



**Financial Statements
(Together with Independent Auditors' Report)**

Years Ended February 28, 2022 and 2021

TOURETTE ASSOCIATION OF AMERICA INC.

**FINANCIAL STATEMENTS
(Together with Independent Auditors' Report)**

YEARS ENDED FEBRUARY 28, 2022 AND 2021

TABLE OF CONTENTS

| | <u>Page</u> |
|---|--------------------|
| Independent Auditors' Report | 1-2 |
| Statements of Financial Position | 3 |
| Statements of Activities | 4 |
| Statements of Functional Expenses | 5-6 |
| Statements of Cash Flows | 7 |
| Notes to Financial Statements | 8-18 |



INDEPENDENT AUDITORS' REPORT

The Board of Directors
Tourette Association of America Inc.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Tourette Association of America Inc. (the "Association"), which comprise the statement of financial position as of February 28, 2022 and the related statements of activities, functional expenses and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Association as of February 28, 2022, and the changes in its net assets and its cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America ("GAAS"). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Report on 2021 Financial Statements

The financial statements of Tourette Association of America Inc. as of and for the year ended February 28, 2021 were audited by another auditor whose report dated September 2, 2021 expressed an unmodified opinion on those statements.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.



In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Mayer Hoffman McCann CPAs

New York, NY
August 16, 2022

TOURETTE ASSOCIATION OF AMERICA INC.
STATEMENTS OF FINANCIAL POSITION
AS OF FEBRUARY 28, 2022 AND 2021

| | 2022 | 2021 |
|--|--------------------------|--------------------------|
| ASSETS | | |
| Cash and cash equivalents (Notes 2C and 13) | \$ 846,137 | \$ 2,509,133 |
| Grants receivable (Note 2H) | 98,354 | 56,252 |
| Contributions receivable, net (Notes 2H and 6) | 564,128 | 895,856 |
| Investments (Notes 2D, 2F, 2M and 4) | 9,543,609 | 7,648,441 |
| Investments - with donor restrictions (Notes 2B, 2M, 4 and 12) | 474,000 | 334,000 |
| Prepaid expenses and other assets | 173,942 | 144,825 |
| Property and equipment, net (Notes 2E and 5) | 35,961 | 35,159 |
| TOTAL ASSETS | \$ 11,736,131 | \$ 11,623,666 |
| LIABILITIES | | |
| Accounts payable and accrued expenses | \$ 284,352 | \$ 181,452 |
| Research grants payable (Note 10) | 1,151,316 | 1,079,053 |
| Refundable advance (Note 15) | - | 395,177 |
| Deferred revenue (Note 2G) | 19,702 | 25,992 |
| TOTAL LIABILITIES | 1,455,370 | 1,681,674 |
| COMMITMENTS AND CONTINGENCIES (Note 8) | | |
| NET ASSETS (Notes 2B, 11 and 12) | | |
| Without Donor Restrictions | 9,063,123 | 8,539,124 |
| With Donor Restrictions: | | |
| Restricted for time and purpose (Note 11) | 743,638 | 1,068,868 |
| Perpetual in nature (Note 12) | 474,000 | 334,000 |
| Total net assets with donor restrictions | 1,217,638 | 1,402,868 |
| TOTAL NET ASSETS | 10,280,761 | 9,941,992 |
| TOTAL LIABILITIES AND NET ASSETS | \$ 11,736,131 | \$ 11,623,666 |

TOURETTE ASSOCIATION OF AMERICA INC.
STATEMENTS OF ACTIVITIES
FOR THE YEARS ENDED FEBRUARY 28, 2022 AND 2021

| | <u>For the Year Ended February 28, 2022</u> | | | <u>For the Year Ended February 28, 2021</u> | | |
|--|---|------------------------------------|-----------------------|---|------------------------------------|-----------------------|
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2022</u> | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total 2021</u> |
| SUPPORT AND REVENUE: | | | | | | |
| Public Support: | | | | | | |
| Fundraising events revenue | \$ 980,154 | \$ - | \$ 980,154 | \$ 831,818 | \$ - | \$ 831,818 |
| Less: direct benefits to donors (Note 2K) | <u>(150,441)</u> | <u>-</u> | <u>(150,441)</u> | <u>(32,766)</u> | <u>-</u> | <u>(32,766)</u> |
| Net fundraising events revenue | 829,713 | - | 829,713 | 799,052 | - | 799,052 |
| Grants, contributions and bequests (Notes 2F, 2H, 2J, 12 and 15) | <u>1,582,538</u> | <u>859,591</u> | <u>2,442,129</u> | <u>1,377,512</u> | <u>719,841</u> | <u>2,097,353</u> |
| Total Public Support | <u>2,412,251</u> | <u>859,591</u> | <u>3,271,842</u> | <u>2,176,564</u> | <u>719,841</u> | <u>2,896,405</u> |
| Government Support: | | | | | | |
| C.D.C. grant (Note 2G) | <u>868,158</u> | <u>-</u> | <u>868,158</u> | <u>773,298</u> | <u>-</u> | <u>773,298</u> |
| Total Government Support | <u>868,158</u> | <u>-</u> | <u>868,158</u> | <u>773,298</u> | <u>-</u> | <u>773,298</u> |
| Revenue: | | | | | | |
| Investment activity (Notes 4 and 12) | 348,889 | 5,146 | 354,035 | 954,570 | 5,518 | 960,088 |
| Conference income | <u>67,535</u> | <u>-</u> | <u>67,535</u> | <u>109,853</u> | <u>-</u> | <u>109,853</u> |
| Total Revenue | <u>416,424</u> | <u>5,146</u> | <u>421,570</u> | <u>1,064,423</u> | <u>5,518</u> | <u>1,069,941</u> |
| Net assets released from restrictions (Notes 2B and 11) | <u>1,049,967</u> | <u>(1,049,967)</u> | <u>-</u> | <u>1,042,624</u> | <u>(1,042,624)</u> | <u>-</u> |
| TOTAL SUPPORT AND REVENUE | <u>4,746,800</u> | <u>(185,230)</u> | <u>4,561,570</u> | <u>5,056,909</u> | <u>(317,265)</u> | <u>4,739,644</u> |
| EXPENSES: | | | | | | |
| Program services | 3,252,678 | - | 3,252,678 | 3,475,469 | - | 3,475,469 |
| Management and general | 508,320 | - | 508,320 | 523,880 | - | 523,880 |
| Fundraising | 461,803 | - | 461,803 | 517,509 | - | 517,509 |
| TOTAL EXPENSES | <u>4,222,801</u> | <u>-</u> | <u>4,222,801</u> | <u>4,516,858</u> | <u>-</u> | <u>4,516,858</u> |
| CHANGE IN NET ASSETS (Notes 11 and 12) | 523,999 | (185,230) | 338,769 | 540,051 | (317,265) | 222,786 |
| Net assets - beginning of year | <u>8,539,124</u> | <u>1,402,868</u> | <u>9,941,992</u> | <u>7,999,073</u> | <u>1,720,133</u> | <u>9,719,206</u> |
| NET ASSETS - END OF YEAR | <u>\$ 9,063,123</u> | <u>\$ 1,217,638</u> | <u>\$ 10,280,761</u> | <u>\$ 8,539,124</u> | <u>\$ 1,402,868</u> | <u>\$ 9,941,992</u> |

