6,620	623	-	7,243
Insurance	1,132	107	291	1,530
Interest	-	3,482	-	3,482
Licenses and fees	-	100	-	100
Miscellaneous	2,754	211	-	2,965
Office expense	4,874	-	-	4,874
Postage	2,471	234	634	3,339
Professional fees	3,212	3,825	-	7,037
Printing	862	81	221	1,164
Lease equipment	16,250	1,537	4,172	21,959
Rent	15,939	1,208	3,853	21,000
Supplies	11,985	-	1	11,986
Telephone	4,004	379	1,028	5,411
Utilities	2,369	224	608	3,201
Website	<u>9,740</u>	<u>-</u>	<u>-</u>	<u>9,740</u>
Total Expenses	<u>\$ 373,515</u>	<u>\$ 36,284</u>	<u>\$ 75,450</u>	<u>\$ 485,249</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2019

	<u>Program Expenses</u>	<u>Management Services</u>	<u>Fundraising Expenses</u>	<u>Total</u>
Salaries and Related Costs				
Salaries	\$ 167,314	\$ 16,088	\$ 40,450	\$ 223,852
Payroll taxes	<u>13,423</u>	<u>1,017</u>	<u>3,245</u>	<u>17,685</u>
Total Salaries and Related Costs	180,737	17,105	43,695	241,537
Advertising	10,627	805	2,569	14,001
Bank charges	-	421	-	421
Computer / technology expense	3,377	256	816	4,449
Conferences	45,422	-	-	45,422
Depreciation	2,051	154	492	2,697
Dues & subscriptions	26,301	638	-	26,939
Insurance	2,674	203	646	3,523
Interest	-	4,670	-	4,670
Miscellaneous	154	753	-	907
Postage	4,172	316	1,009	5,497
Professional fees	22,732	4,075	-	26,807
Printing	-	200	-	200
Lease equipment	16,851	1,277	4,074	22,202
Rent	15,939	1,208	3,853	21,000
Supplies	3,013	228	728	3,969
Telephone	3,471	263	839	4,573
Travel	67	-	-	67
Utilities	<u>2,424</u>	<u>184</u>	<u>586</u>	<u>3,194</u>
Total Expenses	<u>\$ 340,012</u>	<u>\$ 32,756</u>	<u>\$ 59,307</u>	<u>\$ 432,075</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED

	<u>Sep. 30, 2020</u>	<u>Sep. 30, 2019</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ (88,088)	\$ 179,197
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Depreciation and Amortization	2,334	2,697
Losses (Gains) on sales of Fixed Assets	-	2,400
(Increase) Decrease in Operating Assets:		
Accounts receivable	54,947	(166,269)
Inventory	(3,401)	(597)
Prepays	-	(216)
Increase (Decrease) in Operating Liabilities:		
Accounts payable	(33,534)	38,576
Accrued liabilities	5,316	363
Total Adjustments	<u>25,662</u>	<u>(123,046)</u>
Net Cash (Used In) Provided By Operating Activities	(62,426)	56,151
Cash Flows From Investing Activities		
Purchase of fixed assets	<u>(1,926)</u>	<u>(1,630)</u>
Net Cash (Used In) Investing Activities	(1,926)	(1,630)
Cash Flows From Financing Activities		
Short term financing	(24,841)	(19,644)
Long term financing	<u>150,000</u>	<u>(12,000)</u>
Net Cash Provided By (Used In) Financing Activities	<u>125,159</u>	<u>(31,644)</u>
Net Increase In Cash and Cash Equivalents	60,807	22,877
Cash and Cash Equivalents at Beginning of Period	<u>69,557</u>	<u>46,680</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 130,364</u>	<u>\$ 69,557</u>
Supplemental information		
amount of interest paid on all indebtedness was	<u>\$ 3,482</u>	<u>\$ 4,670</u>

The Accompanying Notes are an Integral Part of These Financial Statements

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS
SEPTEMBER 30, 2020 AND 2019

NOTE 1- Description of Organization

- A. The Lupus Foundation of America, Greater Ohio Chapter, Inc. is an Ohio not-for-profit corporation established in 1982. The Lupus Foundation of America, Greater Ohio Chapter, Inc.'s mission is dedicated to improving the quality of life for all people affected by lupus through programs of research, education, and advocacy.

