

LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.

AUDITED FINANCIAL STATEMENTS

SEPTEMBER 30, 2021 AND 2020

LUPUS FOUNDATION OF AMERICA,
GREATER OHIO CHAPTER, INC.

SEPTEMBER 30, 2021 AND 2020

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November 15, 2021

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, 2021 and 2020, 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, 2021 and 2020 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, 2021</u>	<u>Sep. 30, 2020</u>	Increase <u>(Decrease)</u>
Current Assets			
Cash and cash equivalents	\$ 120,276	\$ 130,364	\$ (10,088)
Grants and accounts receivable	236,961	197,382	39,579
Special events equip. and supplies	8,870	8,970	(100)
Prepaid expenses	<u>1,356</u>	<u>1,778</u>	<u>(422)</u>
Total Current Assets	367,463	338,494	28,969
Property and Equipment			
Furniture & fixtures	21,261	21,261	-
Office equipment	17,349	18,375	(1,026)
Equipment-special events	2,490	2,490	-
Less: accumulated depreciation	<u>(38,467)</u>	<u>(37,667)</u>	<u>(800)</u>
Net Property and Equipment	2,633	4,459	(1,826)
 TOTAL ASSETS	 <u>\$ 370,096</u>	 <u>\$ 342,953</u>	 <u>\$ 27,143</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, 2021</u>	<u>Sep. 30, 2020</u>	<u>Increase (Decrease)</u>
Current Liabilities			
Accounts payable	\$ 22,960	\$ 19,541	\$ 3,419
Current portion long term debt	1,158	6,195	(5,037)
Credit cards payable	9,063	5,176	3,887
Accrued payroll expenses	<u>10,092</u>	<u>15,103</u>	<u>(5,011)</u>
Total Current Liabilities	43,273	46,015	(2,742)
Long-Term Liabilities			
Long term payable	34,608	47,225	(12,617)
Economic Injury Disaster Loan	150,000	150,000	-
Less current portion long term debt	<u>(1,158)</u>	<u>(6,195)</u>	<u>5,037</u>
Total Long-Term Liabilities	<u>183,450</u>	<u>191,030</u>	<u>(7,580)</u>
Total Liabilities	226,723	237,045	(10,322)
Net Assets (Deficit)			
Without donor restrictions	(42,377)	(89,694)	47,317
With donor restrictions	<u>185,750</u>	<u>195,602</u>	<u>(9,852)</u>
Total Net Assets	<u>143,373</u>	<u>105,908</u>	<u>37,465</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 370,096</u>	<u>\$ 342,953</u>	<u>\$ 27,143</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, 2021

	<u>Without Donor Restrictions</u>	<u>With Donor Restrictions</u>	<u>Total</u>
Revenue and Support			
Grants	\$ -	\$ 372,022	\$ 372,022
CARES Act loan forgiveness	-	53,020	53,020
Contributions	69,849	-	69,849
Contributions-events	5,613	-	5,613
Membership	2,025	-	2,025
Fundraising	82,172	-	82,172
Miscellaneous	160	-	160
Interest income	638	-	638
Released from restrictions	<u>434,894</u>	<u>(434,894)</u>	<u>-</u>
Total Revenue and Support	595,351	(9,852)	585,499
Expenses			
Program expenses	429,548	-	429,548
Management services	55,947	-	55,947
Fundraising expenses	<u>62,539</u>	<u>-</u>	<u>62,539</u>
Total Expenses	<u>548,034</u>	<u>-</u>	<u>548,034</u>
Change in Net Assets	47,317	(9,852)	37,465
Net assets at beginning of year	<u>(89,694)</u>	<u>195,602</u>	<u>105,908</u>
NET ASSETS AT END OF YEAR	<u>\$ (42,377)</u>	<u>\$ 185,750</u>	<u>\$ 143,373</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	\$ -	\$ 120,728	\$ 120,728
CARES Act loan forgiveness	-	39,613	39,613
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 FUNCTIONAL EXPENSES
FOR THE YEAR ENDED SEPTEMBER 30, 2021