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

TOURETTE ASSOCIATION OF AMERICA INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2022
(With Comparative Totals for the Year Ended February 28, 2021)

| | Program Services | | | | Support Services | | TOTAL 2022 | TOTAL 2021 | |
|---|---------------------|---------------------------|--|-------------------|------------------------------|---------------------------|-------------------|---------------------|---------------------|
| | Public Education | Professional Education | Center for Disease Control Program | Research | Total Program Services | Management and General | | | Fundraising |
| Salaries | \$ 889,723 | \$ 5,135 | \$ 202,800 | \$ 153,826 | \$ 1,251,484 | \$ 261,309 | \$ 231,677 | \$ 1,744,470 | \$ 1,885,211 |
| Payroll taxes and employee benefits (Note 7) | <u>147,176</u> | <u>2,258</u> | <u>37,327</u> | <u>22,706</u> | <u>209,467</u> | <u>31,502</u> | <u>41,699</u> | <u>282,668</u> | <u>358,337</u> |
| Total Salaries and Related Costs | 1,036,899 | 7,393 | 240,127 | 176,532 | 1,460,951 | 292,811 | 273,376 | 2,027,138 | 2,243,548 |
| Research grants (Note 10) | - | - | - | 447,369 | 447,369 | - | - | 447,369 | 712,911 |
| Genetic analysis and lab pathology (Note 10) | - | - | 44,435 | - | 44,435 | - | - | 44,435 | 70,622 |
| Occupancy (Note 8B) | 85,023 | - | - | 7,912 | 92,935 | 38,277 | 22,502 | 153,714 | 164,585 |
| Repairs and maintenance | 762 | - | - | 71 | 833 | 437 | 202 | 1,472 | 4,116 |
| Depreciation (Note 5) | 7,674 | - | - | 714 | 8,388 | 4,406 | 2,031 | 14,825 | 18,323 |
| Telephone and internet | 14,014 | - | 40,702 | 7,308 | 62,024 | 14,659 | 4,764 | 81,447 | 88,141 |
| Information technology | 30,730 | - | - | 4,827 | 35,557 | 13,098 | 5,798 | 54,453 | 56,060 |
| Postage and mail services | 10,717 | - | 149,763 | 10,904 | 171,384 | 6,603 | 12,847 | 190,834 | 191,999 |
| Printing and publications | 3,755 | - | 94,746 | 6,047 | 104,548 | 290 | 11,698 | 116,536 | 123,737 |
| Supplies | 12,065 | - | 36 | 4,845 | 16,946 | 683 | 3,516 | 21,145 | 32,759 |
| Insurance | 22,941 | 168 | - | 2,334 | 25,443 | 20,354 | 2,696 | 48,493 | 54,179 |
| Professional fees | 24,751 | - | - | 3,888 | 28,639 | 10,550 | 4,670 | 43,859 | 42,500 |
| Legal expense (Note 2F) | 79,962 | - | - | 27,007 | 106,969 | 73,081 | 57,523 | 237,573 | 237,008 |
| Consultants | 76,756 | - | 23,400 | 59,465 | 159,621 | 23,226 | 17,645 | 200,492 | 140,224 |
| Travel expenses | 4,722 | 2,797 | 4,635 | 475 | 12,629 | 759 | 15,008 | 28,396 | 22,457 |
| Registration, filing fees and membership | 32,269 | - | 1,282 | 1,905 | 35,456 | 1,776 | 3,299 | 40,531 | 34,297 |
| Other conferences and meetings | 22,229 | - | 30,393 | 500 | 53,122 | - | 6,054 | 59,176 | 132,864 |
| National conference | 3,857 | - | - | - | 3,857 | - | - | 3,857 | 5,937 |
| Chapter support (Note 9) | 24,626 | - | 200 | - | 24,826 | - | - | 24,826 | 19,314 |
| Promotional expenses | 79,756 | - | 165,394 | - | 245,150 | - | 162,820 | 407,970 | 83,924 |
| Recruitment and training | 5,447 | - | - | 9,165 | 14,612 | 7,258 | 3,853 | 25,723 | 8,273 |
| Miscellaneous | 13,674 | 5,666 | 55,434 | 1,510 | 76,284 | 52 | 1,942 | 78,278 | 41,596 |
| Honorariums | - | 3,000 | 17,700 | - | 20,700 | - | - | 20,700 | 20,250 |
| Subtotal | <u>1,592,629</u> | <u>19,024</u> | <u>868,247</u> | <u>772,778</u> | <u>3,252,678</u> | <u>508,320</u> | <u>612,244</u> | <u>4,373,242</u> | <u>4,549,624</u> |
| Less: cost of direct benefit to donor (Note 2K) | - | - | - | - | - | - | (150,441) | (150,441) | (32,766) |
| TOTAL EXPENSES | <u>\$ 1,592,629</u> | <u>\$ 19,024</u> | <u>\$ 868,247</u> | <u>\$ 772,778</u> | <u>\$ 3,252,678</u> | <u>\$ 508,320</u> | <u>\$ 461,803</u> | <u>\$ 4,222,801</u> | <u>\$ 4,516,858</u> |