The Lupus Foundation of America, Greater Ohio Chapter, Inc. envisions a world without lupus. The Organization will advance the science and medicine of lupus to find a cure and improve the quality of life for all people affected by lupus.

- B. The Lupus Foundation of America, Greater Ohio Chapter, Inc. is tax exempt under Internal Revenue Service Code Section 501(c) (3).

NOTE 2- Summary of Significant Accounting Policies

- A. General Methods- The accompanying financial statements have been prepared as prescribed in pronouncements by the Financial Accounting Standards Board and as prescribed by the American Institute of Certified Public Accountants' Guide for Not-For-Profit Organizations.
- B. Accrual Basis- The Lupus Foundation of America, Greater Ohio Chapter, Inc. records transactions on an accrual basis. Revenue (if any) is recognized when earned, support is recognized when receivable, and expenses are recognized when incurred.
- C. Statements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC)

The Lupus Foundation of America, Greater Ohio Chapter, Inc. complies with ASU No. 2016-14, Not-for-Profit Entities (Topic 958): Presentation of Financial Statements of Not-for-Profit Entities, issued in August 2016 by the FASB, which requires a not-for-profit (NFP) to present on the face of the statement of financial position amounts for two classes of net assets (without donor restrictions and with donor restrictions) rather than the previously required three classes. The amendments also enhance disclosures about the amount and purposes of board designations, appropriations, and similar actions and qualitative and quantitative information that communicates how an NFP manages its liquid resources available to meet cash needs within one year of the statement of financial position date. Additional disclosures are required surrounding the amounts of expenses by both their natural classification and the method(s) used to allocate costs among program and support functions.

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

NOTE 2- Summary of Significant Accounting Policies (continued)

As required by ASU No. 2016-14, contributions received are recorded as support without donor restrictions or with donor restrictions, depending on the existence and/or nature of any donor restrictions. For the years ended September 30, 2020, net assets with donor restrictions were \$195,602, of which all are included in receivables. Releases from restrictions in fiscal year ended September 30, 2020 were \$157,766, all of which were due to expenditures. Also see Note 11.

For the year ended September 30, 2019, net assets with donor restrictions were \$193,027 of which all were included in the receivables. Releases from restrictions in fiscal year ended September 30, 2019 were \$95,999 all of which were due to expenditures. Also see Note 11.

The Lupus Foundation of America, Greater Ohio Chapter, Inc. also complies with FASB ASC 958-605-25, which affects the timing of revenue recognition with regard to donor restricted net assets. For service contracts, if any, The Lupus Foundation of America, Greater Ohio Chapter, Inc. complies with FASB Topic 606, Revenue from Contracts with Customers.

- D. Use of Estimates- The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of financial statements and the amount of revenue and expenses during the reporting period. Actual results could differ from those estimates.
- E. Allocation of Expenses- Expenses are generally charged to the specific program for which they are incurred. In some cases, however, common expenses are incurred which support the work performed under program services as well as for support services. Such expenses are allocated among the various program services and support services based on the relationship of functionalized payroll costs to total payroll. Expenses associated with grant writing and reporting, and other staff time associated with raising funds for Lupus Foundation of America, Greater Ohio Chapter, Inc. events are shown on the functional expense statement as fundraising expenses.
- F. Depreciation- Property and equipment are depreciated using the straight-line method over estimated useful lives. (See Note 6- Property and Equipment)

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

NOTE 2- Summary of Significant Accounting Policies (Continued)

