

The Heimerdinger Foundation, Inc.

(A Nonprofit Corporation)

Financial Statements

With Independent Auditors' Report Thereon

For the Year Ended December 31, 2020

H A Beasley & Company, PLLC

Certified Public Accountants

Murfreesboro, Tennessee



**H A Beasley
& Company, PLLC**
Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

To the Board of Directors and Management of
The Heimerdinger Foundation, Inc.

Report on the Financial Statements

We have audited the accompanying financial statements of The Heimerdinger Foundation, Inc., which comprise the statement of financial position as of December 31, 2020, and the related statements of activities, functional expenses, and cash flows for the year 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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Heimerdinger Foundation, Inc. as of December 31, 2020 and the related statements of activities, functional expenses, and cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As discussed in Note B to the financial statements, in the year ending December 31, 2020 the Foundation adopted *FASB ASU No. 2020-03, Codification Improvements to Financial Instruments*, which provides clarity on certain accounting standards for financial instruments, *FASB ASU No. 2018-13 Fair Value Measurements (Topic 820), Disclosure Framework – Changes to the Disclosure Requirements for Fair Value Measurement*, which provides clarity on updates to fair value measurement disclosure requirements, *FASB ASU No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which provides clarity on certain accounting standards for contributions made and received, *FASB ASU No. 2014-09, Revenue from Contracts with Customers*, which provides new accounting guidance related to revenue recognition, and *FASB ASU No. 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which provides guidance on the valuation of investments without a readily determinable fair value. Our opinion is not modified with respect to these matters.

H A Beasley & Company, PLLC

H A Beasley & Company, PLLC
July 22, 2021

A Positive Difference Through Professional Accounting Service

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THE HEIMERDINGER FOUNDATION, INC.
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2020

ASSETS

CURRENT ASSETS	
Cash and equivalents	\$ 429,606
Accounts receivable, net	240
Investments	<u>4,989</u>
Total current assets	434,835
PROPERTY AND EQUIPMENT, NET	22,281
OTHER ASSETS	
Other asset	<u>9,090</u>
Total other assets	<u>9,090</u>
TOTAL ASSETS	<u>\$ 466,206</u>

LIABILITIES AND NET ASSETS

CURRENT LIABILITIES	
Current maturities of note payable	\$ 14,762
Accrued expenses	<u>12,030</u>
Total current liabilities	26,792
LONG-TERM LIABILITY	
Note payable, less current maturities	<u>31,195</u>
TOTAL LIABILITIES	57,987
NET ASSETS	
Without donor restrictions	408,219
With donor restrictions	<u>-</u>
Total net assets	<u>408,219</u>
TOTAL LIABILITIES AND NET ASSETS	<u>\$ 466,206</u>

See accompanying notes to financial statements and independent auditors' report.

THE HEIMERDINGER FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2020

	Without Donor Restrictions	With Donor Restrictions	Totals
Revenue and Support			
Individual donations	\$ 151,965	\$ -	\$ 151,965
Patient meals	4,900	-	4,900
Fundraising events contributions	51,666	-	51,666
Other gifts and grants	132,766	-	132,766
In-kind donations	96,814	-	96,814
Other income	437	-	437
Total	438,548	-	438,548
Fundraising event dinner and recipe book sales	4,220	-	4,220
Less: Cost of direct benefit to donor	(2,301)	-	(2,301)
Net revenue from fundraising event	1,919	-	1,919
Total	440,467	-	440,467
Net assets released from donor restrictions:			
Satisfaction of program restrictions	8,500	(8,500)	-
Total revenue and support	448,967	(8,500)	440,467
Expenses			
Program services	229,100	-	229,100
Supporting services:			
Management and general	108,443	-	108,443
Fundraising	85,449	-	85,449
Total expenses	422,992	-	422,992
Other income (expense)			
Dividend income	105	-	105
Loss on disposal of equipment	(45)	-	(45)
Interest income	3,886	-	3,886
Unrealized gain on investment	1,026	-	1,026
Total other income	4,972	-	4,972
CHANGE IN NET ASSETS	30,947	(8,500)	22,447
NET ASSETS AT BEGINNING OF YEAR	377,272	8,500	385,772
NET ASSETS AT END OF YEAR	\$ 408,219	\$ -	\$ 408,219

See accompanying notes to financial statements and independent auditors' report.