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

**TOURETTE ASSOCIATION OF AMERICA INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED FEBRUARY 28, 2021**

| | Program Services | | | | Support Services | | TOTAL 2021 | |
|---|---------------------|---------------------------|--|---------------------|------------------------------|---------------------------|-------------------|---------------------|
| | Public Education | Professional Education | Center for Disease Control Program | Research | Total Program Services | Management and General | | Fundraising |
| Salaries | \$ 908,420 | \$ 10,166 | \$ 261,018 | \$ 219,461 | \$ 1,399,065 | \$ 270,311 | \$ 215,835 | \$ 1,885,211 |
| Payroll taxes and employee benefits (Note 7) | 171,779 | 3,116 | 54,242 | 43,601 | 272,738 | 47,976 | 37,623 | 358,337 |
| Total Salaries and Related Costs | 1,080,199 | 13,282 | 315,260 | 263,062 | 1,671,803 | 318,287 | 253,458 | 2,243,548 |
| Research grants (Note 10) | - | - | - | 712,911 | 712,911 | - | - | 712,911 |
| Genetic analysis and lab pathology (Note 10) | - | - | 45,622 | 25,000 | 70,622 | - | - | 70,622 |
| Occupancy (Note 8B) | 30,051 | - | 14,205 | 24,888 | 69,144 | 49,876 | 45,565 | 164,585 |
| Repairs and maintenance | 1,037 | - | - | 681 | 1,718 | 1,151 | 1,247 | 4,116 |
| Depreciation (Note 5) | 4,615 | - | - | 3,032 | 7,647 | 5,124 | 5,552 | 18,323 |
| Telephone and internet | 14,923 | - | 43,015 | 15,995 | 73,933 | 6,618 | 7,590 | 88,141 |
| Information technology | 22,616 | - | - | 11,212 | 33,828 | 12,654 | 9,578 | 56,060 |
| Postage and mail services | 24,267 | 309 | 141,233 | 6,938 | 172,747 | 4,196 | 15,056 | 191,999 |
| Printing and publications | 17,352 | 12 | 27,520 | 7,497 | 52,381 | 198 | 71,158 | 123,737 |
| Supplies | 14,828 | 998 | 4,652 | 3,079 | 23,557 | 4,054 | 5,148 | 32,759 |
| Insurance | 19,900 | 333 | - | 4,651 | 24,884 | 23,955 | 5,340 | 54,179 |
| Professional fees | 16,956 | 266 | - | 12,599 | 29,821 | 7,121 | 5,558 | 42,500 |
| Legal expense (Note 2F) | 80,109 | - | - | 27,057 | 107,166 | 72,213 | 57,629 | 237,008 |
| Consultants | 62,721 | 3,055 | 33,679 | 11,903 | 111,358 | 12,959 | 15,907 | 140,224 |
| Travel expenses | 13,123 | 1,770 | 4,004 | 1,726 | 20,623 | 516 | 1,318 | 22,457 |
| Registration, filing fees and membership | 19,083 | 124 | 4,553 | 6,115 | 29,875 | 1,542 | 2,880 | 34,297 |
| Other conferences and meetings | 80,568 | - | 19,530 | - | 100,098 | - | 32,766 | 132,864 |
| National conference | 5,937 | - | - | - | 5,937 | - | - | 5,937 |
| Chapter support (Note 9) | 2,158 | - | 17,156 | - | 19,314 | - | - | 19,314 |
| Promotional expenses | 16,280 | - | 56,181 | - | 72,461 | - | 11,463 | 83,924 |
| Recruitment and training | 3,391 | 57 | - | 2,093 | 5,541 | 912 | 1,820 | 8,273 |
| Miscellaneous | 5,911 | 41 | 30,438 | 1,460 | 37,850 | 2,504 | 1,242 | 41,596 |
| Honorariums | - | 4,000 | 16,250 | - | 20,250 | - | - | 20,250 |
| Subtotal | 1,536,025 | 24,247 | 773,298 | 1,141,899 | 3,475,469 | 523,880 | 550,275 | 4,549,624 |
| Less: cost of direct benefit to donor (Note 2K) | - | - | - | - | - | - | (32,766) | (32,766) |
| TOTAL EXPENSES | \$ 1,536,025 | \$ 24,247 | \$ 773,298 | \$ 1,141,899 | \$ 3,475,469 | \$ 523,880 | \$ 517,509 | \$ 4,516,858 |