- G. Contributions and Grants- Unrestricted contributions, if any, are recorded as support when received or receivable. All contributions are considered to be available for unrestricted use unless specifically restricted by the donor. Grants with donor restrictions are recorded as donor restricted grants when awarded. Some grants awarded to Lupus Foundation of America, Greater Ohio Chapter, Inc. require the fulfillment of certain specific conditions. Failure to fulfill these conditions could result in either the return of funds to the grantor or the refusal by the grantor to release additional funds pursuant to the grant.
- H. Lupus Foundation of America, Greater Ohio Chapter, Inc. complies with FASB ASC 740- Accounting for Uncertainty in Income Taxes. FASB ASC 740 details how companies should recognize, measure, present and disclose uncertain tax positions that have been or are expected to be taken. As such, the financial statements would reflect expected future tax consequences of uncertain tax positions presuming the taxing authorities' full knowledge of the position and all relevant facts, if they existed. The management of the Lupus Foundation of America, Greater Ohio Chapter, Inc. believes that there are no uncertain tax positions. The Organization's tax years that remain subject to examination by the Internal Revenue Service are September 30, 2017 and forward.
- I. Advertising Costs- Lupus Foundation of America, Greater Ohio Chapter, Inc. expenses advertising costs when the expense is incurred.
- J. Recently issued pronouncements - From time to time, new accounting pronouncements are issued by the Financial Accounting Standards Board (FASB) and are adopted by the organization as of the specified effective date. Unless otherwise discussed, the organization believes that the impact of other recently issued accounting pronouncements will not have a material impact on its financial position, statements of activities, changes in net deficit, and cash flows, or do not apply to the organization's operations.
- K. Investments-Initial Valuation- Pursuant to FASB ASC 958-320 and FASB ASC 958-325, Lupus Foundation of America, Greater Ohio Chapter, Inc. initially measures investments at acquisition cost (including brokerage cost and transaction fees) if they are purchased. If they are received as a donation, they are recorded at estimated fair value.

Subsequent Valuation- Lupus Foundation of America, Greater Ohio Chapter, Inc. complies with FASB ASC 958-320, which requires investments in equity securities with readily determined fair value and all investments in debt securities to be measured at fair value in the statement of financial position. With regard to other investments, such as real estate, Lupus Foundation of America, Greater Ohio Chapter, Inc. values the investment at lower of cost or management's estimate of fair value.

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

NOTE 2- Summary of Significant Accounting Policies (Continued)

Valuation Hierarchy - FASB ASC 820-10-50 Fair Value Measurements and Disclosures require categorization of applicable financial instruments into a required fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). For Lupus, except for Land, the financial assets and liabilities are reported at fair value based on quoted prices for identical assets or liabilities in an active market (Level 1). A description of valuation of the land for sale (Level 3) is found in Note 7.

NOTE 3- Cash and Cash Equivalents

Lupus Foundation of America, Greater Ohio Chapter, Inc. considers all highly-liquid investments with a maturity of three months or less when purchased to be cash equivalents.

NOTE 4- Grants and Accounts Receivable

Grants and other receivables are stated at estimated collectible amounts. The organization provides for probable uncollectible amounts through a charge to operations and a credit to an allowance for doubtful accounts based on its assessment of the current status of individual accounts. Balances that are still outstanding after the organization has used reasonable collection efforts are written off from receivables. As of September 30, 2020, and 2019, the balance in allowance for doubtful accounts was \$0 and \$0, respectively.

NOTE 5- Special Events Equipment and Supplies

The Organization holds various fund raisers and special events throughout the year at which it sells and gives away t-shirts, jackets, magnetic ribbons, and other various promotional items. These items are valued at cost.

NOTE 6- Property and Equipment

Property and equipment are stated at cost, if purchased or at the fair market value on the date of donation, if contributed. Depreciation and amortization are computed using the straight-line method over the estimated useful lives of the assets as follows:

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)
SEPTEMBER 30, 2020 AND 2019

NOTE 6- Property and Equipment (Continued)

<u>Category</u>	<u>Estimated useful life</u>
Furniture	7 years
Office Equipment	5 years
Special Event Equipment	5 years

Costs of maintenance and repair are charged to expense. Costs of renewals and betterments, where significant in amount, are capitalized.

