
THE PUJOLS FAMILY FOUNDATION, INC.

FINANCIAL STATEMENTS

DECEMBER 31, 2018 AND 2017



TABLE OF CONTENTS

	<u>PAGE</u>
INDEPENDENT AUDITORS' REPORT	1 - 2
FINANCIAL STATEMENTS	
STATEMENTS OF FINANCIAL POSITION	3
STATEMENTS OF ACTIVITIES	4 - 5
STATEMENTS OF FUNCTIONAL EXPENSES	6 - 7
STATEMENTS OF CASH FLOWS	8
NOTES TO FINANCIAL STATEMENTS	9 - 17



INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
The Pujols Family Foundation, Inc.
111 Westport Plaza, Suite 255
St. Louis, MO 63146

We have audited the accompanying financial statements of The Pujols Family Foundation, Inc. (a nonprofit organization), which comprise the statement of financial position as of December 31, 2018, 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 auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of The Pujols Family Foundation, Inc. as of December 31, 2018 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.

Prior Period Financial Statements

The financial statements of The Pujols Family Foundation, Inc. as of December 31, 2017, were audited by other auditors whose report dated March 27, 2019 expressed an unmodified opinion on those statements.

Sanders, Myer + Blackwell CPAs, LLC

Springfield, Missouri
October 21, 2020

THE PUJOLS FAMILY FOUNDATION, INC.
STATEMENTS OF FINANCIAL POSITION
DECEMBER 31, 2018 AND 2017

<u>ASSETS</u>	<u>2018</u>	<u>2017</u>
Current Assets		
Cash and cash equivalents	\$ 1,611,185	\$ 1,510,296
Investments, short term	1,101,592	639,100
Pledges and Other receivables, net of allowance of \$15,000	149,735	229,067
Other assets	20,329	97,184
Total Current Assets	2,882,841	2,475,647
Long Term Investments	1,156,848	1,597,608
Fixed Assets		
Computer equipment	26,080	26,080
Leasehold improvements	26,652	26,652
Furniture and equipment	61,201	61,201
Total Fixed Assets	113,933	113,933
Less: Accumulated depreciation	(97,862)	(93,006)
Net Fixed Assets	16,071	20,927
Total Assets	\$ 4,055,760	\$ 4,094,182
<u>LIABILITIES AND NET ASSETS</u>		
Current Liabilities		
Accounts payable and accrued expenses	\$ 13,900	\$ 39,759
Total Current Liabilities	13,900	39,759
Net Assets		
Without donor restrictions	3,809,769	3,794,769
With donor restrictions	232,091	259,654
Total Net Assets	4,041,860	4,054,423
Total Liabilities and Net Assets	\$ 4,055,760	\$ 4,094,182

THE PUJOLS FAMILY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Changes in Net Assets			
Operating Revenue			
Donations, including in-kind	\$ 1,043,309	\$ 337,535	\$ 1,380,844
Program revenue	41,250	-	41,250
Special events, net of costs of \$657,675	(95,095)	-	(95,095)
Sales, net of costs of \$26,592	7,051	-	7,051
Investment income, net	(56,542)	-	(56,542)
Total Operating Revenue	<u>939,973</u>	<u>337,535</u>	<u>1,277,508</u>
Net Assets Released from Restrictions			
Releases from restrictions	<u>365,098</u>	<u>(365,098)</u>	<u>-</u>
Total Public Support and Revenue less Releases	<u>1,305,071</u>	<u>(27,563)</u>	<u>1,277,508</u>
Expenses			
Program services	1,017,381	-	1,017,381
Management and general	125,321	-	125,321
Fundraising	<u>147,369</u>	<u>-</u>	<u>147,369</u>
Total Expenses	<u>1,290,071</u>	<u>-</u>	<u>1,290,071</u>
Increase (Decrease) in Net Assets	15,000	(27,563)	(12,563)
Net Assets - Beginning of the Year	<u>3,794,769</u>	<u>259,654</u>	<u>4,054,423</u>
Net Assets - End of the Year	<u><u>\$ 3,809,769</u></u>	<u><u>\$ 232,091</u></u>	<u><u>\$ 4,041,860</u></u>
	-	-	-