**THE HEIMERDINGER FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2020**

	Program Services	Supporting Services		Totals
		Management and General	Fundraising	
Compensation and related expenses:				
Wages	\$ 123,652	\$ 19,473	\$ 60,712	\$ 203,837
Payroll taxes	9,568	1,516	4,740	15,824
Other payroll expense	-	2,085	-	2,085
Total compensation and related expenses	133,220	23,074	65,452	221,746
Advertising	198	800	11,420	12,418
Bank charges and merchant fees	811	78	1,610	2,499
Bookkeeping and financial management	-	11,725	-	11,725
Computer and software	142	1,965	-	2,107
Depreciation expense	-	2,770	-	2,770
Dues and subscriptions	-	5,887	-	5,887
Insurance	-	2,870	-	2,870
Business fees	-	700	-	700
Loss on bad debts	-	360	-	360
Marketing and website	-	2,896	-	2,896
Meals for Health and Healing food and supplies	43,517	-	-	43,517
Membership fees	976	4,510	-	5,486
Office expense	834	924	-	1,758
Other fundraising expenses	-	-	2,512	2,512
Postage and shipping	-	1,370	44	1,414
Printing	2,059	1,803	1,068	4,930
Professional fees	-	42,043	-	42,043
Rent	46,681	3,575	2,681	52,937
Taxes and licenses	-	210	-	210
Telephone and internet	662	883	662	2,207
Total functional expenses	<u>\$ 229,100</u>	<u>\$ 108,443</u>	<u>\$ 85,449</u>	<u>\$ 422,992</u>

See accompanying notes to financial statements and independent auditors' report.

THE HEIMERDINGER FOUNDATION, INC.
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2020

CASH FLOWS FROM OPERATING ACTIVITIES	
Change in net assets	\$ 22,447
Adjustments to reconcile change in net assets to net cash provided by operating activities:	
Depreciation	2,770
Unrealized gain on investments	(1,026)
Non-cash donation of investments	(972)
Loss on disposal of fixed assets	45
Decrease (increase) in operating assets:	
Accounts receivable	620
Prepaid expenses	1,630
Other asset	(600)
Increase in operating liabilities:	
Accrued expenses	<u>8,207</u>
Net cash provided by operating activities	33,121
CASH FLOWS FROM INVESTING ACTIVITIES	
Purchase of equipment	<u>(1,900)</u>
Net cash used in investing activities	(1,900)
CASH FLOWS FROM FINANCING ACTIVITIES	
Proceeds from note payable	<u>45,957</u>
Net cash provided by financing activities	<u>45,957</u>
Net increase in cash and equivalents	77,178
Beginning cash and equivalents	<u>352,428</u>
Ending cash and equivalents	<u><u>\$ 429,606</u></u>

See accompanying notes to financial statements and independent auditors' report.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES

Nature of Activities

The Heimerdinger Foundation, Inc. (the “Foundation”) is a tax-exempt organization under Section 501(c)(3) of the Internal Revenue Code located in Nashville, Tennessee. The Foundation is dedicated to raising awareness in the Middle Tennessee community about healthy lifestyles and nourishing meal preparation. The Foundation strives to be a resource for those who are undergoing cancer treatments by providing guidance, support, and delicious organic meals.

Basis of Accounting

The financial statements of the Foundation have been prepared on the accrual basis.

Basis of Presentation

The Foundation presents its financial statements in accordance with *Financial Accounting Standards Board (“FASB”) Accounting Standards Codification (“ASC”) 958, Financial Statements for Not-for-Profit Entities*. Accordingly, the Foundation reports information regarding its financial position and activities according to the two classes of net assets: net assets with donor restrictions and net assets without donor restrictions. All contributions are considered to be without donor restrictions unless specifically restricted by the donor. Amounts received that are restricted for future periods or restricted by the donor for specific purposes are reported as net assets with donor restrictions.