NOTE 7- Land for Sale

During fiscal year ended September 30, 2011, Lupus Foundation of America, Greater Ohio Chapter, Inc. received a donation of three parcels of land. The land was valued at management's estimate of the net proceeds Lupus Foundation of America, Greater Ohio Chapter, Inc. would receive if the land was sold. During fiscal year September 30, 2019, Lupus Foundation of America, Greater gave the land to the Garfield Heights Land Reutilization Program, resulting in a non-cash loss of \$2,400.

NOTE 8- Credit Card

Lupus Foundation of America, Greater Ohio Chapter, Inc. has an American Express credit card with a credit limit of \$37,500. Interest rate for standard purchases is 15.74% and 25.24% for cash advances. As of, September 30, 2020 and 2019, the balances owed were \$5,176 and \$21,617, respectively.

NOTE 9- Paycheck Protection Program

Lupus Foundation of America, Greater Ohio Chapter, Inc. received a loan in the amount of \$39,613 from the Federal Government as part of the financial relief assistance issued due to the National Pandemic. Since Lupus Foundation of America, Greater Ohio Chapter, Inc. has satisfied all program requirements to have these loan funds forgiven, Lupus Foundation of America, Greater Ohio Chapter, Inc. has reported these funds as grant revenue in fiscal year ended September 30, 2020.

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2020 AND 2019

NOTE 10- Economic Injury Disaster Loan

In addition to the Paycheck Protection Program funds, Lupus Foundation of America, Greater Ohio Chapter, Inc. received an Economic injury Disaster loan. The loan is amortized over 30 years, carries an interest rate of 2.75% and is unsecured. Required principal payments for the next five years are as follows:

2021	\$ -
2022	917
2023	3,638
2024	3,739
2025	3,843
Thereafter	<u>137,863</u>
Total	<u>\$150,000</u>

NOTE 11- Net Assets with Donor Restrictions

Net assets with donor restrictions are restricted by expenditure for the Ohio Commission on Minority Health program in the amount of \$16,000 and \$16,000 for the years ended September 30, 2020 and 2019, respectively and the Ohio Department of Health program in the amount of \$179,602 and \$177,027, for the years ended September 30, 2020 and 2019, respectively. There are no amounts restricted by time.

NOTE 12- Lease Obligations

Lupus Foundation of America, Greater Ohio Chapter, Inc. is obligated under various equipment operating leases. The future minimum required lease payments are as follows:

<u>September 30.</u>	
2021	\$ 13,548
2022	13,548
2023	1,128
2024	-
2025	-
Thereafter	<u>-</u>
Total	<u>\$28,224</u>

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2020 AND 2019

NOTE 13- Contributions -Events

Independent third parties hold fund raising events and subsequently donate a portion of the proceeds to Lupus Foundation of America, Greater Ohio Chapter, Inc. These third parties distribute literature about Lupus and services provided by Lupus Foundation of America, Greater Ohio Chapter, Inc. These events include thrift store donations, Steppin-4 Lupus, Zumbathon and Dare to Wear Purple.

NOTE 14- Related Party Transactions

Lupus Foundation of America, Greater Ohio Chapter, Inc. is a chapter of the Lupus Foundation of America-National and, as such, pays an annual assessment based on annual revenues (as defined by contract). The Lupus Foundation of America-National provides extensive research services, as well as managerial, administrative educational, informational and operational services and support.

For the years ended September 30, 2020 and 2019, the Lupus Foundation of America, Greater Ohio Chapter, Inc. incurred assessment expenses totaling \$6,620 and \$26,241. Due to cash flow issues the Lupus Foundation of America-National has agreed to a long-term repayment plan. No interest will be charged and the payable is unsecured. The Lupus Foundation of America, Greater Ohio Chapter, Inc. has recorded payables of \$61,625 and \$73,367 as of September 30, 2020 and 2019 to the Lupus Foundation of America-National. The future minimum payments are as follow:

For the years ending:

9/30/21	\$14,400	(included in accounts payable)
9/31/22	20,517	
9/30/23	20,517	
9/30/24	6,191	
9/30/25	-	
Thereafter	-	
Total	<u>\$61,625</u>	

A relative loaned \$2,000 and \$20,000 during fiscal year ended September 30, 2018. \$7,000 was repaid by September 30, 2018. Remaining balance of \$15,000 was repaid during fiscal year ended September 30, 2019.