THE PUJOLS FAMILY FOUNDATION, INC.
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Without Donor</u> <u>Restrictions</u>	<u>With Donor</u> <u>Restrictions</u>	<u>Total</u>
Changes in Net Assets			
Operating Revenue			
Donations, including in-kind	\$ 1,127,738	\$ 320,059	\$ 1,447,797
Program revenue	31,400	-	31,400
Special events, net of costs of \$500,015	4,155	-	4,155
Sales, net of costs of \$1,100	52,719	-	52,719
Investment income, net	116,992	-	116,992
Total Operating Revenue	<u>1,333,004</u>	<u>320,059</u>	<u>1,653,063</u>
Net Assets Released from Restrictions			
Releases from restrictions	341,290	(341,290)	-
Total Public Support and Revenue less Releases	<u>1,674,294</u>	<u>(21,231)</u>	<u>1,653,063</u>
Expenses			
Program services	1,003,749	-	1,003,749
Management and general	135,867	-	135,867
Fundraising	104,569	-	104,569
Total Expenses	<u>1,244,185</u>	<u>-</u>	<u>1,244,185</u>
Increase in Net Assets	430,109	(21,231)	408,878
Net Assets - Beginning of the Year	<u>3,364,660</u>	<u>280,885</u>	<u>3,645,545</u>
Net Assets - End of the Year	<u><u>\$ 3,794,769</u></u>	<u><u>\$ 259,654</u></u>	<u><u>\$ 4,054,423</u></u>

THE PUJOLS FAMILY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2018

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 242,880	\$ 47,263	\$ 62,078	\$ 352,221
Depreciation	3,348	652	856	4,856
Insurance	7,829	1,524	2,001	11,354
Miscellaneous	2,528	4,658	774	7,960
Office expenses	19,665	7,452	23,143	50,260
Postage	-	-	4,477	4,477
Professional fees	100,307	54,957	38,277	193,541
Program expenses	598,932	-	4,417	603,349
Rent	27,557	6,408	7,880	41,845
Service charges	7,460	1,452	1,907	10,819
Travel expenses	6,875	955	1,559	9,389
	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Expenses	\$ 1,017,381	\$ 125,321	\$ 147,369	\$ 1,290,071
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

THE PUJOLS FAMILY FOUNDATION, INC.
STATEMENT OF FUNCTIONAL EXPENSES
FOR THE YEAR ENDED DECEMBER 31, 2017

	<u>Program Services</u>	<u>Management and General</u>	<u>Fundraising</u>	<u>Total</u>
Salaries and related expenses	\$ 208,733	\$ 69,462	\$ 41,230	\$ 319,425
Depreciation	13,323	1,036	543	14,902
Insurance	2,668	888	527	4,083
Miscellaneous	2,846	830	435	4,111
Office expenses	29,708	8,664	4,537	42,909
Postage	3,539	1,032	541	5,112
Professional fees	67,888	40,766	46,771	155,425
Program expenses	635,014	-	-	635,014
Rent	29,083	8,482	4,442	42,007
Service charges	4,707	4,707	4,850	14,264
Travel expenses	6,240	-	693	6,933
	<hr/>	<hr/>	<hr/>	<hr/>
Total Functional Expenses	<u>\$ 1,003,749</u>	<u>\$ 135,867</u>	<u>\$ 104,569</u>	<u>\$ 1,244,185</u>

THE PUJOLS FAMILY FOUNDATION, INC.
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Cash Flows From Operating Activities		
Increase (decrease) in net assets	\$ (12,563)	\$ 408,878
Adjustments to reconcile increase (decrease) in net assets to net cash provided by operating activities		
Depreciation	4,856	14,901
Unrealized (gain) loss on investments	121,888	(90,163)
Change in assets - increase (decrease)		
Pledges and other receivables	79,332	(95,117)
Other assets	76,855	(65,972)
Change in liabilities - (increase) decrease		
Accounts payable	(25,859)	(6,839)
Total Adjustments	<u>257,072</u>	<u>(243,190)</u>
Net Cash Provided by Operating Activities	<u>244,509</u>	<u>165,688</u>
Cash Flows From Investing Activities		
Purchase of investments	(143,620)	(77,428)
Sales of investments	-	(6,166)
Purchase of fixed assets	-	(7,637)
Net Cash Used by Investing Activities	<u>(143,620)</u>	<u>(91,231)</u>
Net Increase in Cash and Cash Equivalents	100,889	74,457
Cash and Cash Equivalents - Beginning of Year	<u>1,510,296</u>	<u>1,435,839</u>
Cash and Cash Equivalents - End of Year	<u>\$ 1,611,185</u>	<u>\$ 1,510,296</u>

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of certain significant accounting policies followed in the preparation of these financial statements.