Net Assets Without Donor Restrictions

Net assets without donor restrictions include unrestricted resources which represent the portion of funds that are available for the operating objectives of the Foundation. Net assets without donor restrictions may be designated for specific purposes such as endowment by the Foundation’s board of directors.

Net Assets With Donor Restrictions

Net assets with donor restrictions consist of donor restricted contributions and grants. Amounts restricted by donors for a specific purpose are deemed to be earned and reported as revenue with restrictions, when received, and such unexpended amounts are reported as net assets with restrictions at year-end. When the donor restriction expires that is, when a stipulated time or purpose restriction is accomplished, net assets with donor restrictions are reclassified to net assets without donor restrictions and reported in the statement of activities as “net assets released from donor restrictions”. Donor restricted contributions whose restrictions are met in the same reporting period are reported as contributions without donor restrictions.

Contributions and Other Income

ASU No. 2018-08, Not-for-Profit Entities (Topic 958): Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made requires three classifications of contributions received in the current year: conditional, unconditional with donor restrictions, and unconditional without donor restrictions. Conditional contributions, including conditional promises to give, are not recognized until they become unconditional, that is, when the conditions on which they depend are substantially met. Unconditional contributions, including unconditional promises to give, are recognized as revenue in the period incurred. Contributions of assets and specialized services are recorded at their fair value.

Contributions to be received after one year are discounted at an appropriate discount rate commensurate with the risks involved. Amortization of discounts is recorded as additional contribution revenue in accordance with donor-imposed restrictions, if any, on the contributions.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Revenue Recognition

The Foundation offers meals to cancer patients and their caretakers at no cost for the first twelve weeks. After that, the Foundation charges a fee for the service. In the current year, the Foundation also collected payments for meals, wine, and recipe books at their “Hope for Healing at Home” fundraising dinner event. These revenue streams are considered an exchange transaction under *Accounting Standards Update (ASU) 2014-09, Revenue from Contracts with Customers (“ASU 2014-09”)* as those making the payments are receiving services with commensurate value to the payment they are making. For both of these revenue streams, the Foundation recognizes revenue when the recipient takes possession of the meals, which is the point in time that the Foundation is considered to meet its performance obligations under the contracts with its customers.

When a cancer patient receives their meal, they are immediately billed and they will typically mail their payment to the Foundation or pay over the phone. Because the payment is due at the time the meal is received, the provision of these services is not creating a contract asset or liability. This does create a receivable for the Foundation. Revenue recognized for providing meals to cancer patients totaled \$4,900 for the year ended December 31, 2020. As of December 31, 2020 and 2019, net receivables from contracts with customers for meals totaled \$240 and \$860, respectively.

At the Hope for Healing at Home fundraising event that was held in the current year, attendees were able to purchase a ticket to pick up a prepared meal, a bottle of wine or purchase a recipe book. Revenue is recognized at the point in time when the attendee takes possession of their chosen items. A portion of the payment generally will be considered a contribution while the portion that is considered payment for a tangible benefit received by the attendee is considered an exchange transaction under *ASU 2014-09*. For the year ended December 31, 2020, total revenue from this event was \$12,720. Of this amount, \$4,220 was recognized as an exchange transaction for the purchase of a meal, wine or book, and \$8,500 was received as contributions or sponsorships. There was no contract asset, liability or receivable created as a result of this event.

The contracts with their customers do not have a significant financing component, and there were no uncompleted contracts with customers as of December 31, 2020 and 2019 resulting in a contract asset or liability.

Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amount of revenue and other support and expenses during the reporting period. Accordingly, actual results could differ from these estimates.

Cash and Equivalents

Cash and equivalents and restricted cash include cash and short-term investments with an initial maturity date of three months or less.