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

TOURETTE ASSOCIATION OF AMERICA INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED FEBRUARY 28, 2022 AND 2021

| | 2022 | 2021 |
|---|--------------------|---------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES: | | |
| Change in net assets | \$ 338,769 | \$ 222,786 |
| Adjustments to reconcile change in net assets to net cash provided by operating activities: | | |
| Depreciation expense | 14,825 | 18,323 |
| Decrease in provision for doubtful accounts | - | (2,500) |
| Donor-restricted contribution to be held in perpetuity | (140,000) | - |
| Realized gain on investments | (246,847) | (7,678) |
| Unrealized loss (gain) on investments | 3,358 | (852,104) |
| Discount on contributions net of amortization | (7,257) | (14,328) |
| Forgiveness of refundable advance | (395,177) | - |
| Subtotal | (432,329) | (635,501) |
| Changes in operating assets and liabilities: | | |
| (Increase) Decrease in assets: | | |
| Grants receivable | (42,102) | 3,944 |
| Contributions receivable | 338,985 | 449,200 |
| Prepaid expenses and other assets | (29,117) | 7,904 |
| (Decrease) Increase in liabilities: | | |
| Accounts payable and accrued expenses | 102,900 | (67,177) |
| Research grants payable | 72,263 | 33,222 |
| Refundable advance | - | 395,177 |
| Deferred revenue | (6,290) | (25,394) |
| Net Cash Provided by Operating Activities | 4,310 | 161,375 |
| CASH FLOWS FROM INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | (15,627) | (13,287) |
| Proceeds from sales of investments | 2,463,254 | 4,586,522 |
| Purchases of investments | (4,254,933) | (2,966,844) |
| Net Cash (Used in) Provided by Investing Activities | (1,807,306) | 1,606,391 |
| CASH FLOWS FROM FINANCING ACTIVITIES: | | |
| Donor-restricted contribution to be held in perpetuity | 140,000 | - |
| Net Cash Provided by Financing Activities | 140,000 | - |
| NET (DECREASE) INCREASE IN CASH AND CASH EQUIVALENTS | (1,662,996) | 1,767,766 |
| Cash and cash equivalents - beginning of year | 2,509,133 | 741,367 |
| CASH AND CASH EQUIVALENTS - END OF YEAR | \$ 846,137 | \$ 2,509,133 |

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

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES

Tourette Association of America Inc. (the “Association”) was incorporated in the State of New York as a not-for-profit organization in 1972. The Association has been granted exemption from federal income tax pursuant to Section 501(c)(3) of the Internal Revenue Code. The Association is dedicated to making life better for all people affected by Tourette Syndrome and other Tic Disorders and accomplishes this through efforts that raise awareness, advance research, and provide ongoing support. To this end, the Association:

Public Education

- Provides support to individuals and families. The Association maintains a network of 31 local affiliates operating as chapters and 100 support groups that provide local support services for people living with Tourette Syndrome. Chapters and support groups are located across the country and offer emotional support, educational workshops and the chance to participate in community, group and awareness activities. The Association offers free information and referral services for individuals and families, as well as individualized education support and planning services.
- Fosters awareness and social acceptance. The Association develops and disseminates informational materials, resources and referral information to the general public, and generally promotes awareness and understanding about Tourette through various channels. These channels include a comprehensive and informative website, a robust social media presence designed to catalyze understanding and social acceptance of Tourette, and a national education and advocacy conference.
- Empowers young people. Through its Youth Ambassador Program, the Association has been instrumental in empowering teens with Tourette. Through this program, young people are trained to teach their peers about Tourette Syndrome and, in the process, become confident despite their diagnosis. The impact and effectiveness of this program’s impact has been well documented by both the Youth Ambassadors themselves as well as media around the country.

Professional Education

- Provides education to professionals. The Association promotes awareness and understanding of Tourette Syndrome to medical, scientific, educational and allied professionals. This is done through the development of educational materials, conducting conferences, and distributing and interpreting research updates. The Association also develops materials designed to educate and foster sensitivity among law enforcement and service professionals.
- The Tourette Syndrome Behavior Training Institute (“TS-BTI”) was created to expand the number of healthcare professionals competently trained in behavior therapy for Tourette Syndrome and other Tic Disorders. Individuals participating in the TS-BTI are health or mental health practitioners licensed or certified to practice in their state.

Center for Disease Control Program

- The Association and the Center for Disease Control and Prevention (the “CDC”) is in its sixteenth year of a health education partnership, which is part of a larger appropriation from the U.S. Congress. Through the partnership, the Association seeks to achieve increased access to awareness of available support services and treatments for Tourette Syndrome among the community, public, healthcare and educational professionals. This is accomplished through a variety of projects, including, but not limited to: in-service educational workshops, a webinar series, online support groups, small grant programs for the Centers of Excellence and Chapters/support groups, development of educational materials and videos, and other education and awareness activities deemed appropriate.

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 1 – ORGANIZATION AND NATURE OF ACTIVITIES (Continued)

Research

- The Association actively manages a diverse portfolio of research and medical programs for Tourette Syndrome and other Tic Disorders. The centerpiece of this portfolio is an annual grants program that supports career development, basic and clinical research aimed at increasing our understanding of Tourette Syndrome and related disorders. The Association's research grant programs are overseen by an external Scientific Advisory Board comprised of top researchers and doctors with diverse expertise. Many of the researchers who receive seed funding from the Association for proof of concept go on to secure major funding from the National Institute of Health ("NIH").
- In addition, the Association manages a Center of Excellence program which recognizes medical institutions that offer the highest level of care. These institutions are undertaking groundbreaking research, are leaders in training and education and/or provide exceptional community outreach and advocacy for Tourette Syndrome and other Tic Disorders.
- Lastly, the Association provides funding to research consortia, a Tourette brain bank, and deep brain stimulation registry. For these projects, the Association works proactively with our prestigious Medical Advisory Board to guide these strategic funding efforts and determine new opportunities to impact care and treatment for those with Tourette Syndrome and other Tic Disorders.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- A. The Association prepares its financial statements using the accrual basis of accounting. The Association adheres to accounting principles generally accepted in the United States of America ("U.S. GAAP").
- B. The Association distinguishes between contributions that increase net assets with donor restrictions and net assets without donor restrictions depending on the existence and/or nature of any donor restrictions. The Association reports gifts of cash and other assets as donor restricted support if they are received with donor stipulations that limit the use of donated assets. When a donor restriction expires, that is, when a stipulated time restriction ends or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statements of activities as net assets released from restrictions.