	<u>Program Expenses</u>	<u>Supporting Services</u>	<u>Fund- raising</u>	<u>Total</u>
Expenses				
Payroll	\$ 212,257	\$ 29,555	\$ 38,691	\$ 280,503
Payroll taxes	<u>17,256</u>	<u>2,416</u>	<u>3,162</u>	<u>22,834</u>
	229,513	31,971	41,853	303,337
Advertising	48,323	-	8,958	57,281
Bank fees	-	-	516	516
Computer	3,178	509	684	4,371
Consulting	22,441	-	-	22,441
Conferences	37,125	-	-	37,125
Depreciation	1,381	193	253	1,827
Dues & subscriptions	8,463	1,116	-	9,579
Insurance	2,039	193	359	2,591
Interest expense	-	5,500	-	5,500
Licenses and fees	-	100	-	100
Office expense	4,927	516	675	6,118
Other	407	948	142	1,497
Postage	5,190	727	951	6,868
Professional services	-	7,949	-	7,949
Printing	1,117	156	205	1,478
Rent-equipment	18,636	2,609	3,415	24,660
Rent-Office	15,870	2,222	2,908	21,000
Telephone	6,112	856	1,120	8,088
Travel	10	-	-	10
Utilities	2,730	382	500	3,612
Website	<u>22,086</u>	<u>-</u>	<u>-</u>	<u>22,086</u>
Total Expenses	<u>\$ 429,548</u>	<u>\$ 55,947</u>	<u>\$ 62,539</u>	<u>\$ 548,034</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.
 STATEMENTS OF CASH FLOWS
 FOR THE YEARS ENDED

	<u>Sep. 30, 2021</u>	<u>Sep. 30, 2020</u>
Cash Flows From Operating Activities		
Change in Net Assets	\$ 37,465	\$ (88,088)
Adjustments to Reconcile Change in Net Assets to Net Cash Provided By Operating Activities		
Depreciation and Amortization	1,827	2,334
CARES Act loan forgiveness	(53,020)	(39,613)
(Increase) Decrease in Operating Assets:		
Accounts receivable	(39,579)	54,947
Inventory	100	(3,401)
Prepays	422	-
Increase (Decrease) in Operating Liabilities:		
Accounts payable	2,268	(33,534)
Accrued liabilities	(5,011)	5,316
Total Adjustments	<u>(92,993)</u>	<u>(13,951)</u>
Net Cash (Used In) Operating Activities	(55,528)	(102,039)
Cash Flows From Investing Activities		
Purchase of fixed assets	-	(1,926)
Net Cash (Used In) Investing Activities	-	(1,926)
Cash Flows From Financing Activities		
Short term financing	53,020	14,772
Long term financing	(7,580)	150,000
Net Cash Provided By Financing Activities	<u>45,440</u>	<u>164,772</u>
Net Increase In Cash and Cash Equivalents	(10,088)	60,807
Cash and Cash Equivalents at Beginning of Period	<u>130,364</u>	<u>69,557</u>
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>\$ 120,276</u>	<u>\$ 130,364</u>
Supplemental information		
amount of interest paid on all indebtedness was	<u>\$ 5,500</u>	<u>\$ 3,482</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, 2021 AND 2020

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) and Accounting Standards Update (ASU)

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, 2021 AND 2020

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. As of September 30, 2021, net assets with donor restrictions were \$185,750 of \$60,533 were included in cash and cash equivalents and \$125,217 were included in the receivables. Releases from restrictions in fiscal year ended September 30, 2021 were \$434,894 all of which were released by expenditures. Also see Note 10.

As of September 30, 2020, net assets with donor restrictions were \$195,602, of which all were 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 10.

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, where applicable, 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, 2021 AND 2020

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, 2018 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, 2021 AND 2020

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 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).

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, 2021, and 2020, 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, 2021 AND 2020

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- Credit Card

Lupus Foundation of America, Greater Ohio Chapter, Inc. has two credit cards. One is 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. The organization also has a Chase Ink card with a credit limit of \$2,000. Both cards are unsecured. Interest rate for standard purchases and cash advances is 24.24%. As of, September 30, 2021 and 2020, the balances owed were \$9,063 and \$5,176, respectively.