Nature of Organization

The Pujols Family Foundation, Inc. (the "Organization") was founded in 2005 with the mission to live and share a commitment to faith, family and others. The Organization is committed to a calling of love and service through dedicating to seeing every child as God's creation. At a minimum, the Organization wants to promote awareness, provide hope and meet tangible needs for families and children with Down syndrome. The mission is not limited to Down syndrome and includes providing extraordinary experiences for families and children with disabilities and life-threatening illnesses and to improve the standard of living and quality of life for impoverished children and their families and orphans through education and tangible goods throughout the world, especially in the Dominican Republic and the United States. The Organization is registered in the states of Arizona, California, and Missouri. Administrative operations take place generally in Missouri.

The Organization holds events throughout the year to promote awareness and understanding of how wonderful children with Down syndrome, disabilities, and/or life-threatening diseases are and helping them to celebrate their lives. The Organization provides dental, medical, and eye care, bedding, youth baseball, housing assistance, socio economic and other various services to impoverished individuals, children and families in the Dominican Republic.

Method of Accounting

The financial statements of the Organization have been prepared on the accrual basis of accounting in accordance with accounting standards generally accepted in the United States of America.

Use of Estimates

The preparation of financial statements 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 amounts of revenue and expenses during the reporting period. Actual results could differ from estimated amounts.

Cash and Cash Equivalents

The Organization considers all short-term investments with original maturities of less than three months from the date of purchase to be cash equivalents.

Investments

The Organization carries investments in marketable securities with readily determinable fair values and all investments in debt securities at their fair values in the statement of financial position. Unrealized gains and losses are included in the change in net assets in the accompanying statement of activities.

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Pledges and Other Receivables

Pledges receivable due in future periods are recognized in the period the pledges are received. Other receivables are stated at net realizable value. The Organization provides an allowance for doubtful accounts equal to the estimated collection losses that will be incurred. Any estimated losses are based on a review of the current status of the existing receivables. As of December 31, 2018 and 2017, the allowance is estimated to be \$15,000 for each year.

Fixed Assets

Fixed assets are recorded at cost and fair value when donated. Major additions and improvements are capitalized to fixed assets accounts, while replacements, maintenance and repairs, which do not improve or extend the useful life of the respective assets, are expensed as incurred. Depreciation on fixed assets is calculated using the straight-line method over estimated lives of 5, 20, and 10 years for computer equipment, leasehold improvements, and furniture and equipment, respectively. Total depreciation expense was \$4,856 and \$14,901 for the years ended December 31, 2018 and 2017, respectively.

Contributions

Contributions, including pledges, are recorded as made. All contributions are available for unrestricted use unless specifically restricted by the donor. Pledges receivable, which are due in subsequent months, are reported at the estimated net realizable value. Conditional promises to give are recognized when the conditions on which they depend are substantially met. There were no conditional promises to give for the years ended December 31, 2018 and 2017, respectively.

Donated Services and Materials

Various services and materials are donated to the Organization. Donated materials and donated services that meet the criteria for recognition under the provisions of accounting for contributions received and contributions made in regard to financial statements of not-for-profit organizations as discussed under this topic of the FASB Accounting Standards Codification, have been recorded at fair value at the date of donation. Donated services are recognized as contributions if the services (a) create or enhance non-financial assets or (b) require specialized skills, are performed by people with those skills, and would otherwise be purchased by the Organization. For the years ended December 31, 2018 and 2017, respectively the Organization received donated goods, merchandise and services in the amount of \$849,686 and \$731,455 respectively.

A substantial number of volunteers have donated significant amounts of their time to the Organization. However, the value of these donated services is not reflected in the accompanying financial statements since there is no objective basis available by which to measure the value of such services.

Financial Statement Presentation

The financial statements of the Organization have been prepared in accordance with U.S. generally accepted accounting principles, which require the Organization to report information regarding its financial position and activities according to the following net asset classifications:

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Financial Statement Presentation (Continued)

Net assets without donor restrictions

Net assets that are not subject to donor-imposed restrictions and may be expended for any purpose in performing the primary objectives of the organization. These net assets may be used at the discretion of the Organization's management and the board of directors.