Net assets without donor restrictions are resources available for support of the Association's operations over which the Board has discretionary control.

Net assets with donor restrictions are released by incurring expenses satisfying the restricted purpose of providing program services or the passage of time. As of February 28, 2022 and 2021, net assets with donor restrictions are available for public and professional education services and include certain time restricted contributions.

Net assets with donor restrictions perpetual in nature represent the principal of an endowment fund. The Board of Directors has interpreted the New York-enacted version of the Uniform Prudent Management of Institutional Funds Act as allowing the Association to appropriate for expenditure or accumulate so much of an endowment fund as the Association determines is prudent for the uses, benefits, purposes and duration for which the endowment fund is established, (currently the Public Education program). The donor has reserved the right to change the program designation.

The Association's net assets with donor restrictions of \$474,000 and \$334,000 that are perpetual in nature are included in the accompanying statements of financial position as of February 28, 2022 and 2021, respectively. Investment income (including gains and losses on investment and interest) is included in the statements of activities as increases in net assets with donor restrictions until appropriated for expenditure. Net assets with donor restrictions that are perpetual in nature are invested as part of the Association's investment portfolio (See Note 4).

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- C. The Association considers all highly liquid debt instruments purchased with maturities of 90 days or less (except money market funds held by investment trustees for long-term investment) to be cash and cash equivalents.
- D. Investments are reported at fair value.
- E. Property and equipment are stated at cost less accumulated depreciation. These amounts do not purport to represent replacement or realizable values. Property and equipment are capitalized provided its cost is \$1,000 or more and its useful life is greater than one year. Depreciation is provided on a straight-line basis over the estimated useful life of the asset.
- F. Donated services are recognized in the accompanying financial statements if the services enhance or create non-financial assets or require specialized skills, are provided by individuals possessing those skills, and would typically need to be purchased, if not provided by donation. The Association receives contributed legal services that are valued at the standard market rates that would have been incurred by the Association to obtain such services. Contributed services are reported as revenue and expense in the accompanying statements of activities because they meet the criteria as prescribed by U.S. GAAP. Additionally, the Association received donated securities which are valued at fair market value at the date of donation. In-kind contributions included the following for the years ended February 28:

| | 2022 | 2021 |
|-----------------------------|------------|------------|
| Contributed legal services | \$ 237,573 | \$ 237,008 |
| Donated securities | 3,665 | 59,979 |
| Total in-kind contributions | \$ 241,238 | \$ 296,987 |

- G. Revenue from government grants and contracts designated for use toward specific activities is recognized in the period when expenses have been incurred in compliance with the grantor's conditions and there is no right of return. Registration income received in advance for conferences are deferred and are recognized as revenue in the next year. Cash received in excess of revenue recognized is recorded as deferred revenue. As of February 28, 2022 and 2021, the Association received \$1,000 and \$9,525, respectively, of advances for events that will be applied to expenses to be incurred in the next year.

As of February 28, 2022 and 2021, the Association received conditional contracts from a government agency in the aggregate amounts of \$1,275,000 and \$576,742, respectively, that have not been recorded in the accompanying financial statements under Financial Accounting Standards Board ("FASB") Accounting Standards Update ("ASU") 2018-08 as they have not yet been earned. These grants and contracts require the Association to provide informational programs and develop/disseminate resources on recognition, diagnosis, and management of Tourette Syndrome. If such services are not provided, the governmental entity is not obligated to expend the funds allotted under the contracts.

- H. Contributions receivable are recorded at net realizable value. Unless material, the Association does not discount them to present value. Grants receivable consist of receivables from the CDC. As of both February 28, 2022 and 2021, the Association determined that an allowance for uncollectible contributions receivable of \$6,800 was necessary. The determination is based on a combination of factors, such as management's assessment of the aged basis of its government funding sources, estimates of the creditworthiness of its donors, current economic conditions and historical information.

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

- I. The preparation of financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
- J. The Association recognizes bequests when the bequests become known and when the will has been declared valid by the probate court.
- K. The direct cost of special events includes expenses for the benefit of the donor. For example, meals, facilities, and rentals are considered direct costs of special events.
- L. The costs of program and supporting services activities have been summarized on a functional basis in the statements of activities. The statements of functional expenses present the natural classification detail of expenses by function. Accordingly, certain costs have been allocated among the programs and supporting services benefited.

The financial statements report certain categories of expenses that are attributed to more than one program or supporting function. Therefore, expenses require allocation on a reasonable basis that is consistently applied. The expenses that are allocated include occupancy and depreciation, which are allocated on a square footage basis. Salaries and wages, benefits, payroll taxes, professional services, office expenses, information technology, insurance, and other expenses are allocated on the basis of time and effort.

- M. Fair value measurements are based on 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. In order to increase consistency and comparability in fair value measurements, a fair value hierarchy prioritizes observable and unobservable inputs used to measure fair value into three levels, as described in Note 4.