Accounts Receivable, Net

Accounts receivable consist of meals provided to patients after they have received the first twelve weeks of meals at no cost. The accounts receivable are stated at the amount management expects to collect from balances outstanding at year-end. Accounts with balances greater than 30 days old are considered past due receivable accounts. The Foundation does not charge interest or a finance charge on past due receivable accounts. The Foundation has estimated an allowance for doubtful accounts which is based on management’s judgment of such factors as prior collection history.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Accounts Receivable, Net (continued)

As of December 31, 2020, management has estimated the allowance for uncollectible accounts receivable to be \$1,460.

Investments

The Foundation follows the Not-For-Profit Entities subtopic and Revenue Recognition subtopic of the FASB ASC with respect to investments. Under this subtopic, investments in marketable securities with readily determinable fair values and all investments in debt securities are reported at their fair values in the statement of financial position.

The Fair Value Measurements and Disclosures topic of FASB ASC establishes a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. This hierarchy consists of three levels: Level 1 inputs consist of unadjusted quoted prices in active markets for identical assets and have the highest priority, Level 2 inputs consist of observable inputs other than quoted prices for identical assets, and Level 3 inputs have the lowest priority.

The Foundation uses appropriate valuation techniques based on available inputs to measure the fair value of its investments. When available, the Foundation measures fair value using Level 1 inputs because they generally provide the most reliable evidence of fair value. Level 3 inputs would be used only when Level 1 or Level 2 inputs were not available.

Unrealized gains and losses are included in the change in net assets without donor restrictions

Property and Equipment

Property and equipment are recorded at cost or, for donated items, at fair value as of the date received. The Foundation capitalizes all property and equipment expenditures with a cost of \$1,000 or more. Expenditures for major additions and improvements are capitalized and minor replacements, maintenance and repairs are charged to expense when incurred. When assets are retired or otherwise disposed of, the related cost and accumulated depreciation is removed from the accounts and any resulting gain or loss is reflected on the statement of activities.

For financial statement purposes, depreciation is computed using the straight-line method over the estimated useful lives of assets. Furniture and equipment are depreciated over a range of 5-7 years.

Contributions of long-lived assets or contributions restricted for acquisition of long-lived assets are reported as increases in temporarily restricted net assets. When restrictions are considered met, an appropriate amount is reclassified to unrestricted net assets. The useful lives of the long-lived assets are calculated based on the Foundation's depreciation policy.

Functional Expenses

The financial statements report certain categories of expenses that are attributable to program or supporting functions of the Foundation. Those expenses include administrative wages and related payroll expenses which have been allocated based on the employee's estimates of time and effort in the various functional categories. Other expenses including office rent and telephone and internet costs have been allocated based on estimates of the usage of the office space.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE A – NATURE OF ACTIVITIES AND SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Income Taxes

The Foundation is a not-for-profit organization that is exempt from federal income tax under Internal Revenue Code Section 501(c)(3) whereby only unrelated business income, as defined in Section 512(a)(1) of the Code, is subject to federal income tax. With few exceptions, the Foundation is no longer subject to U.S. federal income tax examinations by tax authorities for years before 2017, and to state tax authorities for years before 2015.

The Foundation has evaluated its tax positions for all open tax years. Based on the evaluation of the Foundation's tax positions, management believes all tax positions taken would be upheld under an examination; therefore, no provision for the effects of uncertain positions has been recorded for the year ended December 31, 2020.

Advertising Costs

The Foundation expenses the cost of non-direct responsive advertising as incurred. For the year ended December 31, 2020, advertising costs totaled \$12,418.

NOTE B –NEW AUTHORITATIVE ACCOUNTING GUIDANCE

ASU 2018-08

During the year ended December 31, 2020, the Foundation implemented *FASB Accounting Standards Update (ASU) No. 2018-08, Not-for-Profit Entities (Topic 958), Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made*, which assists the Foundation in evaluating whether transactions should be accounted for as contributions within the scope of *Topic 958, Non-for-Profit Entities*, or as an exchange transaction subject to other guidelines. It also required a determination of whether a contribution is considered conditional. The Foundation has applied the new standard on a modified prospective basis. There was no cumulative effect on the financial statements upon adoption of this ASU as they had no promises to give from donors that were uncompleted as of the date of implementation nor at December 31, 2020. This accounting change was made due to an update in the Accounting Standards Codification.