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2020 AND 2019

NOTE 15- Fund-raising Special Events

Various fund-raising events are held by Lupus Foundation of America, Greater Ohio Chapter, Inc. Revenues raised are shown net of direct expenses and are calculated as follows:

Fiscal year ended September 30, 2020:

	<u>Proceeds</u>	<u>Cost</u>	<u>Net</u>
Walk-Cincinnati	\$ 10,169	\$ 1,096	\$ 9,073
Walk-Cleveland	8,075	1,042	7,033
Walk-Columbus	17,817	4,059	13,758
Golf Outing	-	1,500	(1,500)
Virtual walk	26,085	3,969	22,116
Other	<u>-</u>	<u>1,310</u>	<u>(1,310)</u>
Total	<u>\$62,146</u>	<u>\$ 12,976</u>	<u>\$ 49,170</u>

Fiscal year ended September 30, 2019:

	<u>Proceeds</u>	<u>Cost</u>	<u>Net</u>
Walk-Cincinnati	\$ 36,014	\$ 11,296	\$ 24,718
Walk-Cleveland	64,302	18,136	46,166
Walk-Columbus	18,450	5,039	13,411
Golf Outing	46,992	17,496	29,496
Dancing With the Stars	<u>21</u>	<u>2,388</u>	<u>(2,367)</u>
Total	<u>\$165,779</u>	<u>\$ 54,355</u>	<u>\$111,424</u>

NOTE: Any allocation of payroll expense related to staff time spent on these activities is shown under fund raising in the statement of functional expenses. If such amounts were deducted directly from the above amounts, the financial statement user's evaluation of the net benefit of these activities could be affected.

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LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2020 AND 2019

NOTE 16- Liquid Assets Available for General Expenditures

Lupus Foundation of America, Greater Ohio Chapter, Inc.'s policy is to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. All of the current assets, shown on Lupus Foundation of America, Greater Ohio Chapter, Inc.'s Statement of Financial Position, are available for general expenditures within one year of the date of the financial statements, with the exception of current assets restricted or designated for specific purposes, as described in Note 11-Net Assets with Donor Restrictions and prepaid expenses. Of course, receivables are subject to implied time restrictions but are expected to be collected within one year.

NOTE 17- Donated Services and Goods

Lupus Foundation of America, Greater Ohio Chapter, Inc. has a significant number of volunteers who donate specialized skills, time and supplies to run the programs. These donated services and goods have not been recorded as revenue or a corresponding expense.

Lupus Foundation of America, Greater Ohio Chapter, Inc. also estimates that there were 165 volunteers during the fiscal year ended 2020 (205 in 2019) who donated approximately 978 (1,215 in 2019) hours in non-specialized volunteer services for the golf outing and other events. In compliance with accounting principles generally accepted in the United States of America, these amounts have not been recorded in the financial statements.

There is a significant amount of goods donated to Lupus Foundation of America, Greater Ohio Chapter, Inc. by the general public during fund raising events. The amounts are shown below and are not recorded in the statement of activities:

	September, 30,	
	2020	2019
Cleveland Walk and Prizes	-	\$3,500
Liberty Mutual for Golf Outing	-	\$65,926
Storage space	\$18,000	\$18,000
Billboards	-	\$2,000

NOTE 18- Subsequent Events

Lupus Foundation of America, Greater Ohio Chapter, Inc. has evaluated subsequent events through December 29, 2020; which is the date the financial statements were available to be issued. No events have occurred that require adjustment to or disclosure in these financial statements. Further, although the national crisis related to the COVID-19 pandemic has altered the way the Organization provides its programming, the Organization believes that it has the resources and means to continue its operations and programs throughout the coming years.

See Auditors' Report