NOTE 3 – LIQUIDITY AND AVAILABILITY OF RESOURCES FOR GENERAL EXPENDITURES

Financial assets available for general expenditure, that is, without donor or other restrictions limiting their use, within one year of the statements of financial position date, comprise the following as of February 28:

| | <u>2022</u> | <u>2021</u> |
|--|---------------------|---------------------|
| Cash and cash equivalents | \$ 846,137 | \$ 2,509,133 |
| Grants receivable | 98,354 | 56,252 |
| Contributions receivable | 564,128 | 895,856 |
| Interest receivable | 7,637 | 14,184 |
| Investments | <u>10,017,609</u> | <u>7,982,441</u> |
| Total financial assets | 11,533,865 | 11,457,866 |
| Certificate of deposits with maturity dates over one year | (1,191,384) | (1,697,432) |
| Net assets with donor restrictions | <u>(1,217,638)</u> | <u>(1,402,868)</u> |
| Financial assets available for general expenditure net of donor-imposed restrictions | <u>\$ 9,124,843</u> | <u>\$ 8,357,566</u> |

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS

As part of the Association's liquidity management plan, the Association invests cash in excess of daily requirements in short-term investments, certificates of deposit, government bonds, money market funds and mutual funds.

Investments consist of the following at February 28:

| | <u>2022</u> | <u>2021</u> |
|-------------------------|----------------------|---------------------|
| Money market | \$ 600,823 | \$ 561,372 |
| Certificates of deposit | 1,903,892 | 2,986,671 |
| Government bonds | 470,762 | 334,062 |
| Fixed income bonds | 50,731 | 308,850 |
| Corporate bonds | 740,460 | 329,498 |
| Equity securities | 819,244 | 425,754 |
| Mutual funds | <u>5,431,697</u> | <u>3,036,234</u> |
| Total investments | <u>\$ 10,017,609</u> | <u>\$ 7,982,441</u> |

Certain of the Association's investments are subject to market volatility that could substantially change their fair values in the near term.

Investment activity consists of the following for the years ended February 28, 2022 and 2021:

| | <u>2022</u> | | |
|--------------------------------|---------------------------------------|------------------------------------|-------------------|
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
| Interest and dividends | \$ 145,608 | \$ 5,146 | \$ 150,754 |
| Realized gain on investments | 246,847 | - | 246,847 |
| Unrealized loss on investments | (3,358) | - | (3,358) |
| Less: Investment fees | <u>(40,208)</u> | <u>-</u> | <u>(40,208)</u> |
| Net investment income | <u>\$ 348,889</u> | <u>\$ 5,146</u> | <u>\$ 354,035</u> |
| | <u>2021</u> | | |
| | <u>Without Donor Restrictions</u> | <u>With Donor Restrictions</u> | <u>Total</u> |
| Interest and dividends | \$ 115,175 | \$ 5,518 | \$ 120,693 |
| Realized gain on investments | 7,678 | - | 7,678 |
| Unrealized gain on investments | 852,104 | - | 852,104 |
| Less: Investment fees | <u>(20,387)</u> | <u>-</u> | <u>(20,387)</u> |
| Net investment income | <u>\$ 954,570</u> | <u>\$ 5,518</u> | <u>\$ 960,088</u> |

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 4 – INVESTMENTS AND FAIR VALUE MEASUREMENTS (Continued)

The fair value hierarchy defines three levels as follows:

Level 1: Valuations based on quoted prices (unadjusted) in an active market that are accessible at the measurement date for identical assets or liabilities. The fair value hierarchy gives the highest priority to Level 1 inputs.

Level 2: Valuations based on observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in inactive markets; or model-derived valuations in which all significant inputs are observable or can be derived principally from or corroborated with observable market data.

Level 3: Valuations based on unobservable inputs are used when little or no market data is available. The fair value hierarchy gives the lowest priority to Level 3 inputs.

In determining fair value, the Association utilizes valuation techniques that maximize the use of observable inputs and minimize the use of unobservable inputs to the extent possible in its assessment of fair value.

Financial assets carried at fair value are as follow as of February 28, 2022:

| | 2022 | | |
|-------------------------|---------------------|---------------------|----------------------|
| | Level 1 | Level 2 | Total |
| Investments: | | | |
| Money market funds | \$ 177,702 | \$ 423,121 | \$ 600,823 |
| Certificates of deposit | - | 1,903,892 | 1,903,892 |
| Equity securities | 819,244 | - | 819,244 |
| Mutual funds | 5,431,697 | - | 5,431,697 |
| Corporate bonds | 740,460 | - | 740,460 |
| Fixed income bonds | 50,731 | - | 50,731 |
| Government bonds | 470,762 | - | 470,762 |
| Total investments | <u>\$ 7,690,596</u> | <u>\$ 2,327,013</u> | <u>\$ 10,017,609</u> |

Financial assets are carried at fair value are as follow as of February 28, 2021:

| | 2021 | | |
|-------------------------|---------------------|---------------------|---------------------|
| | Level 1 | Level 2 | Total |
| Investments: | | | |
| Money market funds | \$ 166,034 | \$ 395,338 | \$ 561,372 |
| Certificates of deposit | - | 2,986,671 | 2,986,671 |
| Equity securities | 425,754 | - | 425,754 |
| Mutual funds | 3,036,234 | - | 3,036,234 |
| Corporate bonds | 329,498 | - | 329,498 |
| Fixed income bonds | 308,850 | - | 308,850 |
| Government bonds | 334,062 | - | 334,062 |
| Total investments | <u>\$ 4,600,432</u> | <u>\$ 3,382,009</u> | <u>\$ 7,982,441</u> |

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 5 – PROPERTY AND EQUIPMENT

Property and equipment consist of the following as of February 28, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> | <u>Estimated Useful Lives</u> |
|--------------------------------|------------------|------------------|-----------------------------------|
| Office equipment | \$ 63,278 | \$ 63,278 | 5 Years |
| Computer equipment | <u>102,726</u> | <u>87,099</u> | 3 Years |
| Total cost | 166,004 | 150,377 | |
| Less: accumulated depreciation | <u>(130,043)</u> | <u>(115,218)</u> | |
| Net book value | <u>\$ 35,961</u> | <u>\$ 35,159</u> | |

Depreciation expense amounted to \$14,825 and \$18,323 for the years ended February 28, 2022 and 2021, respectively.