ASU 2016-01

During the year ended December 31, 2020, the Foundation adopted *FASB ASU No. 2016-01, Financial Instruments – Overall (Subtopic 825-10): Recognition and Measurement of Financial Assets and Financial Liabilities*, which relates to the accounting for equity investments, financial liabilities under the fair value option, and the presentation and disclosure requirements for financial instruments. The Foundation has applied this standard prospectively, however there was neither a significant effect to any line item on the financial statements nor cumulative effect to net assets resulting from the adoption of this standard as they had previously recognized investments using the fair value measurement. This accounting change was made due to an update to the Accounting Standards Codification.

ASU 2020-03

As a result of updates to the Accounting Standards Codification, during the year ended December 31, 2020, the Foundation adopted *FASB ASU No. 2020-03, Codification Improvements to Financial Instruments*, which relates to the accounting disclosure requirements for financial instruments. *ASU 2020-03: Issue One* clarifies guidance in *ASC Subtopic 825-10, Financial Instruments – Disclosure– Fair Value Option* related to the disclosure requirements for financial instruments valued using the fair value option. The Foundation did apply this new standard prospectively, but did not have any of these specific transactions thus there was no material impact on the Foundation's changes in net assets, financial position, or cash flows upon adoption of the new standard.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE B –NEW AUTHORITATIVE ACCOUNTING GUIDANCE (CONTINUED)

ASU 2020-03 (continued)

ASU 2020-03: Issue Four clarifies the guidance provided in *ASC Subtopic 470-50, Debt – Derecognition – General* related to the accounting for lender fees and third-party costs directly related to exchanges or modifications of debt instruments, line-of-credit and revolving-debt arrangements. The Foundation did apply this new standard prospectively, but did not have any of these specific transactions thus there was no material impact on the Foundation’s changes in net assets, financial position, or cash flows upon adoption of the new standard.

ASU 2014-09

As a result of updates to the Accounting Standards Codification, as of January 1, 2020, the Foundation implemented *FASB ASU No. 2014-09, Revenue from Contracts with Customers* and all subsequent amendments to the ASU (collectively, “*ASC 606*”), which creates a single framework for recognizing revenue from contracts with customers that fall within its scope and revises when it is appropriate to recognize a gain or loss from the transfer of nonfinancial assets. The sale of meals to cancer patients after the initial 12-week period by the Foundation is considered a contract with customers. The portion of the Hope for Healing Dinner at Home special event revenue that is considered an exchange transaction (the value of the meal, wine or recipe book purchased is the benefit received) is also considered a contract with a customer under *ASC 606*.

The Foundation adopted *ASC 606* using the modified retrospective method that applies to all contracts not completed as of January 1, 2020. There was no cumulative effect on the financial statements due to the application of *ASC 606*, as the Foundation did not have any uncompleted contracts with customers as of January 1, 2020.

ASU 2018-13

Due to updates to the Accounting Standards Codification, *ASU 2018-13 Fair Value Measurements (Topic 820), Disclosure Framework – Changes to Disclosure Requirements for Fair Value Measurement*, was adopted by the Foundation. This ASU makes amendments to the disclosures related to fair value measurements to facilitate clear communication of information that is important to the users of the financial statements. The Foundation adopted *ASU 2018-13* retrospectively. There was no material impact on the Foundation’s changes in net assets, financial position or cash flows upon adoption of this new standard.

NOTE C – INVESTMENTS

Investments are stated at fair value and are summarized as follows as of December 31, 2020:

	Cost	Fair Value
Equity securities	\$ 3,415	\$ 4,989
Totals	\$ 3,415	\$ 4,989

For donated investments, cost is determined to be the fair value at the date of gift. During the year ended December 31, 2020, the Foundation received \$972 in donated investments. As of December 31, 2020, the unrealized gain on investments totaled \$1,574. The equity securities are shown in the statement of financial position as current assets.