Net assets with donor restrictions

Net assets subject to stipulations imposed by donors, and grantors. Some donor restrictions are temporary in nature; those restrictions will be met by actions of the Organization or by the passage of time. Other donor restrictions are perpetual in nature, where by the donor has stipulated the funds be maintained in perpetuity.

Donor restricted contributions are reported as increases in net assets with donor restrictions. When a restriction expires, net assets are reclassified from net assets with donor restrictions to net assets without donor restrictions in the statements of activities.

As permitted under ASC 958-210, the Organization reports contributions with donor restrictions as contributions without restrictions in the current year when the Organization meets the donor restrictions in the same period as receipt of the contributions.

Expense Allocation

Expenses are charged to programs and supporting services on the basis of actual costs incurred by the specific program or supporting service, as well as on the basis of periodic time and expense studies. Management and general expenses include those expenses that are not directly identifiable with any other specific function but provide for the overall support and direction of the Organization.

Special Events

The gross revenue for special events includes contributions for the events and event ticket revenue, as presented on the statement of activities. Expenses for direct benefits provided to donors at the special events are presented as a reduction of the gross revenue.

The Organization conducts special events in which the children supported by the mission of the Organization are served and to appeal for funds.

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Special Events (Continued)

The joint costs incurred during those campaigns in December 31, 2018 and 2017 were \$86,148 and \$148,483 respectively and were allocated as follows:

	<u>2018</u>	<u>2017</u>
Fundraising activities	\$ -	\$ 32,905
Program activities	<u>86,148</u>	<u>115,578</u>
Total	<u>\$ 86,148</u>	<u>\$ 148,483</u>

Income Taxes

The Organization is exempt from federal income taxes under Section 501(c)(3) of the Internal Revenue Code and applicable states law. Therefore, there are no provisions for income taxes reflected in these financial statements.

The Organization follows “FASB ASC 740-10, Income Taxes – Overall”. The Organization has assessed its federal and state tax positions and determined that there were no unrelated business income taxes and no uncertainties or possible related effects that need to be recorded for the year ended December 31, 2018. The returns of the Organization for 2018, 2017, and 2016 are subject to examination by the respective taxing authorities generally for three years after they were filed.

New Accounting Pronouncements

In May 2014, the FASB issued Accounting Standards Update (“ASU”) No. 2014-09, Revenue from Contracts with Customers, which is effective for fiscal years beginning after December 15, 2019 for entities other than public business entities and outlines a single comprehensive model for entities to use in accounting for revenue arising from contracts and customers. ASU 2014-09 supersedes most current revenue recognition guidance, including industry-specific guidance, and outlines a five-step process for revenue recognition that focuses on transfer of control, as opposed to transfer of risk and reward. Major provisions include determining which goods and services are distinct and represent separate performance obligations, how variable consideration (which may include change orders and claims) is recognized, whether revenue should be recognized at a point in time or over time, and ensuring the time value of money is considered in the transaction price. ASU 2014-09 can be applied either retrospectively to each prior period presented or as a cumulative-effect adjustment as of the date of adoption. Management is currently evaluating the impact of adopting ASU 2014-09 on the Organization’s financial statements and related disclosures.

In February 2016, the FASB issued ASU 2016-02, Leases: Amendments to the FASB Accounting Standards Codification, which amends the existing guidance on accounting for leases, and is effective for fiscal years beginning after December 15, 2020 for entities other than public business entities. This ASU requires the recognition of lease assets and liabilities on the statement of financial position and the disclosure of key information about leasing arrangements. Early adoption is permitted and modified retrospective application is required for leases that exist or are entered into after the beginning of the earliest comparative period in the financial statements. Management is currently evaluating the impact of adopting ASU 2016-02 on the Organization’s financial statements and related disclosures.

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

New Accounting Pronouncements (continued)

On June 21, 2018, the Financial Accounting Standards Board (FASB) issued Accounting Standards Update No. 2018-08, Clarifying the Scope and the Accounting Guidance for Contributions Received and Contributions Made. This standard is intended to address questions stemming from FASB ASU No. 2014-09, Revenue from Contracts with Customers, regarding its implications on the grants and contracts of not-for-profit organizations. Entities should apply the amendments for transactions in which the entity serves as the resource recipient to annual periods beginning after December 15, 2018, and interim periods within annual periods beginning after December 15, 2019. For nonreciprocal transactions (contributions), the next point to consider for both parties is whether conditions have been placed on the resources provided. The presence of conditions affects the timing of revenue and expense recognition by the resource recipient and resource provider, respectively.