NOTE 6 – CONTRIBUTIONS RECEIVABLE

Contributions receivable are scheduled to be received as of February 28, 2022 and 2021 as follows:

| | <u>2022</u> | <u>2021</u> |
|-----------------------------------|-------------------|-------------------|
| Amounts due in less than one year | \$ 520,928 | \$ 528,781 |
| Amounts due in one to five years | <u>50,000</u> | <u>381,132</u> |
| | 570,928 | 909,913 |
| Less: Unamortized discount | - | (7,257) |
| Allowance for doubtful accounts | <u>(6,800)</u> | <u>(6,800)</u> |
| | <u>\$ 564,128</u> | <u>\$ 895,856</u> |

For the year ended February 28, 2021, the pledges to be received after one year were discounted to present value at interest rates ranging from 2.42% to 2.65% and are reflected as a reduction to grants, contributions and bequests in the year pledged in the accompanying statement of activities. For the year ended February 28, 2022, there was no discount recorded.

NOTE 7 – PENSION PLAN

The Association sponsors a qualified defined contribution pension plan for substantially all of its full-time employees. Effective February 1, 2016, the pension plan was revised. Under the new revised plan, eligibility for enrollment is one year of service. The Association will match up to 3% of employee deferrals. Matching will vest ratably over a five-year period.

Pension expense for the years ended February 28, 2022 and 2021 amounted to \$24,141 and \$43,327, respectively.

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 8 – COMMITMENTS AND CONTINGENCIES

- A. The Association believes it has no uncertain tax positions as of February 28, 2022 and 2021 in accordance with FASB Accounting Standards Codification (“ASC”) Topic 740, which provides standards for establishing and classifying any tax provisions for uncertain tax positions.
- B. The Association has a five-year lease for real property through December 2027. In addition, the Association is obligated under various lease agreements for the use of equipment through September 2024. Following are the future minimum lease payments under the lease for real property and the leases for the equipment for the years ending after February 28, 2022:

| | <u>Real Property</u> | <u>Equipment</u> | <u>Total</u> |
|------|----------------------|------------------|-------------------|
| 2023 | \$ 75,110 | \$ 4,000 | \$ 79,110 |
| 2024 | 77,363 | 4,000 | 81,363 |
| 2025 | 79,684 | 4,000 | 83,684 |
| 2026 | 82,075 | 2,333 | 84,408 |
| 2027 | <u>41,644</u> | - | <u>41,644</u> |
| | <u>\$ 355,876</u> | <u>\$ 14,333</u> | <u>\$ 370,209</u> |

The Association recognizes rent expense using the straight-line method over the length of the lease. As of February 28, 2022 and 2021, these rent adjustments resulted in a deferred rent payable in the amounts of \$18,702 and \$16,467, respectively.

Rent expense for the years ended February 28, 2022 and 2021 amounted to \$146,539 and \$158,435, respectively, and is included in occupancy expense in the accompanying financial statements.

NOTE 9 – AFFILIATED CHAPTERS

The Association has 31 affiliated chapters in the United States operating pursuant to a group exemption letter as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code. Affiliates operate as chapters of the Association pursuant to chapter agreements. Each chapter adopts by-laws which conform to the standard chapter by-laws provided by the Association. Each chapter elects its own Board of Directors in accordance with the adopted by-laws. Accordingly, management has determined that these chapters are not to be consolidated under current U.S. GAAP and therefore operations of these chapters are not included in the accompanying financial statements. For the years ended February 28, 2022 and 2021, the Association distributed \$24,826 and \$19,314, respectively to these chapters.

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 10 – RESEARCH GRANTS

Research grants payable consists of the following as of February 28, 2022 and 2021:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| Board approved research grants to be paid subsequent to year end | \$ <u>1,151,316</u> | \$ <u>1,079,053</u> |

Direct research grant expenses amounted to \$447,369 and \$712,911 for the years ended February 28, 2022 and 2021, respectively. The Association’s direct research grant program continues to fund studies in many areas of specialty, such as, epidemiology, neuropathology, imaging, behavioral studies and general science.

General research expenses amounted to \$44,435 and \$70,622 for the years ended February 28, 2022 and 2021, respectively. The Association has funded research projects in the areas of deep brain stimulation (DBS), a brain bank, clinical trials, and centers of excellence programs.

NOTE 11 – NET ASSETS WITH DONOR RESTRICTIONS FOR PURPOSE AND TIME

Net assets with donor restrictions were available for the following purposes as of February 28:

| | 2022 | 2021 |
|------------------------------|------------|--------------|
| Public Education and Support | \$ 466,830 | \$ 506,604 |
| For future periods | 276,808 | 562,264 |
| Total | \$ 743,638 | \$ 1,068,868 |

Net assets with donor restrictions were released by incurring expenses satisfying the restricted purpose, by the occurrence of other events specified by donors or the passage of time during the years ended February 28:

| | 2022 | 2021 |
|------------------------------|--------------|--------------|
| Public Education and Support | \$ 563,747 | \$ 665,876 |
| Research | 486,220 | 376,748 |
| Total | \$ 1,049,967 | \$ 1,042,624 |

NOTE 12 – ENDOWMENT NET ASSETS

The Association’s Board recognizes that the New York Prudent Management of Institutional Funds Act (“NYPMIFA”) permits the Board to appropriate for expenditure all earnings of such endowment funds (both realized and unrealized) with a presumption of prudence to a ceiling of 7% annually based on a quarterly rolling five-year average of such earnings.