NOTE 8- Paycheck Protection Program-COVID-19 Relief

The Coronavirus Aid Relief and Economic Security (CARES) Act was signed into law March 2020. The CARES Act, among other things, includes provisions relating to low interest loans, forgivable loans, refundable payroll tax credits and deferment of the employer portion of Social Security payment. As part of the financial relief assistance, Lupus Foundation of America, Greater Ohio Chapter, Inc. received two loans under the terms of the Payroll Protection Program in the amount of \$53,020 and \$39,613 for FYE September 30, 2021 and 2020, respectively. Since Lupus Foundation of America, Greater Ohio Chapter, Inc. has satisfied all program requirements to have these loans forgiven, Lupus Foundation of America, Greater Ohio Chapter, Inc. has reported these loans as CARES Act loan forgiveness in the Statement of Activities and Changes in Net Assets.

NOTE 9- 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:

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2021 AND 2020

NOTE 9- Economic Injury Disaster Loan (Continued)

2022	\$ 1,158
2023	3,539
2024	3,638
2025	3,739
2026	3,843
Thereafter	<u>134,083</u>
Total	<u>\$150,000</u>

NOTE 10- Net Assets with Donor Restrictions

As of September 30, 2021 and 2020, Lupus Foundation of America, Greater Ohio Chapter, Inc. had the following donor restricted net assets restricted by expenditure:

	<u>9/30/21</u>	<u>9/30/20</u>
Ohio Commission on Minority Health program	\$ 14,250	\$ 16,000
Ohio Department of Health program	121,500	179,602
Patient Navigator Program	<u>50,000</u>	<u>-</u>
Total	<u>\$185,750</u>	<u>\$ 195,602</u>

There are no amounts restricted by time.

NOTE 11- 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>	
2022	\$ 13,548
2023	1,128
2024	-
2025	-
2026	-
Thereafter	<u>-</u>
Total	<u>\$14,676</u>

See Auditors' Report

LUPUS FOUNDATION OF AMERICA, GREATER OHIO CHAPTER, INC.
 NOTES TO FINANCIAL STATEMENTS (CONTINUED)
 SEPTEMBER 30, 2021 AND 2020

NOTE 12- 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 13- 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, 2021 and 2020 the Lupus Foundation of America, Greater Ohio Chapter, Inc. incurred assessment expenses totaling \$8,901 and \$6,620, respectively. 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 \$55,125 and \$61,625 as of September 30, 2021 and 2020 to the Lupus Foundation of America-National. The future minimum payments are as follow:

For the years ending:

9/30/22	\$20,517	(included in accounts payable)
9/30/23	20,517	
9/30/24	14,091	
9/30/25	-	
Thereafter	-	
Total	<u>\$55,125</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, 2021 AND 2020

NOTE 14- 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, 2021:

	<u>Proceeds</u>	<u>Cost</u>	<u>Net</u>
Walk-Cincinnati	\$ -	\$ -	\$ -
Walk-Cleveland	-	50	(50)
Walk-Columbus	-	1,000	(1,000)
Golf Outing	73,486	43,418	30,068
Virtual walk	61,425	4,605	56,820
Other	<u>-</u>	<u>3,666</u>	<u>(3,666)</u>
Total	<u>\$134,911</u>	<u>\$ 52,739</u>	<u>\$ 82,172</u>

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>

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, 2021 AND 2020

NOTE 15- 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 10-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 16- 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 2021 (165 in 2020). Hours donated by these volunteers were approximately 978 in fiscal year ended 2021 (978 in 2020) 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,	
	2021	2020
Liberty Mutual for Golf Outing	\$ 72,237	\$ -
Storage space	\$ 18,000	\$18,000
Billboards	\$ 4,000	\$ -

NOTE 17- Subsequent Events

Lupus Foundation of America, Greater Ohio Chapter, Inc. has evaluated subsequent events through December 29, 2021; 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