NOTE 2 STATEMENT OF CASH FLOWS

For purposes of the statement of cash flows, the Organization considers all highly liquid debt instruments purchased with a maturity of three months or less to be cash equivalents.

During the years ended December 31, 2018 and 2017, the Organization received in-kind donations in the amount of \$849,686 and \$731,455 respectively for various items and professional services to support the mission of the Organization.

NOTE 3 AVAILABILITY AND LIQUIDITY

The following represents the Organization's financial assets at December 31, 2018 and 2017:

	<u>2018</u>	<u>2017</u>
Financial assets at year end:		
Cash and cash equivalents	\$ 1,611,185	\$ 1,510,296
Investments	2,258,440	2,236,708
Pledges and other receivables	<u>149,735</u>	<u>229,067</u>
	4,019,360	3,976,071
Less amounts not available to be used within one year for general expenditure:		
Net assets with purpose restrictions	61,684	140,069
Long term investments	<u>1,156,848</u>	<u>1,597,608</u>
	<u>1,218,532</u>	<u>1,737,677</u>
Financial assets available to meet general expenditures over the next twelve months	<u>\$ 2,800,828</u>	<u>\$ 2,238,394</u>

As part of the Organization's liquidity management, it has a policy to structure its financial assets to be available as its general expenditures, liabilities, and other obligations come due. In addition, the Organization invests cash in excess of daily requirements in short-term investments.

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS

The Organization follows “FASB Accounting Standards Codification (“ASC”) 820-10 Fair Value Measurements” for valuing investments. ASC 820-10 defines fair value, establishes a framework for measuring fair value and establishes a fair value hierarchy based on the inputs used to measure fair value and enhances disclosure requirements for fair value measurements. ASC 820-10 maximizes the use of observable inputs and minimizes the use of unobservable inputs by requiring that the observable inputs be used when available. Observable inputs are inputs that market participants would use in pricing the asset or liability based on market data obtained from independent sources. Unobservable inputs reflect our assumptions that market participants would use in pricing the asset or liability developed based on the best information available in the circumstances. This hierarchy consists of three broad levels:

Level I – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Organization has the ability to access at the measurement date.

Level II – Inputs other than quoted prices included within Level I that are observable for the asset or liability, either directly or indirectly. Level II inputs include: quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in markets that are not active; inputs other than quoted prices that are observable for the asset or liability; and inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level III – Unobservable inputs for the asset or liability for which there is little, if any, market activity for the asset or liability at the measurement date. Unobservable inputs reflect the Organization’s own assumptions about what market participants would use to price the asset or liability. These inputs may include internally developed pricing models, discounted cash flow methodologies, as well as instruments for which the fair value determination requires significant management judgment. Pledges receivable utilize Level III inputs and are reported at net realizable value.

Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used at December 31, 2018.

Cash and Cash Equivalents: Valued daily at the closing price as reported by the fund. The mutual funds held by the Organization are deemed to be actively traded.

Government and Agency, Corporate and Municipal Bonds and Corporate CDs: Valued daily at the closing price of the last day the bond was traded.

Stock: Valued daily at the closing price as reported by the fund. The common stocks held by the Organization are deemed to be actively traded.

Real Investment Trust: Utilizes level III inputs and is reported at estimated net realizable value.

Net Pledges receivable: Utilizes level III inputs and is reported at net realizable value.

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 4 INVESTMENTS AND FAIR VALUE MEASUREMENTS (CONTINUED)

Fair values of assets measured on a recurring basis as of December 31, 2018 and 2017 are as follows:

	<u>2018</u> <u>Market Value</u>
Cash and Cash Equivalents – Level I	\$ 524,276
Corporate CDs and Bonds – Level II	558,114
Municipal Bonds – Level II	572,728
Stocks and Publicly Traded Funds/Equities – Level I	524,079
Real Investment Trust – Level III	79,243
Net Pledges Receivable – Level III	148,835
Total Investments	<u>\$ 2,407,275</u>

The following table provides further details of the Level 3 fair value measurements:

Balance at December 31, 2017	\$ 296,182
Net Pledges Made	148,835
Net Decrease in Value of Real Investment Trust	(112,354)
Pledges Paid	(104,585)
Balance at December 31, 2018	<u>\$ 228,078</u>

	<u>2017</u> <u>Market Value</u>
Cash and Cash Equivalents – Level I	\$ 124,619
Government and Agency Bonds – Level II	159,968
Corporate CDs and Bonds – Level II	575,635
Municipal Bonds – Level II	631,001
Stocks and Publicly Traded Funds/Equities – Level I	553,888
Real Investment Trust – Level III	191,597
Net Pledges Receivable – Level III	104,585
Total Investments	<u>\$ 2,341,293</u>

The following table provides further details of the Level 3 fair value measurements:

Balance at December 31, 2016	\$ 336,856
Net Pledges Made	104,585
Net Decrease in Value of Real Investment Trust	(11,309)
Pledges Paid	(133,950)
Balance at December 31, 2017	<u>\$ 296,182</u>

NOTE 5 PLEDGES RECEIVABLE

As of December 31, 2018 and 2017, the Organization had pledges receivable which were used for the general operations of the Organization of \$163,835 and \$119,585, respectively. All pledges receivable are expected to be received within a year, and are classified as current in the statement of financial position.

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 6 NET ASSETS WITH DONOR RESTRICTIONS

As of December 31, 2018 and 2017, the Organization had \$232,091 and \$259,654, respectively in net assets with donor restrictions due to time and purpose restrictions. In 2018 and 2017, the purpose restriction net assets amounted to \$68,256 and \$140,069 respectively, which will be used for Down syndrome events and Dominican Republic programs. The rest were time restrictions.

NOTE 7 NET ASSETS RELEASED FROM DONOR RESTRICTIONS

During the year ended December 31, 2018 and 2017, net assets in the amounts of \$365,098 and \$341,290 respectively, were released from time and donor-imposed restrictions by receipt of the donations and/or by incurring expenses satisfying the restricted purposes as specified by the donors.

NOTE 8 OPERATING LEASE

The Organization originally entered into a lease dated July 3, 2007 for office space. This lease expired June 30, 2010 and was a tenant-at-will lease through the remainder of 2011. Per the Second Amendment to Lease (the "Agreement"), signed December 31, 2011, the space was converted to storage and office space effective January 1, 2012. The lease is for five years, expiring December 31, 2017, and payable in monthly installments of \$266.67. The Agreement stipulates that the lease will be in default if the statue, noted and depicted in the Agreement, is removed from its current location. In the event of default, the Organization shall pay Basic Rent and Additional Rent for use of the office space at the then market rate with the option to terminate the lease and vacate both the office and storage space. The Organization has no intention of moving the statue in the foreseeable future. The lease is currently month-to-month as no subsequent long term lease has been negotiated.

NOTE 9 RETIREMENT PLAN

The Organization has a Simple IRA retirement plan, which allows its employees to contribute a percentage of their wages to an income tax deferred retirement plan of the employee's choosing. The Organization matches 100% of employee deferrals up to 3%.

NOTE 10 SUBSEQUENT EVENTS

Beginning around March 2020, the COVID-19 virus has been declared a global pandemic as it continues to spread rapidly. Business continuity, including supply chains and consumer demand across a broad range of industries and countries are being severely impacted and will continue for months and beyond as governments and their citizens take significant and unprecedented measures to mitigate the consequences of the pandemic. Management is carefully monitoring the situation and its current and potential impacts on the Organization. Impacts include continued disruptions or restrictions on our employees' ability to work and impairment of our ability to obtain contributions and volunteers. The future effects of these issues are unknown.

THE PUJOLS FAMILY FOUNDATION, INC.
NOTES TO FINANCIAL STATEMENTS

NOTE 10 SUBSEQUENT EVENTS (CONTINUED)

Subsequent to year end, the Organization applied for and was approved a \$79,440 loan under the Paycheck Protection Program created as part of the relief efforts related to COVID-19 and administered by the Small Business Administration. The loan accrues interest at 1%, but payments are not required to begin for ten months after the covered period of the loan. The Organization is eligible for loan forgiveness of up to 100% of the loan, upon meeting certain requirements. The loan is uncollateralized and is fully guaranteed by the Federal government.

NOTE 11 RECLASSIFICATIONS

Certain reclassifications have been made to the prior year financial statements to conform with the current year presentation.