The Board explicitly appropriated all earnings of the endowment fund as of and prior to February 28, 2011, whether deemed spent or not as with donor restrictions, to be used to fund the Public Education program.

The Association’s endowment investment policy is to invest in certificates of deposit, government bonds and equities based on an asset allocation with the objective of the preservation of capital as well as to provide for long-term growth of principal without undue risk. Annual spending from the endowment fund for the education program is established by the donor and unless authorized by the donor, the appropriations from the endowment fund should not deplete the real dollar value of the endowment fund. Any unappropriated earnings that would otherwise be considered without restriction by the donor will be reflected as net assets with donor restriction.

**TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021**

NOTE 12 – ENDOWMENT NET ASSETS (Continued)

Changes in endowment net assets are as follows for the years ended February 28, 2022 and 2021:

| | <u>2022</u> | <u>2021</u> |
|---|-------------------|-------------------|
| Investment activity: | | |
| Interest and dividends | \$ 5,146 | \$ 5,518 |
| Total investment activity | 5,146 | 5,518 |
| Expenditures for Public Education program | <u>(5,146)</u> | <u>(5,518)</u> |
| Contributions | 140,000 | - |
| Total change in endowment net assets | <u>140,000</u> | <u>-</u> |
| Endowment net assets, beginning of year | <u>334,000</u> | <u>334,000</u> |
| Endowment net assets, end of year | <u>\$ 474,000</u> | <u>\$ 334,000</u> |

NOTE 13 – CONCENTRATION

Cash and cash equivalents that potentially subject the Association to a concentration of credit risk include cash accounts with a financial institution that exceeded the Federal Deposit Insurance Corporation (“FDIC”) insurance limits of up to \$250,000 per depositor. As of February 28, 2022 and 2021, there were approximately \$304,000 and \$1,894,000, respectively, of cash and cash equivalents held by banks that exceeded FDIC limits. Such excess includes outstanding checks.

NOTE 14 – SUSTAINABILITY PLAN

As we celebrate 50 years of service to the Tourette and Tic Disorder community we have focused our efforts on building upon the strong foundation we built, in spite of the uncertainty of the pandemic, and are launching our strategic plan publicly to excite and engage our constituents with a vision of growth and innovation from the TAA. We are steadfast in our focus to build strong programs that are mission focused, revenue generating, effective and cost efficient.

As we embark on our 50th year, Our focus will be on launching our strategic plan publicly and engaging constituents in our vision for the future of the Tourette Association. Part of this effort will be to infuse our asset portfolio with new funding to establish a formal endowment income stream which will help close the current \$500,000 structural deficit we currently experience. We also increased our marketing efforts to increase awareness of TAA and to help improve our diagnosis rate which is currently at 50%.

The continued strategic investments we made to our infrastructure enable us to continue our mission focused work during unanticipated closures related to COVID-19. Optimization of the infrastructure updates will ensure we are working at the highest levels of productivity, allowing us to continue meaningfully interacting with donors, constituents and partners while also embracing our culture of work/life meshing for staff. The exercise of building and launching the first full-fledged, multi-stakeholder 5-year strategic plan has caused us to examine our strengths and weakness with a keener eye. The collaborative mindset and unified goals have brought new life and fresh perspective to our approach and will be instrumental in achieving our goals in the future.

We continue with our efforts to scale up our organization by investing in our national network of chapters and support groups with training. Our strategic vision is one where a unified TAA is benefitting from a healthy, productive, and financially sound network whose fundraising efforts enable programming growth and efficiency nationwide. As we move toward realizing this future, we will continue to advance research and treatment options, provide local support, advocate for policies that are supportive, and raise awareness, educate professionals, foster social acceptance and the work that made the Association the most respected source and resource in the Tourette and Tic Disorder community.

TOURETTE ASSOCIATION OF AMERICA INC.
NOTES TO FINANCIAL STATEMENTS
FEBRUARY 28, 2022 AND 2021

NOTE 15 – PAYCHECK PROTECTION PROGRAM

The Association applied and received a loan from its primary lender, as a small business loan authorized lender, for a loan administered by the Small Business Administration (“SBA”) sector of the government as part of the Paycheck Protection Program (“PPP”) provision under the Coronavirus Aid, Relief, and Economic Security Act (“CARES Act”) that was passed by the federal government in March 2020. The loan, totaling \$338,890, was received by the Association in April 2020. During the year ended February 28, 2021, an application for forgiveness was sent to the lender of the PPP loan and the full amount of \$338,890 received in April 2020 was forgiven and is included in the statement of activities with contribution revenue for the year ended February 28, 2021.

Under the Consolidated Appropriations Act of 2021, the Association applied for a second PPP loan in the amount of \$395,177 which was approved and received in February 2021 and is included in the statement of financial position as a refundable advance as of February 28, 2021. On November 8, 2021, the loan was forgiven in full by the SBA and \$395,177 was included with contribution revenue for the year ended February 28, 2022 as conditions were substantially met

NOTE 16 – SUBSEQUENT EVENTS

Management has evaluated, for potential recognition and disclosure, events subsequent to the date of the statement of financial position through August 16, 2022, the date the financial statements were available to be issued.