The Level 1 investments are reported at fair value on a recurring basis determined by reference to quoted market prices for identical assets.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE C– INVESTMENTS (CONTINUED)

The following table sets forth a summary of changes in the fair value of the Foundation’s Level 1 investments for the year ended December 31, 2020:

	Quoted prices in active markets for identical assets (level 1)	Significant other observable inputs (level 2)	Significant unobservable inputs (level 3)	Totals
Equity securities	\$ 4,989	\$ -	\$ -	\$ 4,989
Totals	<u>\$ 4,989</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,989</u>

NOTE D – PROPERTY AND EQUIPMENT, NET

Property and equipment, net is composed of the following as of December 31, 2020:

Furniture and equipment	\$ 36,018
Less: Accumulated depreciation	<u>(13,737)</u>
Total property and equipment, net	<u>\$ 22,281</u>

For the year ended December 31, 2020, depreciation expense totaled \$2,770.

The Foundation received contributions of kitchen equipment during the year ended December 31, 2019 with a fair value of \$17,899. This equipment is to be used when the Foundation acquires their own space for preparing the meals for clients. These assets are included in the furniture and equipment but will not be depreciated until they are placed in service. This equipment remains in storage as of December 31, 2020.

NOTE E – ACCRUED EXPENSES

Accrued expenses are composed of the following as of December 31, 2020:

Credit card payable	\$ 2,221
Accrued payroll	4,937
Accrued payroll liabilities	<u>4,872</u>
Total accrued expenses	<u>\$ 12,030</u>

NOTE F – LEASE OBLIGATIONS

The Foundation leases office space from a vendor under an operating lease agreement. This lease agreement requires monthly lease payments of \$649 through January 2021. The lease matures in January 2021 thus future lease payments are \$649 for the year ending December 31, 2021. The Foundation also leases a storage unit on a month to month basis. Rent expense for the office space and storage units totaled \$8,938 for the year ended December 31, 2020. The Foundation also received donated use of a kitchen facility for preparation of the meals for cancer patients, with a value of \$44,000 for the year ended December 31, 2020. Total rent expense for the year totaled \$52,937.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE G – NOTE PAYABLE

A summary of the note payable at December 31, 2020 is as follows:

Note payable to a bank bearing an interest rate of 1% and requiring monthly principal and interest payments of \$2,586 on the outstanding balance beginning July 2021. The total principal balance is due April 2022. Note is through the Paycheck Protection Program (PPP).	\$ <u>45,957</u>
Total	45,957
Less: Current maturities of note payable	<u>(14,762)</u>
Note payable, less current maturities	<u>\$ 31,195</u>

On April 15, 2020, the Foundation was granted a loan from a bank through the Small Business Administration (“SBA”) in the amount of \$45,957, pursuant to the Paycheck Protection Program (the “PPP”) under Division A, Title I of the Coronavirus Aid, Relief and Economic Security Act (the “CARES Act”), which was enacted March 27, 2020. The PPP provides loans to qualifying businesses for amounts up to 2.5 times the average monthly payroll expenses of the qualifying business.

Under the current terms of the PPP, the loan can be forgiven if the funds are used for qualifying expenses as described in the CARES Act, which include payroll costs, interest on mortgages, rent, and utilities, over the chosen covered period, which can either be an eight or twenty-four week period. A contingency to the loan forgiveness, however, is that the Foundation must maintain the salary levels that were listed on their PPP loan application. Forgiveness is to be reduced if full-time headcount declines or if salaries and wages decrease.

The Foundation has used the entire loan amount for qualifying expenses and to maintain the salary levels listed on their PPP loan application. Subsequent to year end, on April 7, 2021, the Foundation did receive full forgiveness of the PPP loan from the SBA.

Future maturities of the note payable are as follows as of:

<u>December 31,</u>	
2021	\$ 14,762
2022	<u>31,195</u>
Total	<u>\$ 45,957</u>

NOTE H – NET ASSETS WITH DONOR RESTRICTIONS

Net assets with donor restrictions are available for the purpose of providing a garden for growing fresh vegetables and herbs to be used in cooking meals for clients and operating specific programs. Net assets with donor restrictions received during the year ended December 31, 2020 totaled \$13,500. These net assets were released from donor restrictions by incurring expenses for the garden and providing meals to cancer patients in Davidson and Williamson counties in Tennessee. As of December 31, 2019, \$8,500 of net assets remained restricted. During the year ended December 31, 2020 the full amount was released from donor restrictions by incurring expenses satisfying the purpose restrictions specifically made by donors. These restrictions were met by incurring costs for holding seminars for cancer patients and development of a website.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
FOR THE YEAR ENDED DECEMBER 31, 2020

NOTE I – LIQUIDITY AND AVAILABILITY OF FINANCIAL ASSETS

The Foundation is supported in part by restricted contributions. Because a donor’s restriction requires resources to be used in a particular manner or in a future period, the Foundation must maintain sufficient resources to meet those responsibilities to its donors. As such, some financial assets may not be available for general expenditure within one year.

The following reflects the Foundation’s assets as of December 31, 2019, reduced by amounts not available for general use because of contractual or donor imposed restriction within one year of the date of the statement of financial position.

Financial assets as of December 31, 2020:	
Cash and equivalents	\$ 429,606
Accounts receivable, net	240
Investments	<u>4,989</u>
Total financial assets	434,835
Less those unavailable for general expenditures within one year due to	
Contractual or donor-imposed restrictions	<u>-</u>
Total unavailable for general expenditures within one year	<u>-</u>
Total financial assets available for general expenditures within one year	<u>\$ 434,835</u>

NOTE J – DONATED SERVICES, ITEMS AND FACILITIES

The Foundation received donated services throughout the year ended December 31, 2020. The total value of the donated services recognized as revenue for the year ended December 31, 2020 were for the services of a bookkeeper of approximately \$11,531, a chef of approximately \$7,400, a design agency of approximately \$3,600, kitchen staff and meal delivery drivers of approximately \$6,032, a management center of approximately \$200, an attorney of \$9,880 and advertising services of approximately \$10,120 totaling an estimated \$48,763 in donated services for the year ended December 31, 2020. Donated facilities for the kitchen where meals are prepared totaled \$44,000 for the year ended December 31, 2020.

The Foundation received donated items totaling \$4,051 throughout the year ended December 31, 2020. This consisted of donated produce of \$2,187, donated items for fundraising events of \$1,789, and donated garden supplies of \$75.

The donated services, items and use of facilities totaled \$96,814 for the year ended December 31, 2020 and is reflected in the statement of activities as in-kind donations.

NOTE K - CONCENTRATION OF RISK

At times throughout the year, the Foundation may maintain cash balances in certain accounts in excess of the Federal Deposit Insurance Corporation (“FDIC”) limit of \$250,000 for substantially all depository accounts. As of December 31, 2020, the Foundation did not have any funds in excess of the FDIC limits.

THE HEIMERDINGER FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS
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NOTE L – CASH FLOW INFORMATION

During the year ended December 31, 2020, there were no cash payments of interest or income taxes. During the year ended December 31, 2020, non-cash investing activities consisted of the receipt of donated stock totaling \$972.

NOTE M - SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 22, 2021, which is the date the financial statements were available to be issued.

Management is currently evaluating the impact of the COVID-19 pandemic and has concluded that while it is reasonably possible that the virus could have a negative effect on the Foundation's financial position, changes in net assets and cash flows, the specific impact is not readily determinable as of the date of these financial statements. The financial statements do not include any adjustments that might result from the outcome of this uncertainty.

On April 7, 2021, the SBA issued a full forgiveness of the PPP loan granted through the CARES Act in the amount of \$45,957. This forgiveness was based on the Foundation's use of the funds for qualifying expenses as described in the CARES Act, which include payroll costs, interest on mortgages, rent, and utilities

There have been no other adjustments to the financial statements to include any subsequent transactions or events.